

Environmental Services Company Ltd.



החברה לשרותי איכות הסביבה בע"מ

Tender 27/2022

**INVITATION FOR PRE-QUALIFICATION TO PARTICIPATE IN A
TENDER TO OWN, OPERATE AND MAINTAIN A HAZARDOUS WASTE INCINERATION
FACILITY IN NEOT HOVAV INDUSTRIAL AREA, ISRAEL**

8 DECEMBER 2022

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1. DEFINITIONS

All capitalized terms used in this Invitation shall have the meaning ascribed thereto in **Annex 1** (Definitions) to this Invitation.

2. INTRODUCTION

- 2.1 The Environmental Services Company Ltd. (“**ESC**”), is a government company which provides hazardous waste treatment and disposal services in Israel. ESC is wholly owned by the State of Israel.
- 2.2 Treatment of hazardous waste is, inter alia, done by a rotary kiln hazardous waste incineration facility located at ESC’s premises in Neot Hovav Industrial Area (the “**Neot Hovav Facility**” or “**NH Facility**”). The NH Facility is currently owned and operated by Ecosol – Ecological Solutions Israel Ltd. (“**Ecosol**”). A general description of the NH Facility is attached as **Annex 2** to this Invitation. The Site Photograph is attached as **Annex 3** to this Invitation.
- 2.3 The NH Facility was erected by Ecosol in 1996, pursuant to a BOO agreement (build, own and operate agreement) signed between ESC and Ecosol in 1996 and several addenda thereafter. Ecosol operates the NH Facility for ESC as its exclusive contractor (ESC is the NH Facility's sole client for waste incineration).
- 2.4 The NH Facility is the only Hazardous Waste incineration plant in Israel, and ESC's premises in Neot Hovav is currently the only place in Israel with the permits to operate such a facility. As a result, ESC has the legal status of a declared monopoly in hazardous waste incineration (excluding hazardous waste that is a fuel substitute, and industrial waste water with up to 10% organic matter).
- 2.5 In the years 2019-2021 the NH Facility treated around 40,000 tons of hazardous waste per year, receiving from ESC an annual revenue of around 60 Million NIS per year. Further and more detailed information regarding the NH Facility will be provided to Eligible Participants who successfully passed the Pre-Qualification Stage.
- 2.6 The term of the agreement between ESC and Ecosol shall end on the 30th of June, 2024 (the “**Final Hand Over Date**”). It is ESC’s intention to select, through this Tender Process, an operator that will purchase the NH Facility from Ecosol and take full charge of its operation and maintenance, in accordance with a OOT Agreement (Own, Operate and Transfer Agreement), no later than the Final Hand Over Date and for a term of 15 years plus an option for the operator to choose an extension of the term by 5 additional years (in accordance with a mechanism and under the terms and conditions as shall be detailed in the Second Tender Stage).

- 2.7 The NH Facility will be sold in its present condition, including any legal, regulatory, accounting, economic, tax-related, physical, environmental, technical, or engineering conditions (hereafter “**AS IS**”), and without any representations or warranties from Ecosol or ESC regarding its condition, unless expressly set in the OOT Agreement or the Sale Contract.
- 2.8 The Successful Bidder will be required to pay the following payments:
- 2.8.1 A payment to Ecosol for the purchase of the NH Facility, in an amount as shall be published in the Second Tender Stage (the “**Purchase Price**”). The Successful Bidder shall receive ownership and be allowed to operate the NH Facility subject to the payment of the Purchase Price. Ownership of the NH Facility will be transferred AS IS for the term of the OOT Agreement. Terms in relation to the transfer of operational and maintenance know-how and training in relation to the NH Facility shall be detailed in the Tender Selection Stage.
- 2.8.2 Furthermore, the Successful Bidder will be required to pay ESC an annual amount for land use as offered in its Bid.
- 2.9 The details of the business relationship between the Successful Bidder and ESC will be defined in detail in the Second Tender Stage. Generally - ESC provides the NH Facility the hazardous waste to be treated, and pays for the treatment according to the prices for hazardous waste incineration derived from the prices defined by the governmental pricing committee, minus a fixed markup of 11.5%. This markup is used, among others, to provide the NH Facility with various services (at no extra cost for the NH Facility) including lab analysis of the incoming wastes, treatment of the ash resulting from the incineration process and security.
- 2.10 At the end of the term of the OOT Agreement, the Successful Bidder will transfer the ownership of the NH Facility to ESC, without consideration, and in accordance with the terms and conditions of the OOT Agreement.
- 2.11 For the avoidance of doubt, it is clarified that Ecosol, should it wish to participate in the Tender Process, may do so and may be subject to any specific terms and conditions in the Second Tender Stage as the Tender Committee shall determine applicable.

3. **STAGES OF THE TENDER PROCESS**

- 3.1 The Tender Committee intends to select a Successful Bidder that will purchase and operate the NH Facility, through the following two stages:

3.1.1 A Pre-Qualification Stage; and

3.1.2 A Second Tender Stage.

3.2 **The Pre-Qualification Stage**

3.2.1 The purpose of the Pre-Qualification Stage is to identify the Eligible Participants who shall be invited to submit a Bid in the Second Tender Stage.

3.2.2 To demonstrate compliance with all Pre-Qualification Requirements, Participants in the Pre-Qualification Stage will be required to submit Pre-Qualification documents (“**Pre-Qualification Submissions**”) in accordance with the provisions of this Invitation. The Pre-Qualification Submissions shall demonstrate the Participants compliance with all Pre-Qualification Requirements, Rules of Procedure and all other applicable requirements and provisions pursuant to this Invitation.

3.2.3 The Tender Committee will review the Pre-Qualification Submissions in accordance with the provisions of this Invitation and shall determine who among the Participants is an Eligible Participant. The Tender Committee shall notify the Eligible Participants accordingly (“**Eligible Participants Notification**”). The Tender Committee may, at its sole discretion, publish a list of the Eligible Participants.

3.2.4 The Tender Committee hereby invites Entities to participate in the Pre-Qualification Stage. The Tender Committee reserves the right to contact additional Entities at its own initiative, in any manner it sees fit, to invite them at any time to participate in the Pre-Qualification Stage.

3.3 **The Second Tender Stage**

3.3.1 Following the announcement of the Eligible Participants, the Tender Committee shall invite the Eligible Participants to submit a Bid in the Tender on a date to be determined by it.

3.3.2 The Tender Committee may set additional threshold requirements in the Second Tender Stage, which are not included in the Pre-Qualification Requirements, as a prerequisite for submitting a Bid in the Tender. The Tender Committee also reserves the right to amend any date contained herein, at any time, at its sole discretion, by issuing a written clarification or Addenda to the Invitation in accordance with the provisions of Section 7.9 (Addenda) thereof.

- 3.3.3 Eligible Participants shall continue to comply with all Pre-Qualification Requirements throughout the Second Tender Stage. An Eligible Participant will be required to notify and inform the Tender Committee in any case it ceases to comply with a Pre-Qualification Requirement or in any case of doubt thereof. Additionally, Eligible Participants shall be required to submit Updated Statements upon submission of their Bids in accordance with the provisions of this Invitation and the instruction issued in the Second Tender Stage.
- 3.3.4 The Tender Committee shall examine and evaluate the Bids in accordance with the provisions of the Tender Documents and shall select a Successful Bidder. The Tender Committee shall notify the Successful Bidder accordingly (“**Notice of Award**”).
- 3.3.5 Following the Notice of Award, The Successful Bidder and ESC will enter into the OOT Agreement. The Tender Committee may set provisions in the Tender Documents which are preconditions for entry into the OOT Agreement, or conditions for the validity of the Agreement.

3.4 **Anticipated Schedule**

- 3.4.1 The Anticipated Schedule of the Pre-Qualification Stage is as follows:

Date of publication of the Invitation	December 8, 2022
Final Date for the payment of the Participation Fee	April 24, 2023
Final Date for Submission of Requests for Clarifications	March 9, 2023
Pre-Qualification Submission Date	May 1, 2023

- 3.4.2 The Tender Committee may, at its sole discretion, change any of the dates listed above at any time at its sole discretion, by issuing a written clarification or Addenda in accordance with the provisions of Section 7.9 (Addenda).

4. **GENERAL PROVISIONS RELATING TO PARTICIPATING ENTITIES**

4.1 **The Participant**

- 4.1.1 A Participant shall be:

4.1.1.1 A sole Entity ("**Sole Participant**"); or

4.1.1.2 A consortium of Entities, each of which shall be a Member ("**Participating Consortium**").

4.1.2 As further detailed in Section 10.10, the incorporation of an Eligible Participant as an SPV shall only be required during the Second Tender Stage.

4.2 **Members of the Participant**

4.2.1 Members shall mean each of the Entities committed to holding Anticipated Holdings in the Participant and which comply with:

4.2.1.1 All of the requirements in Section 5.1.1 (General Requirements); and

4.2.1.2 the applicable Financial Threshold Requirements in Section 5.4 (Financial Threshold Requirements).

4.2.2 A Member cannot be an SPE.

4.2.3 For the avoidance of doubt, a Member can be an Investment Fund.

4.3 **Experience Provider**

4.3.1 An Experience Provider shall mean an Entity which complies with:

4.3.1.1 All of the requirements in Sections 5.2.1-5.2.2 and 5.2.7 (General Requirements); and

4.3.1.2 The requirements of the Section 5.3 (Professional Experience Requirements).

4.3.2 An Experience Provider is not required to be a Member. An Experience Provider which is not a Member is a Major Subcontractor.

4.3.3 Further expectations of the Experience Providers may be required during the Second Tender Stage.

4.3.4 An Experience Provider (as a Member or as a Major Subcontractor) demonstrating compliance with the Professional Experience Requirements shall be the Entity responsible for the execution of the operation and maintenance of the NH Facility in accordance with the OOT Agreement on behalf of the Participant in the event of a Successful Bid.

4.3.5 An Experience Provider shall sign and submit as part of the Pre-Qualification Submission an undertaking in the form of Pre-Qualification Form 5 and any other applicable form.

4.4 **Major Subcontractor**

- 4.4.1 A Major Subcontractor is an entity which complies with the all the requirements of an Experience Provider and is not a Member of the Participant.
- 4.4.2 A Participant may engage a Major Subcontractor for the purpose of demonstrating compliance with the Professional Experience Requirements and for the execution of the operation of the NH Facility.
- 4.4.3 A Major Subcontractor, shall sign and submit as part of the Pre-Qualification Submission, an undertaking in the form of Pre-Qualification Form 5 and any other applicable form.

4.5 **Guarantor**

- 4.5.1 A Guarantor shall mean:
 - 4.5.1.1 A Member acting as a guarantor for another Member; or
 - 4.5.1.2 An Entity which Controls a Member
and which complies with:
 - 4.5.1.3 All of the requirements in Sections 5.2.1-5.2.2 and 5.2.7 (General Requirements); and
 - 4.5.1.4 The applicable Financial Threshold Requirements of Section 5.3.2 (Financial Threshold Requirements).
- 4.5.2 A Guarantor shall sign and submit as part of the Pre-Qualification Submission an undertaking in the form of Pre-Qualification Form 4 and any other applicable form.

4.6 **Investment Fund**

A Member may be an Investment Fund which complies with:

- 4.6.1.1 The definition of an Investment Fund as stated in Annex 1 (Definitions)
- 4.6.1.2 All of the requirements in Sections 5.2.1-5.2.2 and 5.2.7 (General Requirements); and
- 4.6.1.3 The applicable Financial Threshold Requirements of Section 5.4 (Financial Threshold Requirements).

5. PRE-QUALIFICATION REQUIREMENTS

5.1 Pre-Qualification Requirements

Every Participant must demonstrate compliance with the following Pre-Qualification Requirements:

- 5.1.1 General Requirements.
- 5.1.2 Professional Experience Requirements.
- 5.1.3 Financial Threshold Requirements.

5.2 General Requirements

5.2.1 Each Participant (if such is a single Entity, already incorporated on the Pre-Qualification Submission Date), and each Participating Entity must comply with and satisfy all of the following requirements:

- 5.2.1.1 It is a duly organized and a validly existing Entity under the laws of the jurisdiction in which it is organized.
- 5.2.1.2 It has all requisite corporate power and authority for the ownership and operation of its properties and for the carrying on of its business as currently conducted or proposed to be conducted for the purposes of the OOT Agreement (including the participation in this Pre-Qualification Stage).
- 5.2.1.3 There are no actions or proceedings pending, voluntary or involuntary, with respect to dissolution, liquidation, freezing of assets, bankruptcy, insolvency, appointment of a trustee, a liquidator or a receiver (including temporarily), or any other analogous situation, nor are there, to the best of its knowledge, any actions or proceedings which might result in dissolution, liquidation, freezing of assets, bankruptcy, insolvency, appointment of a trustee, a liquidator or a receiver (including temporarily), or any other analogous situation.
- 5.2.1.4 It and any Interested Party, or Office Holders thereof involved in the Tender Process or intended to participate in the performance of the OOT Agreement (including individuals) are not residents or citizens of a state which does not have diplomatic relations with the State of Israel.

5.2.1.5 Subject to the provisions of Section 5.2.5 (An Entity Charged with, or Convicted of, an Offence), it and any Interested Party thereof (including individuals), have not been convicted of an Offence and no indictment (criminal charges) with respect to an Offence has been filed against any of such.

5.2.1.6 To the extent required under Law, each Participating Entity incorporated in the State of Israel, or registered in Israel as a Foreign Company as defined under the Companies Law 1999, shall provide all relevant approvals and statements as required in accordance with the provisions of the Public Entities Transactions Law 1976 by completing Pre-Qualification Form 4 Annex C, and an ascertainment of regular reports of revenues to the tax assessor and the director of V.A.T. in transactions that are taxable under the Value Added Tax Law 1975.

A Foreign Company registered in Israel which cannot provide such approvals due to its lack of activities in Israel and/or is not registered in the Israeli tax authorities shall include within its Pre-Qualification Submission, under cover of Pre-Qualification Form 4 Annex D a declaration by an independent auditor; and (2) an affidavit of a representative of the Participating Entity's management, both testifying to such status.

5.2.1.7 It is not a Declared Entity; and the Office Holders thereof involved or intended to be involved in the Pre-Qualification Stage, in the Second Tender Stage or in the performance of the OOT Agreement (including individuals) are not Declared Entities.

This requirement shall also apply to any Participating Entity's Related Entity (“גורם קשור”, including derivatives thereof), as such term is defined under the: (i) the Law for the Struggle with Iran's Nuclear Program from 2012; and/or (ii) the Law for the Prevention of Distribution and Financing of Weapons of Mass Destruction from 2018.

5.2.1.8 Each Participating Entity shall provide an authenticated copy of its certificate of incorporation under cover of PQ Form 4 Annex A. If a Participating Entity is not incorporated in the State of

Israel, it shall provide the equivalent certification regarding its corporate registration in accordance with the laws of its domicile.

In the event that such foreign Entity is registered in Israel as a Foreign Company under the Israel Corporation Law 5759-1999, or as a foreign partnership under the Israeli Partnership Ordinance, 1975, such Entity shall also attach the appropriate certification of registration accordingly. All such documents of incorporation shall be submitted under the relevant Pre-Qualification Forms, as indicated therein and, where applicable, accompanied by a notarized translation to English in accordance with the requirements of this Invitation.

5.2.2 **Participation Fee**

- 5.2.2.1 As a pre-condition for the submission of the Pre-Qualification Documents, each Participant shall pay a participation fee in an amount of NIS fifteen thousand (15,000) (VAT included) (the “Participation Fee”).
- 5.2.2.2 The Participation Fee shall be paid either: (i) through wire transfer using IBAN: **IL110108170000040346244**; or (ii) to the Environmental Services Company's bank account at **Leumi Bank (10), Branch 817, Account No. 403462/44**. The transfer of the participation fee shall include the following note: "Participation Fee for Pre-Qualification in Tender 27/2022"
- 5.2.2.3 The Participation Fee shall not be refunded in any way, for any reason.
- 5.2.2.4 Participants shall submit a copy of the receipt for the payment of the Participation Fee as well as the Participant’s contact details (inter alia, the name of the Participant, its Authorized Representative, address, phone number, fax number, email address) to ESC's Email and as part of the Bid Submission. Participants shall be responsible for informing the Tender Committee of any change in their contact details.
- 5.2.2.5 A person or an Entity may pay the Participation Fee on behalf of another Entity.

- 5.2.2.6 An Entity which has paid the Participation Fee may assign or transfer the right to participate to another Entity.
- 5.2.2.7 One (1) payment of the Participation Fee shall entitle the submission of one (1) Pre-Qualification Submission.
- 5.2.2.8 One (1) payment of the Participation Fee shall entitle one Participant (including all its Participating Entities) to submit a Pre-Qualification Submission.
- 5.2.2.9 It is hereby emphasized that the payment of the Participation Fee does not constitute recognition of an Entity's (including a Participant's) eligibility, qualifications or competence to meet the requirements of this Invitation.

5.2.3 **No Conflict of Interest**

- 5.2.3.1 Each Participating Entity acknowledges that in the preparation of the Pre-Qualification Submissions, the Bids and in the performance of the OOT Agreement it is strictly prohibited from having any conflict of interests between any of its other activities and/or its other obligations and/or any of its employees, consultants or subcontractors and the obligations and rights with respect to this Invitation, the Tender, the OOT to be awarded, including a conflict of interest which may arise as a result of engaging employees, advisors or sub-contractors of the Tender Committee or ESC.
- 5.2.3.2 Without derogating from the above, the entities listed in **Annex 4** (List of Advisors to the Tender Committee) are currently engaged or have been engaged as consultants to ESC and/or the Tender Committee, either directly or indirectly, in connection with the NH Facility or the Tender for the OOT Agreement and therefore Participating Entities are strictly prohibited from employing or engaging any of them for the purpose of this Invitation, the Tender Process or the performance of the OOT Agreement, whether directly or indirectly, without the prior written consent of the Tender Committee.
- 5.2.3.3 The Tender Committee reserves the right to update the list from time to time and at its sole discretion.

- 5.2.3.4 It is clarified that the prohibition applies to:
- 5.2.3.4.1 the entities listed in Annex 4, in respect of any person employed thereby, listed in Annex 4. If no names are indicated, all individuals within the advising entity are considered included within the prohibition; and
 - 5.2.3.4.2 the persons listed in Annex 4, regardless if their employment by such prohibited entity has ended.
- 5.2.3.5 Each Participant shall submit, by no later than the deadline for submitting Requests for Clarification, details of:
- 5.2.3.5.1 its requests for approval of engagement of any of ESC's Advisors (listed in Annex 4), for the purpose of this Invitation, the Tender Process, or its request for approval of any other of its other activities and/or obligations issue that might constitute a conflict of interests. (**“Request for Approval”**);
 - 5.2.3.5.2 all its, and any Affiliated Entity's (which existed in the period between 1 January 2017 and the Submission Date), currently existing and future known engagements of any of ESC's Advisors (listed in Annex 4), for any purpose which is not connected to the Tender Process or the Project (**“Notification”**).
- 5.2.3.6 Any Request for Approval and Notification shall include details of the nature and expected duration of the engagement.
- 5.2.3.7 Without derogating from its rights and prerogatives pursuant to this Invitation or Law, following receipt of such Request for Approval and /or Notification, the Tender Committee may, at its sole discretion: (i) approve the request; (ii) require additional details; (iii) notify the relevant Participant that it does not approve such engagement if it considers that such engagement creates or appears to create a conflict of interest; (iv) impose certain restrictions with respect to such engagement in order to

avoid any appearance of or a conflict of interest, (v) request to amend the terms of any engagement of a ESC's Advisor in each case; and/or (vi) disqualify a Participating Entity and/or a Participant, all as the Tender Committee shall deem fit.

5.2.3.8 The Tender Committee reserves its right to decide whether or not to publish its response as a Clarification.

5.2.3.9 It is hereby notified, that the Tender Committee may, at its sole discretion, disqualify or stipulate any terms and conditions to a Participant that refrained from bringing to the attention of the Tender Committee concerns regarding a conflict of interest it may have.

5.2.4 No Market Restrictions

5.2.4.1 Without derogating from any of its rights and prerogatives pursuant to this Invitation or the Law, the Tender Committee reserves the right to determine and impose additional or new conditions, limitations, prohibitions, or restrictions, inter alia, with respect to the participation of an Entity or person in the Pre-Qualification Stage, the Tender Process, or otherwise in relation to the OOT Agreement.

5.2.4.2 The Tender Committee may reach such determination if, for example, the purchase, ownership, operation and maintenance of the NH Facility by a certain Participant raises concerns regarding concentration or restrictions of competition in the hazardous waste treatment market in Israel (“**Market Restrictions**”). The Tender Committee reserves the right to make such determination even if not dictated by a competent authority.

5.2.4.3 Each Participant undertakes to notify the Tender Committee throughout the Tender Process, should any Market Restrictions, or any concern of it, arise. Including in case of an applicable change in Control, a notice of a relevant authority, or any other relevant circumstances, then the Participant shall notify the Tender Committee to that effect immediately.

5.2.5 An Entity charged with or convicted of an Offence

5.2.5.1 In the event that a Participating Entity or Affiliated Entity or any Interested Party thereof does not comply with the requirement of Section 5.2.1.5, the Authorized Representative, on behalf of the Participating Entity or the Interested Party, shall submit to the Tender Committee by the Final Date for Submission of Requests for Clarifications, relevant information with respect to the filing (submission) of an indictment (criminal charges) in an Offence or with respect to a conviction (as applicable).

5.2.5.2 The Tender Committee may, at its sole discretion, (i) disqualify the Participating Entity from participating in the Tender Process; or (ii) impose conditions and restrictions with respect to its participation in the Tender Process, in each case, as the Tender Committee shall deem fit.

5.2.5.3 Any decision reached by the Tender Committee prior to the Pre-Qualification Submission Date shall be provided to the Participant. In addition, an Addendum shall be published in accordance with the provisions of Section 7.9 (Addenda), conveying to all other Participants that the Tender Committee has approved, rejected or otherwise conditioned the participation of a Participating Entity or any Interested Party thereof which does not comply with the provisions of Section 5.2.1.5, without disclosing the identity of such Entity or the nature of the Offence (unless otherwise determined by the Tender Committee, at its sole discretion).

5.2.5.4 This Section 5.2.5 (An Entity Charged with, or Convicted of, an Offence) does not derogate from any of the Tender Committee's rights and prerogatives under this Invitation or the Law.

5.2.6 **Authorized Representative**

5.2.6.1 Each Participant shall appoint one of its Members, through one individual on its behalf, as an authorized representative for: (i) conducting correspondence with the Tender Committee; and (ii) receiving instructions from the Tender Committee for and on behalf of all Participating Entities in the Participant (an **“Authorized Representative”**).

5.2.6.2 A Participant may replace its Authorized Representative by giving a prior written notice to the Tender Committee, signed by all Members of the Participant. The appointment of an Authorized Representative shall not be terminated other than by the appointment of a replacement and the receipt of notice thereof by the Tender Committee.

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

Each Participating Entity may participate in only one Pre-Qualification Submission.

For the purpose of the provisions of this Section 5.2.7, the term “**Participating Entity**” shall be deemed to include any Affiliated Entity.

5.2.8 **Government Companies**

5.2.8.1 A Government Company is not permitted to participate in the Tender Process, directly or indirectly.

5.2.8.2 A Government Company shall mean:

5.2.8.2.1 any Entity budgeted by the Government of the State of Israel as defined under Section 21 of the State Budget Law – 1985 [“גוף מתוקצב”].

5.2.8.2.2 any Municipal Company or a subsidiary thereof as defined under Section 21 of the State Budget Law – 1985.

5.2.8.2.3 any company supported by the Government of the State of Israel as defined under Section 32 of the State Budget Law – 1985 [“גוף נתמך”].

5.2.8.2.4 any Entity incorporated by Law (a statutory corporation) [“תאגיד סטטוטורי”], or any company subject to the provisions of the Government Companies Law – 1975.

5.2.8.3 The provisions of this Section 5.2.8 (Government Companies) shall not apply with respect to participation of any such Entity in its capacity as an investor in an Investment Fund or in its capacity as a supplier or sub-contractor which is not included in PQ Submission.

5.2.9 **Participating in Multiple Capacities**

In the event that an Entity participates in the Tender Process in more than one role (e.g., Member, Experience Provider, Guarantor etc.), such Entity will be required to comply with all requirements pertaining to each of its various roles.

5.3 **Professional Experience Requirements**

5.3.1 Each Participant shall demonstrate the following professional experience of an Experience Provider:

The Experience Provider has operated and maintained a Reference Facility as a Lead Operator (as such terms are defined in Annex A) for a period of at least 5 consecutive years within the period between 1 January 2008 and the Pre-Qualification Submission Date.

5.4 **Financial Threshold Requirements**

5.4.1 **Financial Requirements for a Sole Participant**

A Sole Participant must demonstrate compliance with the following:

5.4.1.1 It has Equity of not less than NIS 60,000,000 (sixty million New Israeli Shekels) based on its Latest Financial Statement. However, it is clarified that if the Sole Participant is an Investment Fund and cannot demonstrate Equity, it shall demonstrate instead Unutilized Commitments under its management in an amount of at least NIS 180,000,000 (one hundred and eighty million New Israeli Shekels).

5.4.1.2 Its Equity Ratio, based on its Latest Financial Statement, is not lower than 25% (twenty five percent). This requirement shall not apply to a Sole Participant which is an Investment Fund.

5.4.1.3 Its Average Turnover, according to its Financial Statements for the last three (3) fiscal years (latest is no earlier than 2021), is not lower than NIS 100,000,000 (one hundred million New Israeli Shekels). This requirement shall not apply to a Sole Participant which is an Investment Fund.

5.4.1.4 Its cumulative operating cash flow, according to its Financial Statements for the last three (3) fiscal years (latest is no earlier

than 2021), is not negative (but is zero or positive). This requirement shall not apply to a Sole Participant which is an Investment Fund.

5.4.2 **Financial Requirements for a Participating Consortium.**

A Participating Consortium must demonstrate compliance with the following:

5.4.2.1 It has a Weighted Equity of not less than NIS 90,000,000 (ninety million New Israeli Shekels) based on its Eligible Members' Latest Financial Statements ("Minimal Weighted Equity"). It is clarified that only Members whose Anticipated Holdings in the Participant are at least 20% ("Eligible Member/s") shall be considered in the calculation. Members whose Anticipated Holdings are less than 20% shall be considered to have no Equity (0 NIS).

5.4.2.2 In a Participating Consortium with an Investment Fund Eligible Member which cannot demonstrate Equity, the following shall apply:

a. The Investment Fund Eligible Member shall demonstrate Unutilized Commitments under its management in an amount of at least NIS 1,800,000 (one million eight hundred thousand NIS) for each 1% (one percent) of its Anticipated Holdings ;

and

b. The Minimal Weighted Equity to be demonstrated by the remaining Eligible Members will be reduced pro rata.

Accordingly, the Minimal Weighted Equity of the remaining Eligible Members will be calculated as follows : Minimal Weighted Equity of the remaining Eligible Members = $90,000,000 * (1 - X)$.

X= The Investment Fund's eligible member Anticipated Holdings.

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5.4.2.3 The Equity Ratio of each of its Members, based on their Latest Financial Statements, is not lower than 25% (twenty five

percent). This requirement shall not apply to an Investment Fund Member.

5.4.2.4 The Weighted Average Turnover of the Participating Consortium, according to its Members Financial Statements for the last three (3) fiscal years (latest is not earlier than 2021), is not lower than NIS 150,000,000 (one hundred and fifty million New Israeli Shekels). For the purpose of this requirement, only Eligible Members who are not Investment Funds shall be considered in the calculation. It is clarified that the Average Turnover of Members whose Anticipated Holdings are less than 20% and Members who are Investment Funds, shall be considered to be 0 NIS average turnover. . For example, if a Consortium has two members, Member A with anticipated holdings of 10% and member B with anticipated holdings of 90%, then Member B's Average Turnover should be at least 166,666,700 NIS.

5.4.2.5 The cumulative operating cash flow, of each of its Members (which are not Investment Funds), according to their Financial Statements for the last three (3) fiscal years (latest is not earlier than 2021), is not negative (but is zero or positive).

5.4.3 No Going Concern

Each Participating Entity shall demonstrate that it is not under any voluntary or involuntary bankruptcy process (liquidation or reorganization), or receivership, or commencement of a similar insolvency proceedings, and its Latest Financial Statement does not include any Going Concern notice.

6. DEMONSTRATION OF COMPLIANCE WITH THE PRE-QUALIFICATION REQUIREMENTS

6.1 Submission of Documents in Support of the Professional Experience Requirements

- 6.1.1 To demonstrate compliance with the Professional Experience Requirements, the Participant shall submit Pre-Qualification Form 7.
- 6.1.2 A Participant may submit up to 2 Reference Facilities, each under a separate Pre-Qualification Form.
- 6.1.3 For each Reference Facility, the Participant shall attach a duly completed and signed Pre-Qualification Form 7 Annex A by an independent engineer confirming the compliance of the Reference Facility with the definition thereof under this Invitation.

6.2 Relying on the professional experience of a Supporting Entity

6.2.1 For the purpose of demonstrating compliance with the Professional Pre-Qualification Requirements, an Experience Provider may present and rely on maintenance and / or operations which were executed by another Entity ("**Supporting Entity**"), in accordance with any of the following.

6.2.1.1 A Supporting Entity which is an SPE:

6.2.1.1.1 the Experience Provider must have had Effective Holdings of 50 % or more of all Means of Control in the SPE; and

6.2.1.1.2 the Entities which directly held the Means of Control of the SPE (including the Experience Provider), must have been responsible, jointly and severally, for the operation and maintenance of the Reference Facility.

6.2.1.1.3 The same shall not be required if the SPE is a limited liability company.

6.2.1.2 A Supporting Entity which is a subsidiary of the Experience Provider provided that the Experience Provider has Effective Holdings of 51% or more of all Means of Control in the Supporting Entity.

6.2.1.3 A Supporting Entity which is Controlled by the same entity which Controls the Experience Provider, provided that the Controlling entity has Effective Holdings of at least 51% in both the Supporting Entity and the Experience Provider.

6.2.1.4 A Supporting Entity which has merged with the Experience Provider:

6.2.1.4.1 The Experience Provider and the Supporting Entity have "merged", as such term is defined under the Companies Law 1999 (or, with respect to Entities established outside the State of Israel, a similar amalgamation, which, in accordance with the applicable law under the applicable jurisdiction, has the same essential outcome), which merger was completed prior to the Pre-Qualification Submission Date; or

6.2.1.4.2 The Experience Provider acquired 100% of all Means of Control of the Supporting Entity prior to the Pre-Qualification Submission Date; or

6.2.1.4.3 The Supporting Entity transferred some or all of its assets, business or divisions, as part of a corporate reorganization, to the Experience Provider, provided that (a) the Supporting Entity no longer holds any of the transferred assets, business or division (as applicable), and (b) the transfer was completed prior to the Pre-Qualification Submission Date.

6.2.1.4.4 In the event of reliance on a merged Supporting Entity, the Participant shall complete and sign Pre-Qualification Form 6 and attach:

6.2.1.4.4.1 A confirmation by an Israeli lawyer / a formal certificate of the applicable statutory authority under the laws of the applicable jurisdiction, testifying to the date and results of the Merger/Acquisition/Transfer between the Experience Provider and the Supporting Entity; and

6.2.1.4.4.2 A description of the main features of the Merger/Acquisition/Transfer, issues by the Experience Provider’s external auditor or legal advisor.

6.2.2 It is clarified that a Supporting Entity is not considered a Participating Entity nor an Experience Provider and will not be required to assume responsibility on behalf of the Participant in this project in the event of a Successful Bid.

6.3 Submission of Documents in Support of the Financial Experience Requirements

6.3.1 To demonstrate compliance with the Financial Experience Requirements, the Participant shall submit Pre-Qualification Form 8 (Financial Robustness), or Form 8A (financial Robustness – Investment Funds), as applicable, and Pre-Qualification Form 9 (No Going Concern), both signed by an external auditor or the CEO or CFO of the applicable Participating Entity. If signed by the CEO or CFO, the Participating Entity shall attach a letter of verification of the financial data by an external auditor in accordance with accepted accounting principle.

6.4 Reliance on a Guarantor

6.4.1 Each Participant or Member which is not an Investment Fund, may demonstrate compliance with the Financial Threshold Requirements by relying on a Guarantor, provided that the Guarantor itself complies with all Financial Threshold Requirements of a sole participant, and provided that both the Participant/Member and its Guarantor comply with the requirements under Section 5.2 (General Requirements) above.

6.4.2 The reliance on a Guarantor shall not derogate from the Participant/Member's requirement to comply with Section 5.4.3 (No Going Concern).

6.4.3 It shall be clarified that an Entity, which is an Investment Fund, may serve as a Guarantor for a Participating Entity that is Controlled by the general partner of the Investment Fund.

6.4.4 For the purpose of determining a Guarantor’s compliance with all Financial Threshold Requirements in the event that the Guarantor is also a Member of the Participant, the Anticipated Holdings of such Guarantor in the Participant

will be deemed to include all Anticipated Holdings of the Member(s) seeking to rely on such Guarantor.

6.5 Currency Conversion

6.5.1 The financial figures included in the Pre-Qualification Documents shall be submitted within Pre-Qualification Form 8 or 8A, as applicable, in the applicable original currency of the Participating Entity's Financial Statements.

6.5.2 For the purpose of determining compliance with the Financial Threshold Requirements, the Tender Committee shall convert all currencies to NIS in accordance with the applicable currency exchange rate as published by the Bank of Israel:

6.5.2.1 Turnover figures shall be converted in accordance with the average exchange rate of the applicable fiscal year.

6.5.2.2 All other figures (equity, assets, cashflow) shall be converted in accordance with the exchange rate of last date of the applicable fiscal year.

7. RULES AND PROCEDURES

7.1 Governing Law and Jurisdiction

7.1.1 The Tender Process shall be governed and construed in accordance with the provisions of all applicable Laws, including the Tender Law and the Tender Regulations.

7.1.2 The applicable courts in Tel Aviv-Jaffa shall have sole and exclusive jurisdiction over all matters and all disputes arising in connection with the Tender Process.

7.1.3 The foregoing does not derogate from the obligation of any Participating Entity and anyone on their behalf to address the Tender Committee, in writing, with a specific and detailed claim or complaint, if any arise.

7.2 Preparation for Submission

7.2.1 By submitting a Pre-Qualification Submission, each Participating Entity confirms and will be deemed to have confirmed that it has received the complete Pre-Qualification Documents; that it has read, considered and understood the Invitation, and that it accepts the terms and conditions thereof and all obligations and undertakings specified or implied therein.

7.2.2 Each Participating Entity is assumed to have obtained legal advice.

7.2.3 Each Participating Entity and the Pre-Qualification Submissions shall: (i) abide by the Laws; and (ii) be subject to any change in any of the Laws, even should such changes be introduced during the Tender Process.

7.3 **Priority of Documents**

7.3.1 In the event of discrepancies between any of the provisions of this Invitation or between this Invitation and any of the other Pre-Qualification Documents, the Tender Committee, at its sole discretion, shall determine the prevailing provision, in accordance with all Laws. Any discrepancy shall be brought to the attention of the Tender Committee as soon as possible.

7.4 **Severability**

7.4.1 The invalidity or unenforceability of any part, provision or section of the Pre-Qualification Documents shall not affect the validity or enforceability of other parts, provisions or sections thereof. Any invalid or unenforceable part, provision or section shall be deemed severed from the Pre-Qualification Documents, and the Pre-Qualification Documents shall be construed and enforced as if the Pre-Qualification Documents did not contain such invalid or unenforceable part, provision or section.

7.5 **Access to Documents**

7.5.1 Any Entity wishing to participate in the Tender Process may view the Pre-Qualification Documents at the offices of ESC between the hours of 09:00 and 14:00 (by appointment) and on the Website.

7.5.2 Any Entity wishing to participate in the Tender Process shall be required to provide the Tender Committee with contact details of a representative on its behalf, by filling out the requisite form in **Annex aut5** to this Invitation and submitting it to ESC's Email.

7.6 **Cost of Participation in the Tender Process**

Any and all costs and expenses connected with participation in the Tender Process shall be borne by the Participating Entity, or anyone on its behalf, which incurred said costs and expenses. The Participating Entity shall not be reimbursed or otherwise compensated for any of its costs or expenses by the Tender Committee or ESC, including in the event of termination of this Pre-Qualification Stage or cancellation of the Second Tender Stage for any reason whatsoever.

7.7 Language

The Tender Committee reserves the right to issue the Tender Documents, or any part thereof, in English or in a Hebrew version. If a Hebrew version is issued for any English document, the Tender Committee reserves the right to determine the order of precedence in case of any discrepancy between the provisions of the English version and the provisions of the Hebrew version.

7.8 Requests for Clarification of this Invitation

7.8.1 Participants may raise questions and requests for clarifications or interpretations to the Pre-Qualification Documents, in writing, by no later than the deadline for the submission of requests for clarifications as set forth in Section 3.4 (Anticipated Schedule), above (“Request(s) for Clarification(s)”). Such Requests for Clarifications shall be addressed in writing only to ESC's Email. Participants are responsible for verifying the receipt of Requests for Clarifications by the Tender Committee.

7.8.2 Requests for Clarifications shall be submitted via email in a signed PDF file and in a MS-Word file in the following format:

Clarification No.	Section (reference to the relevant Section in the applicable Pre-Qualification Document)	Subject	Clarification/ Question
....			

7.8.3 The Tender Committee reserves the right to disregard Requests for Clarifications which are not submitted in accordance with the requirements specified in this Section 7.8.2.

7.8.4 The Tender Committee may request Participants to provide clarifications to any part of their Request for Clarifications, including by way of meeting with the Participants individually, collectively or in groups thereof.

- 7.8.5 The Tender Committee has no obligation to clarify or interpret this Invitation, to respond to any specific question or to publish any of the Requests for Clarifications submitted to it. Any properly submitted Request for Clarification not responded to by the Tender Committee shall be deemed rejected.
- 7.8.6 The Tender Committee may issue an Addendum for the purpose of clarifying or interpreting the Pre-Qualification Documents in response to Requests for Clarifications, in accordance with the provisions of Section 7.9 (Addenda). Participants shall acknowledge receipt of any Addendum in the manner set forth in Section 7.9 (Addenda).
- 7.8.7 In its response to a Request for Clarification, the Tender Committee may rephrase any Request for Clarification, including adding to or omitting from the original language, as it shall deem fit under the circumstances.
- 7.8.8 The Tender Committee will have full discretion in deciding whether or how to respond to Requests for Clarifications raised following the deadline for the submission thereof as provided in Section 3.4 (Anticipated Schedule) above.
- A response by the Tender Committee to any Request for Clarification shall not derogate from the discretion or the prerogative of the Tender Committee under this Invitation, including under Section 7.9 (Addenda).

7.9 **Addenda**

- 7.9.1 The Tender Committee reserves the right to revise, modify, amend, clarify, add, eliminate or otherwise change the Pre-Qualification Documents or any part thereof, including, but not limited to, any instruction, requirement, specification, Pre-Qualification Requirement or date contained therein, whether at the initiative of the Tender Committee or as a result of a Request for Clarification. Such revisions, if any, shall be announced by written clarification or addenda to the Pre-Qualification Documents (“Addendum” / “Addenda”) and shall constitute an integral part of this Invitation.
- 7.9.2 The Tender Committee shall not be bound by, and Participating Entities shall not rely on, any oral clarification to the Pre-Qualification Documents.
- 7.9.3 No amendments to the Pre-Qualification Documents shall be binding unless issued in the form of an Addendum.

- 7.9.4 The identity of the Participant whose Request for Clarification led to the issuance of an Addendum shall not be disclosed.
- 7.9.5 Copies of Addenda published by the Tender Committee shall be published on the ESC Website and notices regarding such publications shall be furnished to all Participants which have complied with the provisions of Section 7.5.2.
- 7.9.6 Participants are required to acknowledge receipt of notice of Addenda in writing by no later than two (2) Business Days following receipt thereof by return email to ESC's Email.
- 7.9.7 The foregoing does not derogate from the provisions of Section 7.9.8 below and shall not be construed as creating any obligation on the part of ESC or the Tender Committee to inform any Participant of any Addenda published on the ESC Website.
- 7.9.8 Participants are required to check the ESC Website on a regular basis for any Addenda, updates, postponements, changes, clarifications or modifications during the Pre-Qualification Stage and prior to the Pre-Qualification Submission Date.
- 7.9.9 Without derogating from the generality of the provisions of Section 3.4 (Anticipated Schedule) and this Section 7.9 (Addenda), the Tender Committee may postpone the date for submission of Pre-Qualification Submissions, or any other date herein, by such number of days as shall be necessary in the opinion of the Tender Committee, and may repeat this process if necessary. The announcement of a new Pre-Qualification Submission Date, if any, shall be by an Addendum in accordance with Section 7.9 (Addenda), and all of the provisions with respect to the previous Pre-Qualification Submission Date shall apply to such new date, including any Addendum, unless otherwise specified in the Addenda with regard to the postponement. Nothing in this Section shall be construed as an obligation by the Tender Committee to grant an extension.

7.10 **Site Visit and Conference**

- 7.10.1 The Tender Committee reserves the right to hold a conference and/or a site visit (the "**Conference**") once or more times as it deems needed. The participation of the Participant or its Authorized Representative, in any Conference and/or site visit shall not be mandatory.

- 7.10.2 At the Conference, the Tender Committee may answer questions referred to it by Participants in accordance with the provisions of Section 7.8 (Requests for Clarification of this Invitation).
- 7.10.3 Should the Tender Committee answer or present any questions referred to it during the Conference, or any clarification, interpretation or amendment resulting from any request for clarification or interpretation submitted to it by a Participant, the identity of that Participant shall not be disclosed by the Tender Committee.
- 7.10.4 Following the Conference, the Tender Committee shall issue minutes of the Conference to all Participants in the form of an Addendum. Only the written minutes issued by the Tender Committee at the end of the Conference in the form of an Addendum shall be binding. The Tender Committee shall not be bound by, and Participating Entities shall not rely on, any oral representation made by the Tender Committee or by participants during the Conference.
- 7.10.5 The fact that questions, clarifications, interpretations and amendments to the Pre-Qualification Documents will be presented by the Tender Committee at the Conference does not, in any way, restrict the Tender Committee's right to issue an Addendum or to postpone any of the dates contained therein in accordance with the provisions of Section 7.9 (Addenda).

7.11 Intellectual Property Rights

The Pre-Qualification Documents and any and all intellectual property rights therein are exclusively owned by ESC and are supplied to the Participants solely for the purpose of participating in the Pre-Qualification Stage.

7.12 Information Supplied to the Participants

- 7.12.1 The description of the NH Facility detailed in this Invitation is general and indicative only and shall not bind ESC or the Tender Committee.
- 7.12.2 During the Pre-Qualification Stage, Participating Entities are required, to the extent applicable to independently examine and verify all aspects of the NH Facility, including, inter alia, the site, all statutory plans relating thereto, the Pre-Qualification Documents and any other legal, organizational, operational, technical or financial detail relevant to the Pre-Qualification Submission.
- 7.12.3 ESC and the Tender Committee do not represent or warrant that the information contained in the Pre-Qualification Documents or any other

information which they or anyone on their behalf make available to Participants, is complete or accurate, or that it has undergone independent verification by the Tender Committee. Any and all information presented hereby with respect to the NH Facility, including with respect to the Tender Process, and the expected requirements with respect thereof, is subject to change.

7.12.4 It is expressly understood that any reliance of a Participating Entity or anyone on its behalf on any such information, and any deductions, interpretations or conclusions made from information made available by ESC, the Tender Committee or anyone on their behalf, is at the Participating Entity's sole responsibility.

7.12.5 ESC and the Tender Committee shall not be responsible in any respect for any loss or damage whatsoever suffered by a Participating Entity or anyone on its behalf (including their employees, officers, agents, or any other persons for which Participants may be contractually or legally responsible or accountable), as a result of use of any information contained in the Pre-Qualification Documents or provided in connection therewith, or any action or forbearance in reliance thereon.

8. **PRE-QUALIFICATION SUBMISSIONS**

8.1 **Pre-Qualification Submission Letter**

Each Participant shall attach to its Pre-Qualification Submission the Pre-Qualification Submission Letter provided in Pre-Qualification Form 1 duly completed and signed by the Participant and each of its Members. If the Participant has not yet been incorporated, the Pre-Qualification Submission Letter will be signed by its Members ("**Pre-Qualification Submission Letter**").

8.2 **Description of the Participant, Members, Experience Providers and Guarantors and Compliance with the Pre-Qualification Requirements.**

In order to demonstrate compliance with the general requirements and the Pre-Qualification Requirements, each Participant shall submit all of the Pre-Qualification Forms duly completed and signed.

8.3 **Receipt of Participation Fee**

Each Participant shall include a copy of the receipt for payment of the Participation Fee in its Pre-Qualification Submission, attached to Pre-Qualification Form 2.

8.4 **Identification of Sensitive or Classified Information**

Without derogating from the generality of the provisions of regulation 21(e) of the Tender Regulations, and the discretion granted thereunder to the Tender Committee, Participants and Members will detail, in a clear, complete and legible manner, within Pre-Qualification Form 1, all information contained in their Pre-Qualification Submissions which they consider to be of a commercially sensitive or confidential nature and which, in their opinion, should not be disclosed to other Participants ("**Privileged Information**").

8.5 **Validity of Pre-Qualification Submissions**

Unless extended by the Tender Committee, the Pre-Qualification Submissions shall be valid for twelve (12) months, beginning at the Pre-Qualification Submissions Date.

9. **METHOD OF SUBMISSION**

The Pre-Qualification Submission shall be submitted in accordance with the following provisions:

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

9.1.1 Participants shall prepare their Pre-Qualification Submissions in strict conformity with the requirements of this Invitation. Participants shall complete all applicable parts of the Pre-Qualification Submission in an accurate and detailed manner, disclosing all the information requested, as well as any additional information or data required to clarify, substantiate and, in general, support the Pre-Qualification Submission.

9.1.2 Without derogating from the generality of the foregoing, Participants shall submit all Pre-Qualification Forms attached to this Invitation, duly executed.

9.2 **No Deviations**

9.2.1 Participants shall not modify or supplement the instructions of this Invitation by Deviations. Any Deviations included in or attached to a Pre-Qualification Submission may result in the disqualification of the Pre-Qualification Submission and/or of the Participant.

9.2.2 For the avoidance of doubt, any Deviations attached to the Pre-Qualification Submission, which were not submitted by the Participant to the Tender Committee in accordance with the provisions of Section 7.8 (Requests for Clarification of this Invitation) and approved by the Tender Committee in the form of an Addendum, issued in accordance with the provisions of Section 7.9

(Addenda), may be deemed as unauthorized and may result in the disqualification of the Pre-Qualification Submission and of the Participant.

9.2.3 Whether a statement, condition, limitation, modification, supplement, reservation, disclaimer or provision attached to the Pre-Qualification Submission will be considered a Deviation as referred to above will be determined by the Tender Committee on the basis of substance rather than form. Thus, a statement expressed as an assumption, a request for a change, a clarification, or a suggestion “to discuss at a later stage” (or any comparable words or expressions), may be treated by the Tender Committee as a Deviation.

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

9.3.1 All Pre-Qualification Submissions, including Pre-Qualification Forms, statements contained therein and responses to requests for clarifications, shall be in English. Supporting documents and printed literature submitted by a Participant in any other language must be accompanied by a translation to English, authenticated by a Public Notary. For purposes of interpretation, the translation to English shall prevail over the original.

9.3.2 Notwithstanding the above, official documents and authenticated certificates of Israeli corporations in Hebrew may be submitted without an English translation.

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

9.4.1 Each page of the Pre-Qualification Submission, including all Pre-Qualification Forms and appendices, shall be duly signed by the Participant (if the Participant is a single Entity already incorporated on the Pre-Qualification Submission Date) or by each of the Members of the Participant (if the Participant is not a single Entity).

9.4.2 Without derogating from the foregoing, if a document or a set of documents comprising part of the Pre-Qualification Submission are set in binders, the Participant (if the Participant is a single Entity already incorporated on the Pre-Qualification Submission Date) or each of the Members of the Participant (if the Participant is not a single Entity) are only required to sign the first and last pages of each of the binders and clearly indicate the number of pages therein.

9.4.3 Participants may submit certain documents and Pre-Qualification Forms in respect of which the applicable signatures are scanned and the signature pages are submitted in counterparts as follows:

9.4.3.1 All documents required to be submitted as part of the "original copy" of the Pre-Qualification Submission may include (to the extent required) non-original (scanned/photocopied) signatures of all applicable Participating Entities.

9.4.3.2 In addition, the applicable participating Entities (including the Member) may submit the relevant signature of the Pre-Qualification Forms in counterparts.

9.4.3.3 In this respect, the Tender Committee reserves the right to require any of the Participants to submit the original signed Pre-Qualification Forms and documents, at any stage during the Pre-Qualification Stage and thereafter, at its sole discretion and according to instructions it may provide.

9.5 **Table of Contents**

All pages of the Pre-Qualification Submission will be numbered, and the Pre-Qualification Submission will include a detailed table of contents.

9.6 **Authorization of Signatures by an Attorney**

Adjacent to the Participant's signature on the signature page of each Pre-Qualification Form within the its Pre-Qualification Submission, an attorney shall confirm that the signatory (i) was cautioned that he/she is required to state the truth, and that if he/she fails to do so he/she shall be liable to the punishments prescribed by law; and (ii) is authorized to submit the required information on behalf of the Participating Entity and to commit such Participating Entity in relation to the document on which such signature appears.

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

9.7.1 Pre-Qualification Submissions shall be submitted in five identical sets: one (1) original and four (4) copies.

9.7.2 Pre-Qualification Submissions must be submitted and clearly marked as the original and as the four (4) identical copies.

9.7.3 In addition, the Pre-Qualification Submission shall include five (5) CDs or USB storage devices (at the choice of the Participant), each containing a copy of the entire Pre-Qualification Submission in PDF format.

9.7.4 In the event of a discrepancy between the original and the other Pre-Qualification Submission documents, and/or the CD/USB, the original shall prevail.

9.8 Sealing and Marking of Pre-Qualification Submissions

9.8.1 The Pre-Qualification Submissions shall be submitted to the Tender Committee in the allocated tender box, to be placed at the ESC offices: Yitzhak Sadeh 40, Tel-Aviv (4th floor).

9.8.2 The Participant shall seal the original and each of the four (4) copies of the Pre-Qualification Submissions in separate envelopes. The envelopes shall then be sealed in an outer envelope or a box.

9.8.3 Each outer envelope or box submitted as part of the Pre-Qualification Submission shall be clearly marked with the name of this Invitation: ‘Tender 27/2022 Pre-Qualification Submission for the Hazardous Waste NH Facility’. No other details shall be indicated on the outer envelope or box.

9.9 Pre-Qualification Submission Date

9.9.1 Without derogating from the Provisions of Section 7.9 (Addenda), Pre-Qualification Submissions shall be submitted at the address provided in Section 9.8 (Sealing and Marking of Pre-Qualification Submissions) on the date designated for such submission, as set forth in Section 3.4 (Anticipated Schedule) above, by no later than 14:00 (2p.m.) local time (the “Pre-Qualification Submission Date”).

9.9.2 Pre-Qualification Submissions submitted after the Pre-Qualification Submission Date may be opened by the Tender Committee solely for the purpose of identifying the relevant Participant. Such Pre-Qualification Submissions shall be rejected and promptly returned to the Participant which shall consequently be disqualified from participating in the Tender Process.

9.10 Opening of Pre-Qualification Submissions

All Pre-Qualification Submissions shall be kept in the tender box until the opening thereof. The opening of any Pre-Qualification Submission shall be documented.

10. REVIEW AND EVALUATION OF PRE-QUALIFICATION SUBMISSIONS

10.1 Review and Evaluation by the Tender Committee

- 10.1.1 The Tender Committee, with the assistance of any of its advisors and experts, shall review and evaluate the Pre-Qualification Submissions in order to determine whether each of the Participants meets the Pre-Qualification Requirements in this Invitation, including all professional and financial requirements and all other applicable provisions and requirements of this Invitation.
- 10.1.2 The Pre-Qualification Submissions will not be graded by the Tender Committee. Pre-Qualification Submissions shall either “pass” or “fail” the Pre-Qualification Stage.

10.2 Requests for Clarifications of the PQ Submissions

- 10.2.1 Without derogating from any of its rights and prerogatives pursuant to this Invitation or Law, the Tender Committee may conduct an independent evaluation of, and in connection with, any Pre-Qualification Submission. In its independent evaluation, the Tender Committee may rely on any information available to it, including information provided by any third-party, inter alia, with respect to any referenced project.
- 10.2.2 The Tender Committee may request additional information and clarifications from a Participant or any other Entity or person, including through meetings in accordance with the provisions of Section 10.2.3.
- 10.2.3 The Tender Committee may request a Participant or any other Entity or person to clarify any item included in any Pre-Qualification Submission and to submit any additional information, clarification, document, reference, etc. which is necessary in the opinion of the Tender Committee for the evaluation of the Pre-Qualification Submission, or any part thereof.
- 10.2.4 In doing so, the Tender Committee may hold meetings with all or any of the Participants, may address any of the clients mentioned in any of the Pre-Qualification Forms, and may visit any site operated by any Participating Entity.
- 10.2.5 Participants will comply with the requests of the Tender Committee and will submit all requested clarifications and additional information by email and in hardcopy in the same number and manner as the submission of its Pre-Qualification Submission, within the time period which shall be stipulated by the Tender Committee.

- 10.2.6 The Tender Committee’s requests for clarifications will be made in writing and delivered to the Participants by email. The receipt thereof shall be confirmed by the Participant by return email to ESC's Email within three (3) days of receipt.
- 10.2.7 The Participants’ responses to the requests for clarifications issued by the Tender Committee will form an integral part of their Pre-Qualification Submissions. In the event of a discrepancy between the Pre-Qualification Submission and the Participant’s response to the requests for clarifications, the Participant’s response to the requests for clarifications shall prevail.
- 10.2.8 Participants may be invited to meet the Tender Committee and/or to supply clarifications and/or additional information to the Tender Committee face-to face. For that purpose, the Tender Committee may meet any of the Participants in either separate or joint meetings,
- 10.2.9 The Tender Committee may exercise its right under this Section any number of times during the evaluation of the Pre-Qualification Submissions.

10.3 **Dealing with Deviations**

- 10.3.1 In any event that a Pre-Qualification Submission contains a Deviation, the Tender Committee may act as it deems appropriate, including, without limitation, in any one or more of the following ways:
- 10.3.1.1 Disqualifying the Participant and the Pre-Qualification Submission;
 - 10.3.1.2 Ignoring the Deviation or any part thereof;
 - 10.3.1.3 Deeming the Deviation or any part thereof as a technical error;
 - 10.3.1.4 Requesting that the Participant amend the Deviation by resubmitting its Pre-Qualification Submission or any part thereof, by providing a notice of retraction of the Deviation to the Tender Committee, or by any other means deemed necessary in the opinion of the Tender Committee.
- 10.3.2 The Tender Committee shall be entitled, at its sole discretion, to determine whether or not to act in accordance with any of the alternatives specified in Sections 10.3.1.1.-10.3.1.4.
- 10.3.3 The Tender Committee’s decision to correct a certain type of Deviation shall not be deemed as approval to correct any other type of Deviation.

- 10.3.4 In the event that a Participant refuses to comply with a request of the Tender Committee regarding Deviations in the Pre-Qualification Submission, without derogating from any of its rights and prerogatives pursuant to this Invitation or Law, the Tender Committee may disqualify the Participant's Pre-Qualification Submission.
- 10.3.5 Under exceptional circumstances, the Tender Committee may amend or waive any requirement herein, if the Tender Committee is of the opinion that doing so will be beneficial for the Tender Process and/or the performance of the OOT Agreement.

10.4 **Rejection of Pre-Qualification Submissions**

Without derogating from the Tender Committee's rights under the Law:

- 10.4.1 The Tender Committee reserves the right to reject any or all Pre-Qualification Submissions.
- 10.4.2 The Tender Committee reserves the right to reject a Pre-Qualification Submission if the Tender Committee is of the opinion that, based on the financial and professional information provided in its Pre-Qualification Submission, the Participant is, prima facie, unable to execute or perform the OOT Agreement.
- 10.4.3 Without derogating from the rights and prerogatives of the Tender Committee pursuant to the provisions of this Invitation and the Law, the Tender Committee reserves the right to waive or amend any clerical error, arithmetic error or accidental omission in the Pre-Qualification Submission.
- 10.4.4 The Tender Committee reserves the right to reject Pre-Qualification Submissions which do not comply with the Pre-Qualification Requirements, or any other applicable provision of this Invitation, or which are partial, reserved, lacking, conditional, or are false or based on false or misleading information.
- 10.4.5 The Tender Committee may disqualify any Participant, or impose upon any Participant any conditions, limitations or restrictions, or issue any instruction with respect to its participation in the Pre-Qualification Stage and/or the Tender Process in any of the following events:
- 10.4.5.1 Any changes to a Participating Entity, or to the organizational structure presented by the Participant, including a Member's

Anticipated Holdings in the Participant, without the prior written approval of the Tender Committee;

Notwithstanding the foregoing, changes to a Participating Entity which is a publicly listed stock company shall not be subject to the prior written approval of the Tender Committee, provided that such changes do not result in the creation of a new “Principal Shareholder” (“בעל עניין”) as such term is defined in the Securities Law, 1968;

- 10.4.5.2 The commencement of insolvency, bankruptcy, receivership, liquidation or reorganization proceedings against a Participating Entity or against any Entity which a Participating Entity relied upon or presented, or any similar proceeding which may have the same effect, as determined by the Tender Committee, unless such proceedings are discharged within a reasonable period of time, as determined by the Tender Committee;
- 10.4.5.3 The appointment of a temporary or a permanent receiver or liquidator over a Participating Entity;
- 10.4.5.4 A change in circumstances following which a Participating Entity has a “Going Concern Notice” or a notice to similar effect, in its most recent Financial Statement;
- 10.4.5.5 Any engagement of an Advisor other than in accordance with the provisions of Section 5.2.3 (No Conflict of Interest);
- 10.4.5.6 In the event that any Participating Entity, an Interested Party thereof or directors or Office Holders thereof (including individuals) has been convicted of an Offence, any offence which might result in any material or adverse change in its business, any offence concerning grave professional misconduct, any offence concerning fraud and breach of faith or any other offence which, in the opinion of the Tender Committee, effects its integrity and/or credibility;
- 10.4.5.7 In the event that any Participating Entity is or becomes a resident of or domiciled in a country which does not have diplomatic relations with the State of Israel;

- 10.4.5.8 Any material breach of the provisions of the Invitation or failure to comply with an instruction of the Tender Committee, including, inter alia, the submission of any false, incomplete or misleading information to the Tender Committee;
 - 10.4.5.9 Any material change in, or exceptional circumstances with respect to, a Participating Entity or any Entity which a Participating Entity relied upon or presented, which, in the Tender Committee’s opinion, may hinder its participation in the Pre-Qualification Stage and/or the Second Tender Stage, or its involvement in the ownership, operation and maintenance of the NH Facility.
 - 10.4.5.10 Any other reason for which the Tender Committee deems that a Participating Entity will not be capable of executing or performing the OOT Agreement (or its applicable role therein), should the Participant be invited to participate in the Tender Process, or any other event or exceptional circumstances which the Tender Committee may consider, at its sole discretion, as justifying disqualification, or conditioning or limiting the further participation of a Participating Entity;
 - 10.4.6 The Participant shall be required to notify the Tender Committee of the existence of any of the events described in Section 10.4.5 within a reasonable period of time given the circumstances.
 - 10.4.7 Notwithstanding the foregoing, the Tender Committee may initiate and request the submission of applicable information with respect to any of the above.
 - 10.4.8 The Tender Committee may base its decision under this Section 10.4 (Rejection of Pre-Qualification Submissions) on the information provided by the Participant as well as on any other information available to it, and may request the Participant to provide it with additional information and act according to its rights pursuant to Section 10.2 (Requests for Clarifications by the Participants), as the Tender Committee deems necessary.
- 10.5 Notice of Intended Decision to Disqualify / Reject**

In the event that the Tender Committee intends to disqualify a Pre-Qualification Submission submitted by a Participant or otherwise impose conditions or restrictions with

respect to its participation (either in the Pre-Qualification Stage or the Second Tender Stage), the Tender Committee will allow such a Participant to present its case with respect to such intended decision, if so requested by the Participant.

10.6 Announcement of Eligible Participants

10.6.1 Upon the completion of its evaluation of the Pre-Qualification Submissions, the Tender Committee will announce those Participants which the Tender Committee deemed to have successfully demonstrated compliance with the requirements of the Pre-Qualification Documents, including with all Pre-Qualification Requirements, and which were not otherwise disqualified thereby.

10.6.2 Upon the completion of the Pre-Qualification Stage and the selection of Eligible Participants, the Tender Committee may publish the identity of the Eligible Participants (including their Members, Experience Providers and Guarantors) to all Participants and in a press release.

10.7 Disclosure of Documents

10.7.1 Each Participant shall be entitled to review the relevant protocols of the Tender Committee and any of the other Pre-Qualification Submissions submitted by other Eligible Participants and to receive a copy thereof.

10.7.2 The Tender Committee may condition such review on the payment of a fee by the Participant conducting the review.

10.7.3 Participants shall not be entitled to review Pre-Qualification Submissions submitted by other Eligible Participants before a decision is issued by the Tender Committee with respect to the Participants' requests regarding Privileged Information and those parts of the Pre-Qualification Submissions which are commercially sensitive or confidential under this Invitation or Law. The procedure, including the time schedule, with respect to disclosure of documents and review by the Participants shall be determined by the Tender Committee.

10.7.4 The Tender Committee shall evaluate as it deems necessary the requests with respect to Privileged Information submitted by each of the Participants in accordance with the provisions of Section 8.4 (Identification of Sensitive or Classified Information), as it deems necessary. The decision of the Tender Committee with respect thereto will be issued to each Participant.

10.7.5 If a Participant has identified parts of its Pre-Qualification Submission as being Privileged Information, such Participant:

10.7.5.1 will not be entitled to claim that the other parts of its Submission which it has not identified as Privileged Information are of a commercially sensitive or confidential nature and cannot be reviewed by other Participants; and

10.7.5.2 Will not be entitled to review the parts of any other Participant's Pre-Qualification Submission that are parallel to what it has marked as Privileged Information in its own Pre-Qualification Submission; and

10.7.5.3 Will not be entitled to review the parts of other Participants' Pre-Qualification Submissions which they have marked as Privileged Information.

Each Participant shall be deemed to have waived any claims it may have with respect thereto.

10.7.6 The foregoing shall apply even if:

10.7.6.1 the request of a Participant with respect to Privileged Information is rejected by the Tender Committee;

10.7.6.2 the Tender Committee decides, of its own initiative and not following a specific request, to apply its decision with respect to information it considers to be of a commercially sensitive or confidential nature in a consistent manner with respect to all Pre-Qualification Submissions; or

10.7.6.3 a Participant did not submit any request with respect to Privileged Information in accordance with the provisions of Section 8.4 (Identification of Sensitive or Classified Information). The fact that no request with respect to Privileged Information was submitted by a Participant will not be construed or interpreted as derogating from the discretion and prerogatives of the Tender Committee in this respect.

10.8 Update Statements

10.8.1 Each Eligible Participant shall include within its Bid a statement detailing any and all changes with respect to the Eligible Participant, its Members, and, if

applicable, its Affiliated Entities or Experience Providers, which took place following the submission of the Pre-Qualification Submission (the “Update Statement”). Should no such changes take place, the Update Statement will be a confirmation of such. Additionally, the Tender Committee may, at its sole discretion, request a Pre-Qualification Update Statement from any Participant and/or Participating Entity at any time.

10.8.2 In addition to, and without derogating from, the aforementioned, the Eligible Participants are expected to update the Tender Committee immediately upon the occurrence of any change, and in any case, by no later than the Bid Submission Date.

10.8.3 The Tender Committee shall review the information and, without derogating from its rights under Law or under the Tender Document, shall be entitled to either disqualify any Eligible Participant in the event that such Eligible Participant no longer meets the requirements of this Invitation, or impose any condition or instruction restricting its participation in the Second Tender Stage, including in the event that concerns regarding the capability of the Eligible Participant to execute and perform the OOT Agreement arise following the review of the Update Statements, at such time, all as shall be deemed suitable by the Tender Committee.

10.8.4 The Tender Committee may refer to an Eligible Participant’s Update Statements and the implications arising therefrom upon the Eligible Participant’s participation, at any time after its submission, as it may deem fit at its sole discretion. The Tender Committee’s refraining from referring to an Eligible Participant’s Update Statements shall not derogate, in any way, from its prerogative to disqualify the Eligible Participant, at any later date, due to the information contained therein, or to impose any conditions or restrictions upon the Eligible Participant regarding its continued participation in the Tender Process, and the Eligible Participant shall have no arguments or claims against the Tender Committee in this regard.

10.8.5 The above shall not derogate from the Tender Committee’s discretion to act upon significant developments or shifts in any financial or business environment.

10.9 **Changes in an Eligible Participant**

10.9.1 The Tender Committee will be entitled, until the deadline that will be determined by it within the Tender Documents, to allow changes with respect

to an Eligible Participant and with respect to each Participating Entity, including the replacement, addition, change in or deletion of any such Entity, or a change in the Anticipated Holdings, in a Eligible Participant that is a Participating consortium, pursuant to a request in writing submitted to the Tender Committee by the Eligible Participant ("Request Regarding Changes to an Eligible Participant").

- 10.9.2 For the avoidance of doubt, the Tender Committee will be entitled to accept or to reject such request, at its absolute and exclusive discretion.
- 10.9.3 Without derogating from the generality of the foregoing, the Tender Committee will reject a Request Regarding Changes an Eligible Participant, if, as a result of the change requested, the Eligible Participant does not comply with any of the Pre-Qualification Requirements.
- 10.9.4 An Eligible Participant will not be entitled to make any change in the composition of its Members and/or in the identity of a Guarantor (if relevant) and/or in the Anticipated Holdings unless it has received the approval of the Tender Committee, in advance and in writing.
- 10.9.5 The Tender Committee will be entitled to disqualify a Participant's Pre-Qualification Submission and/or its declaration as an Eligible Participant and/or its Bid (as applicable) if such Participant, notwithstanding the foregoing, has made the aforesaid changes without having obtained the approval of the Tender Committee as required.

10.10 Formation of a Special Purpose Company

- 10.10.1 Following completion of the Pre-Qualification Stage, in order to participate in the Second Tender Stage and to submit a Bid, each Eligible Participant will be required to form an SPV, incorporated under the Law by the Bid Submission Date.
- 10.10.2 For the avoidance of doubt, an Eligible Participant that consists of one Israeli Entity will not be required to establish an SPV, but it will be entitled to do so if it holds 100% of the SPV.
- 10.10.3 Without derogating from the provisions of Section 10.10 the shares and other interests in the SPV may be held only by Members who participated, through the Participant, in the Pre-Qualification Submission, and were approved by the Tender Committee pursuant to the Pre-Qualification Stage.

10.10.4 It is hereby clarified that in case where an Eligible Participant is a sole Member, it must hold 100% of the SPV; and in case where the Eligible Participant is a consortium, the SPV must be held by its Members, in accordance with the Anticipated Holdings as approved within the Pre-Qualification Stage.

10.11 Reservation of Rights

10.11.1 All Participants acknowledge that the NH Facility description as specified in this Invitation is general and indicative only. All Participants further acknowledge that at the date of issuance of this Invitation, the Tender Documents have not been completed and/or approved. The issuance of this Invitation is not intended to give rise to or create any representation, undertaking or warranty on behalf of ESC, the Tender Committee or anyone on their behalf with respect to the NH Facility.

10.11.2 Participation in this Tender Process shall not confer upon an Entity, a Participant or an Eligible Participant, any right with respect to the NH Facility or any future proceedings which will be conducted with respect thereto, including the Tender Process. The Tender Committee reserves all rights and prerogatives to determine the exact scope, the content, and the terms and conditions of the Tender Documents and for the execution and performance of the OOT Agreement.

10.12 Additional Prerogatives of the Tender Committee

10.12.1 Without derogating from any other provision herein, the Tender Committee reserves the right to act upon any of the following prerogatives, whether at the Pre-Qualification Stage or at the Second Tender Stage, and neither ESC, the Tender Committee, nor anyone on their behalf shall be responsible in any respect for any loss or damage whatsoever suffered by any Entity, Participant or Eligible Participant as a consequence of exercising such prerogatives.

10.12.2 The Tender Committee reserves the right to add to or amend the requirements of this Invitation, the Pre-Qualification Stage and the Second Tender Stage at any point.

10.12.3 Without derogating from the forgoing, the Tender Committee reserves the right to add requirements or determine additional Pre-Qualification Requirements, determine minimum requirements, determine new professional requirements and/or financial requirements or any other requirements which

will be deemed necessary under the circumstances, or require a change in the composition of the Participant (including waiving a requirement for the participation of an Experience Provider of a certain discipline or requiring the addition of an Experience Provider of a certain discipline), at any stage (including during the Second Tender Stage).

- 10.12.4 The Tender Committee reserves the right to evaluate or reevaluate, at any stage, the compliance of any Pre-Qualification Submission with the requirements herein, to request additional information, to request the correction of any Deviation, and to modify or nullify any decision of the Tender Committee, all for any reason as the Tender Committee may deem fit.
- 10.12.5 Without derogating from any of its rights and prerogatives pursuant to this Invitation or Law, in evaluating the Pre-Qualification Submissions, decisions will be reached by the Tender Committee on the basis of substance rather than form. Thus, the Tender Committee may:
 - 10.12.5.1 in requests for clarification issued by it pursuant to the provisions of this invitation, request the demonstration of the Pre-Qualifications Requirements by a form of submission other than that which is specified pursuant to the provisions of this Invitation, including by providing documents which have been prepared following the Pre-Qualification Submission Date;
 - 10.12.5.2 accept the demonstration of compliance with the Pre-Qualifications Requirements by Members or Experience Providers on behalf of a Participant other than those originally presented;
 - 10.12.5.3 accept the demonstration of compliance with the Pre-Qualifications Requirements based on any information available to it, or raise questions and requests for clarifications with respect to lack of compliance with the Pre-Qualifications Requirements or other provisions of this Invitation, based on information available to it;
 - 10.12.5.4 Determine that a Participant has in fact met the Pre-Qualification Requirements, also in the event that: (i) supporting information to this effect is not included in the designated Pre-Qualification Form but rather in any of the other Pre-Qualification Forms submitted by the Participant in its Pre-

Qualification Submission; and/or (ii) supporting documentation is prepared or furnished by the Participant after the Pre-Qualification Submission Date (provided however that such documentation proves that the Participant had met the respective Pre-Qualification Requirements by the Pre-Qualification Submission Date);

- 10.12.5.5 In requests for clarification issued by it, request the demonstration of the applicable requirements by a form of submission other than that which is specified in this Invitation, including by providing documents which have been prepared or furnished following the Pre-Qualifications Submission Date;
- 10.12.6 The Tender Committee may exercise any of the prerogatives pursuant to this Invitation, including this Section 10.12 (Additional Prerogatives of the Tender Committee), at any time, including following the issuance of the Tender Documents, any number of times as it deems necessary.
- 10.12.7 For the avoidance of doubt, the Tender Committee shall not be obligated to exercise any of the prerogatives pursuant to this Section 10.12 (Additional Prerogatives of the Tender Committee) .

(***)

Annex 1 – DEFINITIONS

<p>“Addendum” or “Addenda”</p>	<p>Shall have the meaning ascribed thereto in Section 7.9 of this Invitation.</p>
<p>“Affiliated Entity”</p>	<p>Shall mean, in respect of a particular Entity ("Entity X"), an incorporated Entity which exercises Control over Entity X, or is under common corporate Control with Entity X, or is Controlled by Entity X.</p>
<p>“Authorized Representative”</p>	<p>Shall have the meaning as defined in Section 5.2.6 of this Invitation.</p>
<p>“Anticipated Holdings”</p>	<p>Shall mean the intended share of holdings of a Member in the Participant.</p>
<p>"Average Turnover"</p>	$\frac{TO_c + TO_{c-1} + TO_{c-2}}{3}$ <p><i>TO</i> = annual turnover (revenue) <i>c</i> = Latest Financial Statement</p>
<p>"Control"</p>	<p>Shall have the meaning ascribed thereto in the Securities Law 1968.</p>
<p>"Declared Entity"</p>	<p>Shall mean an entity: (i) declared pursuant to Section 3 and/or Section 9 of the Law for the Struggle with Iran’s Nuclear Program from 2012; and/or (ii) declared pursuant to Section 3 and/or 4 of Law for the Prevention of Distribution and Financing of Weapons of Mass Destruction from 2018; (iii) listed by the Israeli Sanctions Administration (“מטה הסנקציות”) according to any applicable Law.</p>
<p>"Deviation"</p>	<p>Shall mean any deviation, limitation, modification, supplement, disclaimer, amendment, omission, addition, condition,</p>

	reservation or qualification of the contents of this Invitation, including of the Pre-Qualification Requirements, made by the Participant in its Pre-Qualification Submission.
"Effective Holdings"	Shall mean the effective percentage of all Means of Control held by Entity A in Entity X, calculated by multiplying the percentages of Means of Control held by Entity A in each of the Entities in the chain of holdings between Entity A and Entity X.
"Eligible Participant"	A Participant which shall be declared by the Tender Committee as successfully passing the Pre-Qualification Stage and entitled to participate in the Second Tender Stage.
"Entity"	Shall mean any corporation, company or partnership incorporated in accordance with the law of its domicile, excluding individuals.
"ESC"	Means the Environmental Services Company Ltd.
"ESC's Email"	michrazim@escil.co.il
"ESC's Website"	https://enviro-services.co.il/
"Equity"	Shall mean "equity capital exclusive of rights that do not confer control", "equity capital exclusive of minority rights", "total capital attributed to the owners of the corporation", or any section with identical significance in the Financial Statements.
"Equity Ratio"	Shall mean the total equity of an Entity divided by its total assets.

“Experience Provider”	Shall mean a Participating Entity demonstrating the professional experience requirements as defined in Section 4.3.
"Financial Statement"	Shall mean an annual audited consolidated financial statement signed by an external auditor.
“Government Company”	Shall have the meaning as defined in Section 5.2.8
“Hazardous Waste”	Shall mean waste that contains polluting or hazardous substances of any of the following characteristics in significant concentration: explosive, oxidizing, flammable, irritant – skin irritation and eye damage, harmful, toxic, carcinogenic, corrosive, toxic for reproduction, mutagenic, release of acutely toxic gas, sensitizing, ecotoxic or waste capable of exhibiting any of the above hazardous properties not directly exhibited by the original waste.
"Institutional Entity"	Shall mean each of the entities listed in Sections 1-4 of Schedule 1 of the Securities Law 1968, and/or with respect to an Entity registered outside the State of Israel – a similar Entity pursuant to applicable law under the applicable jurisdiction.

"Interested Parties"	Shall mean with respect to Entity1: (a) any Entity or individual directly holding at least 15% of any of the Means of Control of Entity1 (in this definition: "Entity2"); (b) any Entity or individual has an Effective Holdings of at least 70% of any of the Means of Control of Entity2; (c) the CEO of Entity1; or (d) any of the directors of Entity1.
"Investment Fund"	Shall mean an investment fund, Israeli or foreign, the majority of the investors in which (more than 50%) are Institutional Entities (Israeli or foreign), which has completed its first closing.
"Invitation"	The Pre-Qualification Documents included in this Invitation for Pre-Qualification, its Annexes, the Pre-Qualification Forms and any other document issued by the Tender Committee during the Pre-Qualification Stage.
"Latest Financial Statement"	The Financial Statement of the applicable Entity for the last fiscal year which shall be no earlier than 2021.
"Law"	Shall mean the various national (state) laws and legislation, statutes, ordinance, codes, and regulations (including the Tender Regulations), as enacted by the State of Israel, and any by-laws, codes, regulations enacted by the relevant authorities or municipalities, and case law and precedents of relevant competent judicial authorities; all as modified, amended, replaced or created from time to time.

“Lead Operator”	For the purposes of the Professional Experience Requirements, an entity which is responsible for and executed the operation and maintenance of the Reference Facility, providing the material, labor, equipment and services necessary for its execution, the management and the coordination of its scope of work, including by subcontractors and sub-suppliers.
“Major Subcontractor”	Shall mean an Experience Provider which is not a Member, as defined in Section 4.4.
"Means of Control"	Shall have the meaning ascribed thereto in the Securities Law 1968. With respect to an unincorporated joint venture, this shall mean either: the power to participate in the professional decisions of the joint venture; the power to veto decisions made by the joint venture, or the power to nominate the general manager of the joint venture or the parallel officer.
“Member”	An Entity committed to hold Anticipated Holdings in the Participant.
“Offence”	Shall mean a criminal offence, in Israel or abroad, which constitutes a felony (“עוון”) or more severe crime, or another criminal offence which resulted in a prison sentence of at least one (1) year, or if the Entity or any Office Holder or representative thereof is not a resident of or domiciled in the State of Israel, analogous offences committed under the laws of its domicile, and which sentence was passed during the last seven (7) years, including offences included in Chapters 7 (National Security,

	<p>Foreign Relations and Official Secrets), 8 (Offences against the Public Order and the Society), 9 (Offences against the Government and the Law) and 10 (Bodily Harm) of the Penal Code – 1977, Criminal offences in Sections 384A, 402, 413E, 415, 418, 423, 425, 427, 428 and 456 of the Penal Code 1977, offences under the Antitrust Law – 1988, offences under the Securities Law – 1968, offences under the Prohibition on Money Laundering Law – 2000, offences under the Planning and Building Law – 1965 or any other criminal offence which results in a prison sentence of at least one (1) year, or if the Entity or any Office Holder or representative thereof is not a citizen or a resident of the State of Israel, analogous offences committed under the laws of its domicile, provided that, if convicted, the conviction for such offence (committed in Israel or outside of Israel) was given during the seven (7) years preceding the Pre-Qualification Submission Date. Furthermore, any offence that is capable of preventing and/or limiting the receipt of the required approvals by the Participant, including the receipt of the required license/s for the operation of the NH Facility, as may be required.</p>
<p>“Office Holder”</p>	<p>A person who holds key positions in the organization – the CEO and any senior executive who reports to the CEO.</p>
<p>“Participant”</p>	<p>As defined in Section 3.2.1 of this Invitation.</p>
<p>“Participating Entity”</p>	<p>Shall mean each one of the following: the Participant, a Member (including an Investment Fund), an Experience Provider (including a Major Subcontractor), and a Guarantor.</p>

<p>“NH Facility”</p>	<p>As defined in Section 2.2.</p>
<p>“Pre-Qualification Requirements”</p>	<p>all requirements set out in Section 3.2.</p>
<p>“Pre-Qualification Submission”</p>	<p>Shall mean the complete written response to the Pre-Qualification Documents, to be submitted by the Participant within the Pre-Qualification Stage, including all parts thereof, based on the terms and conditions contained in the Pre-Qualification Documents and including all the information, filled out in the Pre-Qualification Forms.</p>
<p>“Pre-Qualification Stage”</p>	<p>Shall mean the first stage of the Tender Process intended to select Eligible Participants for the 2nd stage of the Tender Process, commencing upon the issuance of this Invitation, and ending upon the announcement of Eligible Participants, all as specified in this Invitation.</p>
<p>“Pre-Qualification Submission Date”</p>	<p>As defined in Section 3.4.</p>
<p>“OOT Agreement”</p>	<p>Shall mean the Own, Operate and Transfer Agreement to be entered into between ESC and the Successful Bidder.</p>
<p>"Reference Facility"</p>	<p>For the purpose of the Professional Experience Requirements, a high temperature Hazardous Waste incineration facility for solids and liquids compliant with all of the following:</p> <ol style="list-style-type: none"> 1. Direct liquid injection while using a rotary kiln 2. incineration temperature at the secondary combustion chamber of no less than 1,100 degrees Celsius 3. design capacity of not less than 40,000 ton per year

	<p>4. average thermal output of no less than 15 MW</p> <p>5. governed by either of the following regulations:</p> <p>(i) Israeli Law;</p> <p>(ii) Best Available Techniques (BAT) Reference Document for Waste incineration (WI BREF)</p> <p>and</p> <p>Directive 2010/75/EU of the European Parliament and of the Council of Industrial Emissions dated 24 November 2010 (Integrated Prevention and Control) (IED);</p> <p>(iii) USA, Japan or South Korea environmental laws, directives and codes with respect to hazardous waste incineration.</p>
“Sale Contract”	Shall mean the detailed contract for the sale of NH Facility, which will be provided within the Second Tender Stage to the Eligible Participants.
"SPV"	shall mean a single purpose company or limited liability partnership, incorporated in accordance with all relevant Laws, which sole purpose shall be the participation in the Tender Process, the submission of the Bid, and the execution of the OOT Agreement in the event of a Successful Bid.
“SPE”	Shall mean a special purpose entity; either a special purpose company, a special purpose partnership or a special purpose joint venture,

	established for the purpose of participating in this Tender Process.
"Successful Bidder"	Shall mean the Eligible Participant awarded the Agreement pursuant to the completion of the Tender Process.
"Supporting Entity"	As defined in Section 6.2.1
"Tender Committee"	Shall mean a special tender committee that was appointed by ESC for the purpose of conducting the Tender Process.
"Tender Process"	Shall mean the Pre-Qualification Stage and the Second Tender Stage and ending upon the award of the OOT Agreement.
"Tender Documents"	Shall mean all documents which shall be distributed to Eligible Participants as part of the Tender Process, including the Invitation to bid and all forms provided therein, the Sale Contract and the OOT Agreement and any other document which will be issued by the Tender Committee during the Tender Process.
"Tender Law"	Mandatory Tender Law, 5752-1992 (חוק חובת המכרזים, תשנ"ב-1992).
"Tender Regulations"	Mandatory Tender Regulations, 5753-1993 (תקנות חובת המכרזים, תשנ"ג-1993).
"Unutilized Commitments"	Shall mean the total commitments, deducted by (a) fund invested and (b) the fund committed to be invested by the Investment Fund
"VAT"	Shall mean Value Added Tax, including any similar tax that will be imposed in addition to it or in its stead from time to time.

<p>"Weighted Equity"</p>	$\sum_{i=1}^{i=n} Ei \times HSi$ <p>Where:</p> <p><i>Ei</i> = Member (i)'s Equity.</p> <p><i>HSi</i> – the Anticipated Holdings of Member (i) in the Participant. However, Members whose Anticipated Holdings are less than 20% shall be considered to have a weight factor of 0%.</p> <p><i>N</i> = the number of Members in the Participant</p>
<p>"Weighted Average Turnover"</p>	$\sum_{i=1}^{i=n} ATOi \times Hsi$ <p>Where:</p> <p><i>ATOi</i> = Member (i)'s Average Turnover (as such term is defined above).</p> <p><i>HSi</i> – the Anticipated Holdings of Member (i) in the Participant. However, Members whose Anticipated Holdings are less than 20% and Members who are Investment Funds shall be considered to have a weight factor of 0%.</p> <p><i>n</i> = the number of Members in the Participant.</p>

Annex 2

General Description of the Neot Hovav Facility

11. The Neot Hovav Facility - Background

- 11.1 The Neot Hovav Facility ("**NH Facility**") is a rotary kiln hazardous waste incineration facility. The plant was designed and built and is currently being operated by Ecosol Ecological Solutions Israel Ltd ("**Ecosol**") under an agreement with ESC. Ecosol is the first and only company in Israel that operates a thermal treatment plant for the disposal of hazardous organic waste. The NH Facility has been operating since November 1997.
- 11.2 The NH Facility is located in the Neot Hovav industrial area, in the northern Negev about 12 km south of Beer Sheva. The NH Facility is the center for the incineration of hazardous organic waste. The NH Facility operates on a site belonging to ESC under a hazardous materials waste disposal license.
- 11.3 The NH Facility was originally designed for an output of fifteen thousand (15,000) tons of waste material. In 2014 the NH Facility was upgraded with a new rotary kiln and an additional of a secondary combustion chamber. In 2018, a new steam boiler was constructed on site and a new solid feeding system (shredder) was added to work in tandem with the older shredder.
- 11.4 Today, the NH Facility has a thermal capacity of 17MW. In 2021 the NH Facility incinerated around forty thousand (40,000) tons of solids and liquids. The NH Facility operates seven thousand (7,000) hours per year and employs sixty (60) full time workers.

12. General Process Description

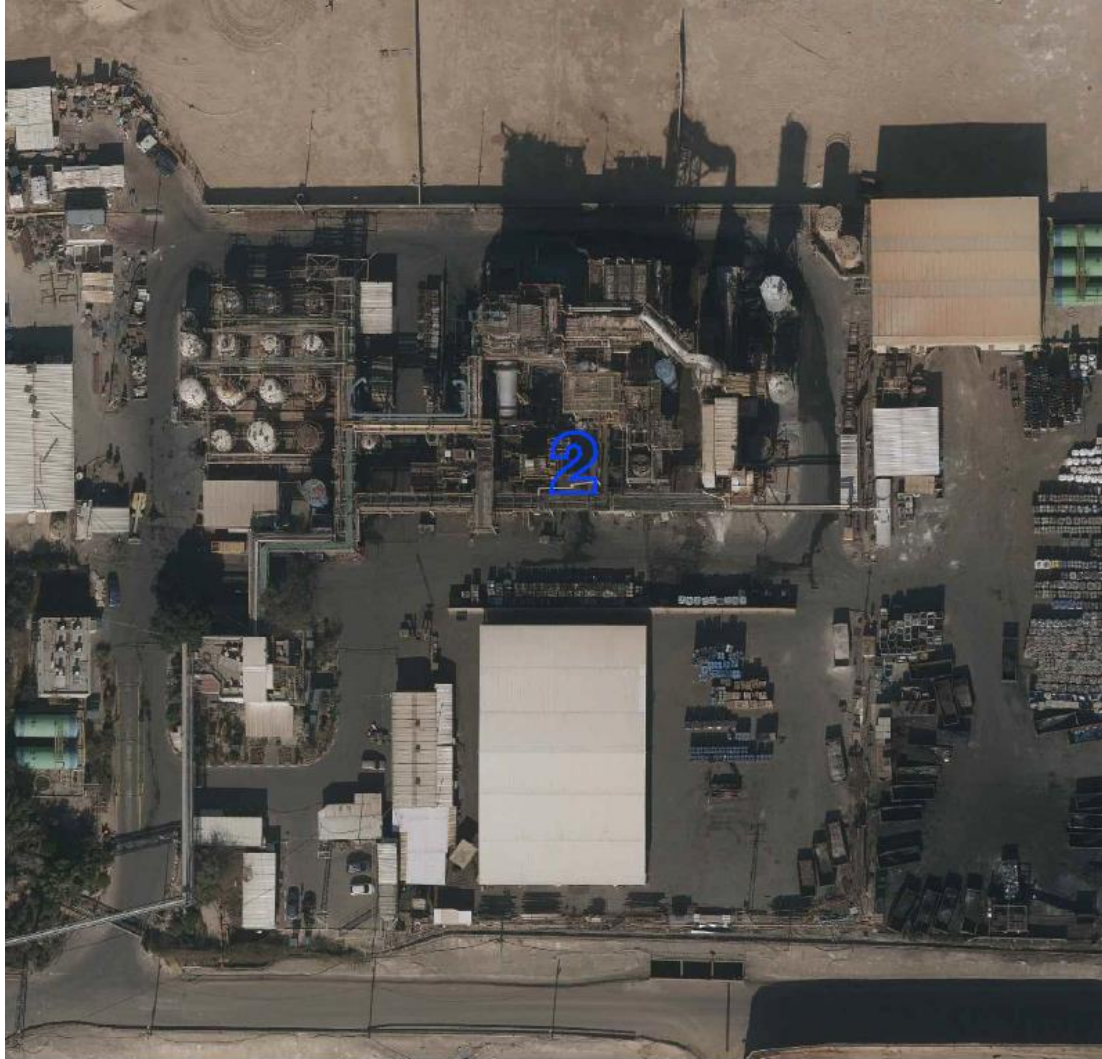
- 12.1 The solid waste arrives in trucks and big bags. Some of the solid waste originates from old waste piles which were buried underground some 10 years ago. This waste includes crushed barrels, filter pressed cakes, and solid residues from various processes and IBC.

Some of the solids that are received in bulk by trucks are unloaded into the waste storage shed. The bulk waste is packed by hand into metal barrels and transported by a forklift to a barrel conveyor. A vertical conveyor carries the barrels up to the shredder. The shredder is a sophisticated crushing device, where the solid material is shredded together with the metal barrels themselves (later the metal is separated by a strong magnet). The mixture is fed into the rotating furnace by a special solid feeding machine (the Putmeister).
- 12.2 Liquid waste arrives in tankers, cubes or barrels. After laboratory tests the barrels are stored under a large shed. From there, the barrels and cubes are transported to the discharge station, from which they flow to one of the storage tanks in the tank farm. The high caloric value liquid waste is mixed and separated from liquids with low caloric value. The liquid flows from the tank farm directly and is injected to the front shield of the rotary kiln. The heart of the facility is the rotary kiln.
- 12.3 The rotary kiln is followed by a secondary combustion chamber. Here, combustion is carried out with a large excess of air and high temperatures of 1,100

to 1,200 Celsius, which ensures a complete destruction of the organic materials, including halogen compounds.

- 12.4 Exhaust gases are cooled using a Steam boiler, followed by Spray Dryer/Quencher and further treated via Bag House Filter, and a Scrubber, to achieve required air emission levels, as defined by the Israeli authorities.
- 12.5 With respect to air pollution control, the operation of the NH Facility follows the current requirements of the Israeli regulation, that is based on the European Directive.
- 12.6 The entire process is fully automatic and remotely operated and supervised through a main control room.
- 12.7 Continuous monitoring of the emitted air is carried out on the stack edge and real time readings are transmitted directly to the Ministry of Environment and the Ramat Hovav Industrial Council.

Annex 3
Photograph of the Site



Annex 4

List of Advisors to the Tender Committee

Pursuant to the provisions of Section 5.2.3.2 (*Advisors to the Tender Committee*) of the Invitation, and without derogating from its provisions, the following table contains a list of Advisors to the Tender Committee (it is hereby clarified that this list may be updated by the Tender Committee from time to time):

No.	Name of the Advisor	Name of Individuals, if relevant	The Advisor's Role
1	Krispin, Rubinstein, Blecher Law Firm		Legal Consultant
2	Fahn Kanne Grant Thornton Israel		Financial Consultant and Appraiser
3	Halevi Dweck (Member of the Fahn Kanne Grant Thornton group)		Financial Consultant
4	Elcode Engineering		Engineering Consultant

Annex 5

Notification of Authorized Representative

Tender 27/2022

**INVITATION FOR PRE-QUALIFICATION FOR THE PARTICIPATION IN A
TENDER TO OWN, OPERATE AND MAINTAIN A HAZARDOUS WASTE
INCINERATION FACILITY IN NEOT HOVAV INDUSTRIAL AREA, ISRAEL**

The Participant _____

appoints _____

as its Authorized Representative for conducting correspondence with the Tender Committee and receiving instructions from the Tender Committee for and on behalf of all Participating Entities in the Participant.

On behalf of the Participant: _____ [name and signature]

Date: _____

Attorney Confirmation

I, _____, the undersigned, hereby confirm that on _____ [date], _____ [name], Israeli I.D. number / _____ [country] Passport number _____, appeared before me, and signed the above on behalf of the Participant in my presence.

Name: _____

Stamp and Signature: _____

Date: _____