ISRAEL RAILWAYS LTD.

TENDER No. 226218

For
the Electrification of
Israel Railway's Railway Network

VOLUME 1 – ITB

July 2026

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1 ITB

1.1 ITB – Overview

1.1.1 Israel Railways Ltd. ("**ISR**"), acting through the Tender Committee, in accordance with the requirements of the Mandatory Tenders Law, 5752-1992 (the "**Tender Law**") and the Mandatory Tender Regulations, 5753-1993, as amended from time to time ("**Regulations**" or "**Tender Regulations**"), wishes to obtain Bids for the electrification of various parts of the ISR's railway network, including the detailed design, construction, erection, testing and commissioning thereof (the "**Project**"), under and in accordance with the terms and conditions of the Tender Documents, including as shall be set forth in the Agreement.

1.1.2 **Current Status of the Electrification Works**. The plan for the electrification of the ISR's railway network is a large-scale national project designed to replace the current propulsion system (diesel) with electric propulsion, in order to improve the travel experience, increase speeds, make trains more environmentally friendly and create a more efficient service. The project includes the installation of overhead contact systems (OCS), the establishment of traction substations (TS) and monitoring systems (SCADA) and the purchase of new rolling stock. Further to a previous tender issued for the electrification of certain lines of ISR's railway network, Sociedad Espanola De Montajes Industriales S.A ("**Semi**") was appointed by ISR to carry out certain works for electrification of part of the ISR railway network (the "**Initial Electrification Works**") and the execution of such works will continue in parallel to the execution of the Works under the Agreement by the Successful Bidders selected in this Tender Process.

1.1.3 **The Project.** The Project contemplated pursuant to these current proceedings, is intended to include the Works and the rail-lines and sections of the ISR's railway network specified in the Lines Programme attached as **Annex B** hereto (the "**Lines**"), each of which includes, in general, double track network on main lines (and additional tracks in stations and stabling, all as described in the Lines Programme; for clarification, the term 'Line' as used in the Tender Documents means main line which includes single, double or more tracks and the term 'Section' means part of a Line); *however* ISR reserves the right, at its sole and absolute discretion, not to execute any Lines, to execute only part of the Lines or to change their scope, all as specified in the Agreement.

1.1.4 In general terms and without derogating from any of the provisions of the Tender Documents (including the Agreement and the scope of Works thereunder), the Project Works will include the following: (i) facilitating the necessary cooperation and coordination between any contractors engaged by ISR or carrying out works on its behalf; (ii) implementing additional components, systems, upgrades and adjustments to the lines included in the Initial Electrification Works; and (iii) ensuring the integration between the lines included in the Initial Electrification Works and the Lines Programme. In addition, ISR shall have the option, at its sole discretion, to require the Contractor to execute SCADA Works (either partially or wholly), in accordance with the provisions of clause 27 (Option – SCADA Works) of the Agreement.

1.1.5 ISR emphasizes that the Project is very challenging and complex, with unique characteristics, technical features, restrictions and execution restraints. It involves extremely complex interfaces, including, *inter alia*, with relevant authorities (governmental as well as municipal) other public transportation lines and other transportation projects. The implementation of the Lines Programme and the Works will require, *inter alia*, coordination and management of many different professional disciplines, with many different entities, project managers, designers, service providers, authorities and municipalities, taking into account the dynamic nature of the Lines Programme. Bearing this complexity in mind, the Tender Committee places great importance on the process of identifying contractors which possess the required professional experience and capabilities for carrying out the Project.

1.1.6 ISR intends to select two (2) Contractors within the Tender Process, as more fully described in Section 10.5 (*Successful Bidders and the Award of the Project*) and to divide the Works between such Contractors subject to the terms and conditions set forth in the Agreement. Notwithstanding the foregoing**,** ISR shall have the right, at its sole and absolute discretion, to select only one (1) Successful Bidder.

1.1.7 ISR will enter into a framework agreement with each Successful Bidder for execution of the Project, for an initial period of five (5) years. Thereafter, ISR shall have the option to extend the Agreement for additional terms as determined by ISR up to a maximum of fifteen (15) years, all in accordance with the provisions of clause 5 (Term of the Agreement) of the Agreement, and all other relevant provisions of the Agreement. The Works under the Agreement shall be executed in accordance with Volume 3 (Technical Specifications), pursuant to Work Orders which ISR may issue to the Contractor(s) from time to time, all subject to the terms and conditions set forth in the Agreement. ISR reserves the right to allocate Works as it deems fit based on the considerations set forth in clause 7 (Framework Agreement) of the Agreement. Notwithstanding the foregoing, in order to achieve a balanced allocation of Works between the Contractors, the division of Works between the Contractors shall be subject to the provisions of clause 9.23 of the Agreement.

1.2 **Description of the Tender Process**

The Tender Committee issues this Invitation to Bid ("**ITB**"), to manage the competitive process for the selection and appointment of two (2) Successful Bidders, as described hereinafter:

1.2.1 Bids Submission

Bidders are invited to submit their Bids in accordance with the provisions of the Tender Documents. The Bids will be divided into four (4) parts, as specified in Section 8.1 *(The Parts of the Bid)* below, including the demonstration of compliance with Threshold Requirements, as detailed below.

1.2.2 Bids Evaluation

The Tender Committee will review, examine and evaluate the Bids in accordance with the provisions of Sections 10 *(Evaluation of the Bids and Selection of the*

Successful Bidders) and 11 *(General Provisions relating to the Examination and Evaluation of the Bids)*.

1.2.3 Announcement of Successful Bidders and Award of the Agreement

Following completion of the evaluation of the Bids, the Successful Bidders will be announced by the Tender Committee, and awarded with the Agreement, in accordance with the provisions of Sections 10.5 *(Successful Bidders and the Award of the Project)*.

It is hereby clarified that the Tender Committee intends to publish the identity of the Successful Bidders.

1.3 Anticipated Schedule

Without in any way derogating from the right of the Tender Committee to postpone any of the following dates in accordance with the provisions of the Tender Documents, at any time and at its sole discretion, the anticipated schedule for the Tender Process is as follows:

Final date for submission of Requests for Clarifications in accordance with Section 2.10 *(Requests for Clarifications)* below.	October 25, 2026
Last date for submission of Bidders and Major Subcontractors for preliminary evaluation of previous experience as detailed in Section 4 *(Preliminary Evaluation of Previous Experience with Bidders and Major Subcontractors)*.	September 8, 2026
Last date for submission for Voluntary Pre-Ruling of Bid Bonds as detailed in Section 7 *(Voluntary Pre-Ruling of Bid Bond)* of **Annex E** *(Bid Bond – General Provisions).*	At least 30 days prior to Bid Submission Date
Notification concerning the validity period of the Bid Bonds.	December 1, 2026
Notice concerning the PBI Bid Submission Index.	At least 10 days prior to Bid Submission Date
Bid Submission Date.	December 8, 2026 until December 9, 2026

1.4 Tender Documents

The Tender Documents include:

1.4.1 Volume 1 – ITB, including all annexes thereto and the Tender Forms.

1.4.2 Volume 2 – the Agreement, including all annexes and appendices thereto.

1.4.3 Volume 3 – Technical Specifications, including all annexes thereto.

1.4.4 All Addenda issued pursuant to Section 2.11 *(Addenda)*.

1.4.5 Any other document published by the Tender Committee in connection with the Tender Process and the Project.

2 RULES AND PROCEDURES

2.1 Definitions

Unless the context otherwise requires, all terms used in this ITB shall have the meaning ascribed thereto hereunder or in **Annex A** of this ITB (or, in the absence thereof, shall have the meaning ascribed thereto in the "Definitions" section of the Agreement).

2.2 Governing Law and Jurisdiction

2.2.1 Governing Law

This Tender Process shall be governed and construed in accordance with the Laws of the State of Israel, including the Tender Law and the Tender Regulations.

2.2.2 Jurisdiction

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

2.2.3 Notice; Claims

The Bidder shall be required to:

(i) notify the Tender Committee before initiating any legal proceeding (including any claim or complaint) with respect to the Tender Process, or if advance notification is not possible according to applicable Law, as soon as possible after the submission of such legal proceeding;

(ii) upon becoming aware of any legal proceedings or intention to file legal proceedings with respect to the Tender Process (whether by the Bidder itself, any Participating Entity, or any third party), notify the Tender Committee in writing of such proceedings or intention, if permitted by applicable Law; and

(iii) provide the Tender Committee with all applicable information and documents relating to such legal proceedings or intended legal proceedings, unless restricted by applicable Law.

2.3 Conformity with All Applicable Laws

2.3.1 By submitting a Bid, each Bidder, and each Participating Entity, and anyone on their behalf, shall be deemed to have confirmed that it received the Tender Documents, read, considered, and understood the Tender Documents and accepted the terms and conditions thereof, including all obligations and undertakings specified or implied hereunder.

2.3.2 Each Bidder and each Participating Entity, and anyone on their behalf, shall be deemed to have obtained legal advice, and shall be deemed to have: (i) obtained legal, technical, engineering, financial and any other relevant advice and counsel, all as necessary and required; and (ii) familiarized itself with the Laws relevant to the Tender Process and the Project.

2.3.3 The Bids shall be prepared and submitted in accordance with any applicable Law, as amended from time to time (even if the amendment shall be introduced or enacted during the Tender Process).

2.4 Mandatory Industrial Cooperation

2.4.1 Each Bidder confirms and undertakes that it will comply with and fulfil the requirements of the Israeli Ministry of Economy and Industry, in accordance with the Mandatory Tenders Regulations (Mandatory Industrial Cooperation) 5767-2007 ("**Mandatory Industrial Regulations**"), represented by the Industrial Cooperation Authority's ("**ICA**") with regards to industrial cooperation procurement which is to be carried out in connection with the scope of the Agreement.

2.4.2 If the Bidder or its Major Subcontractor is a "Foreign Supplier", as such term is defined under the Mandatory Industrial Regulations, such Bidder shall submit together with its Price Proposal an undertaking (in the form attached hereto as Tender Form "11" (*Binding Undertaking of a Foreign Supplier*)) toward the ICA (the "**Foreign Contractor's Industrial Cooperation Undertaking**") to carry out mandatory business cooperation under the Mandatory Industrial Regulations if shall be selected as a Successful Bidder, all in accordance with ICA's instructions, as may be given, and with the instructions set forth in **Annex G** (*ICA Appendix (Mandatory Industrial Cooperation)*).

2.4.3 The ICA shall examine the Implementation Plan of the Bidder, as such term is defined under Tender Form "11" (*Binding Undertaking of a Foreign Supplier*). If during the course of the ICA's examination of the Implementation Plan it shall determine that the Implementation Plan is not in compliance with the ICA's requirements and/or with applicable regulations, the Bidder will be obliged to make amendments to its Implementation Plan in accordance with the instructions of the ICA. Such amendments, if so required, shall not impact the remaining contents of the Bid. The ICA's approval of the Implementation Plan shall constitute one of the preconditions for the signature of the Agreement with the Successful Bidder, all subject to and in accordance with the Mandatory Industrial Cooperation.

2.4.4 In the event a Bidder does not amend its Implementation Plan in accordance with the ICA's requirements or satisfy any other requirement raised by the ICA, the Tender

Committee may, at its sole discretion, disqualify the applicable Bidder and exercise its rights with respect to the Next Ranked Bidder.

2.4.5 For additional information concerning the fulfilment of the industrial cooperation undertaking and additional undertakings and obligations to be fulfilled by the Successful Bidder, Bidders may address the ICA at:

Mr. Gil Efraim – Procuring Entities Director
Industrial Cooperation Authority, Ministry of Economy
86 Menachem Begin Rd.
P.O. Box 36049
Tel Aviv 67138, Israel
Tel.972-58-784-1713
Email: Gil.Efraim@economy.gov.il

2.5 The ITB

Volume 1 includes this ITB, its annexes and the Tender Forms, and any other document issued by the Tender Committee during the Tender Process (unless explicitly specified otherwise). Without derogating from the provisions of Sections 9.1 *(Compliance with the Requirements of the Tender Documents)* and 9.2 *(No Unauthorized Modification)*, the Tender Forms shall be provided to all Bidders in "locked for editing" MS-Word files (other than the relevant fields to be completed by the Bidders).

2.6 Order of Precedence

In the event of any ambiguity, discrepancy, conflict, or contradiction in or amongst the provisions of the Tender Documents, the provision or interpretation which is stricter or more onerous for the Bidder, as determined by the Tender Committee at its sole discretion, shall apply, unless otherwise specifically determined in writing by the Tender Committee. Any ambiguity, discrepancy, conflict, or contradiction shall be brought to the attention of the Tender Committee as soon as possible.

2.7 Severability

The invalidity or unenforceability of any part, provision or section of the Tender 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 Tender Documents, and the Tender Documents shall be construed and enforced as if the Tender Documents did not contain such invalid or unenforceable part provision or section.

2.8 Cost of Preparation

Each Bidder, each Participating Entity and anyone on their behalf, will bear any and all costs and expenses in connection with their participation in the Tender Process, and will not be reimbursed or otherwise compensated by ISR, the Tender Committee or anyone on their behalf for any costs or expenses so incurred thereby, including in the event of termination of the Tender Process for any reason whatsoever.

2.9 Language of the Tender Documents

2.9.1 Other than certain documents or parts thereof which may be provided in Hebrew (including, without limitation, ISR procedures and standards included in Volume 3 (Technical Specifications), this ITB and the Tender Documents are published in English.

2.9.2 Notwithstanding the foregoing, the Tender Committee intends to conduct its business in Hebrew, including in its meetings, discussions, protocols, and reserves the right, at its sole discretion to do so with respect to correspondences, negotiations and responses to Requests for Clarification, etc. (No translation will be provided for documents issued or prepared by the Tender Committee in Hebrew).

2.10 Requests for Clarifications

2.10.1 Bidders are responsible for examining the Tender Documents, as an expert, with appropriate care, and for familiarizing themselves with any and all conditions which may, in any way, affect their participation in the Tender Process, including in the preparation and submission of the Bids, signing the Agreement and the fulfillment of their obligations in accordance with the provisions of the Tender Documents (if declared as a Successful Bidder).

2.10.2 Bidders may raise questions and requests for clarifications or interpretations to the Tender Documents, in writing, by no later than the deadline for the submission of requests for clarifications, as set forth in Section 1.3 *(Anticipated Schedule)* above ("**Request(s) for Clarification(s)**"). Such Requests for Clarifications shall be addressed to the following email address: yossefk@rail.co.il.

Bidders shall verify the receipt of Requests for Clarifications by the Tender Committee.

2.10.3 Requests for Clarifications shall be submitted via email as an MS-Word file, and in the following format:

Clarification No.	**Document Name** (reference to the exact document in the Tender Document, which the question refers to)	**Section** (reference to the relevant Section and page in the document, which the question refers to)	**Subject/ Heading**	**Clarification/ Question**
1.				
….				

The Tender Committee reserves the right to ignore Requests for Clarifications which are not submitted in accordance with the requirements of submission specified in this Section 2.10.3.

2.10.4 The Tender Committee may request Bidders to provide clarifications to any part of

their Request for Clarifications, including by way of meeting with the Bidders or any of them (in a joint meeting or in separate meetings).

2.10.5 The Tender Committee is under no obligation to clarify or interpret the Tender Documents (or any part thereof), to respond to any specific question or to publish any of the Requests for Clarifications submitted to it.

2.10.6 Any response or non-response by the Tender Committee to any Request for Clarification by Bidders shall not be construed as approval or agreement, unless explicitly stated so by the Tender Committee, in writing in accordance with the provisions of Section 2.11 *(Addenda)* below.

2.10.7 In its response to a Request for Clarification the Tender Committee may rephrase any Request for Clarification, including adding to the original language or omitting from the original language, as it shall deem fit under the circumstances. In any event the language of the requests as distributed to the Bidders as part of an Addenda, shall not have any interpretive meaning, unless such meaning is explicitly implied from the Addenda.

2.10.8 The Tender Committee's responses including the Request for Clarifications (subject to the provisions of Section 2.11.6 above) shall be issued via the following website: www.rail.co.il (the "**Website**") to Bidders that were registered and received a username and password for this Tender, as an Addendum in accordance with Section 2.11 *(Addenda)* below.

2.10.9 Any Request for Clarification raised at a date following the deadline for the submission thereof as provided in Section 1.3 *(Anticipated Schedule)*, will be accepted or rejected, answered or not, at the discretion of the Tender Committee.

2.10.10 For the avoidance of doubt, 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 any Law and pursuant to the Tender Documents, including in accordance with the provisions of Section 2.11 *(Addenda)*.

2.11 Addenda

2.11.1 Without derogating from its rights, prerogatives and discretions pursuant to the Tender Documents or Law (including as specified in Section 12.1 *(Reservation of Rights and Prerogatives)* hereof), the Tender Committee reserves the right to revise, modify, amend, clarify, add, eliminate or otherwise change the Tender Documents or any part thereof, including, but not limited to, any instruction, requirement, Threshold Requirement(s), specification or date contained therein, at any time, whether at the discretion of the Tender Committee or as a result of a Request for Clarification. Such revisions, if any, shall be announced by a written clarification or addenda to the Tender Documents ("**Addenda**" or "**Addendum**", respectively) and will be deemed an integral part of the Tender Documents.

2.11.2 The Tender Committee shall not be bound by, and Bidders shall not rely on, any oral clarification to the Tender Documents.

For the avoidance of doubt, no clarification or amendment to the Tender Documents shall be binding unless issued in the form of an Addendum.

2.11.3 Copies of Addenda published by the Tender Committee shall be published at the Website and only to Bidders that were registered and received a username and password for this Tender.

2.11.4 Should any Addendum result from any Request for Clarification submitted by a Bidder, the identity of such Bidder shall not be disclosed.

2.11.5 Bidders are required to acknowledge receipt of Addenda in writing no later than two (2) Business Days following receipt thereof. Such acknowledgements shall be sent to the Tender Committee's email address as described in Section 2.10 *(Requests for Clarifications)* above.

2.11.6 Without derogating from the generality of the provisions of Sections 1.3 *(Anticipated Schedule)* above and this Section 2.11 *(Addenda)*, the Tender Committee may postpone the Bid Submission Date, or any other date herein even if such date or period has already passed or elapsed (excluding the Bid Submission Date if it has already passed), by such number of days as shall be necessary in the opinion of the Tender Committee and may repeat this process if necessary.

The new Bid Submission Date, if any, shall be announced by an Addendum in according with this Section 2.11 *(Addenda)*, and, unless otherwise specifically stated in the Addendum, the applicable provisions of the Tender Document shall apply with respect to such new date. Nothing in this Section shall be construed as an obligation of the Tender Committee to grant an extension.

2.12 **Conference**

2.12.1 Conference

The Tender Committee intends to hold a mandatory Bidders' conference, the details of which shall be notified to all Bidders in an Addendum (a "**Conference**"). Without derogating from the foregoing, the Tender Committee reserves the right to hold meetings with each of the Bidders separately; and/or (ii) Bidders' conference(s).

2.12.2 Conferences – General Provisions

(i) The Tender Committee may limit the number of participants on behalf of a Bidder in the Conference and may request prior confirmation of participation.

(ii) At the Conference the Tender Committee may answer questions referred to it by Bidders and provide information or clarifications in relation to the Tender Documents. However the Tender Committee shall not be bound by, and Bidders shall not rely on, any oral representation or information made by the Tender Committee or Bidders during the Conference.

(iii) Following the Conference(s), the Tender Committee may issue Addenda in accordance with the provisions of Section 2.11 *(Addenda)* above, addressing requests or queries raised by the attendees or clarifications provided by the Tender Committee at the Conference(s). Only answers and clarifications issued in the form of an Addendum shall be binding.

2.13 Confidentiality and Intellectual Property

2.13.1 **Exclusive Property of ISR.** The Tender Documents and any and all intellectual property right therein, are exclusively owned by ISR and are supplied to the Bidders for the purpose of participation in the Tender Process only.

2.13.2 **Confidentiality.** By participating in the Tender Process, each Bidder is deemed to have agreed to keep in strict confidence, not to disclose and not to make any use, whether partially or wholly, of any information or data, in any form or media, provided to it by or on behalf of the Tender Committee or made known to it otherwise as a result of or in connection with this ITB or the Tender Process, except that each Bidder may use such information or data solely for the purpose of preparing its Bid. Without derogating from the provisions of this Section 2.13.2, it is hereby acknowledged that certain information or documents may have restricted access and require third-party approvals. Access to such information and documents will be granted to Bidders at a later stage of the Tender Process, subject to obtaining such approvals and compliance with the confidentiality obligations set forth herein.

2.14 Independent Research and Inquiries and Examination of the Site

2.14.1 Each Bidder is expected to independently examine, evaluate and verify, at its sole responsibility and at its own expense, as an expert, all aspects of the Project and all factors, data and risks that may be deemed to affect, directly or indirectly, its participation in the Tender Process, submission of the Bid, signing of the Agreement and the fulfillment of its obligations in accordance with the Tender Documents, including, *inter alia*:

(i) the Lines Programme, the unique and dynamic nature of the Project, foreseen interfaces, interferences and obstacles and any other relevant logistical factor, including due to the dynamic and developing nature of the Project;

(ii) each Line involves complex and multiple interfaces, including, *inter alia,* with relevant authorities, utility owners, various third parties and stakeholders, multiple works contracts and works contractors, the urban environment and other areas in the vicinity of the specific Line, etc.;

(iii) the diverse and specific characteristics of the different Lines included in the Lines Programme and the ongoing development to the Lines Programme;

(iv) technical aspects, including those related to design and construction;

(v) financial aspects, including cost estimations, funding requirements and economic conditions affecting the Project;

(vi) legal aspects (including any maritime Law, safety and security Laws, environmental Laws and employment and labor Laws);

(vii) due to the dynamic nature of the Project and the ongoing development of Lines Programme, if the need will arise, the Successful Bidders shall be required to make all necessary and required adjustments, adaptions and other changes both to the performance of the Works and to all relevant documents, deliverables, designs and other output;

(viii) safety and security aspects;

(ix) any other aspects and risks involved therein (including, legal, business, and financial related risks), and such other factors or conditions which may be expected to affect the submission of the Bids, the signing of the Agreement and the fulfillment of its obligations in accordance with the provisions of the Tender Documents.

2.15 Information Supplied to Bidders

2.15.1 The issuance of the Tender Documents, including any information and data in connection therewith by the Tender Committee or anyone on its behalf, shall not be construed as giving rise to or creating any representation, undertaking or warranty by ISR, the Tender Committee or anyone on their behalf with respect to the Agreement, the provision thereof, the execution of any of the obligation thereunder and/or the accuracy and completeness of such information and data.

2.15.2 It is expressly understood that any reliance by any Bidder, any Entity participating with such a Bidder, or anyone on their behalf, on any information (including estimations and descriptions) contained in the Tender Documents or provided in connection therewith, even by way of reference as referred to in Section 2.15.1 for instance, and the making of any deductions, interpretations or conclusions from information which is made available, is at such Bidder's sole responsibility, and such a Bidder, Entity participating with such a Bidder, or anyone on their behalf, shall not have any claim against ISR, the Tender Committee or anyone on their behalf with respect thereto.

2.15.3 Neither will the information (including estimations and descriptions) provided in connection with the Tender Process or the execution of the Tender Process itself be construed as imposing an obligation on ISR, the Tender Committee or anyone on their behalf with respect thereto, or with respect to the Bidders (or the Successful Bidders) will make in reliance thereon. Without derogating from the foregoing, ISR, the Tender Committee or anyone on their behalf, shall not be responsible in any respect for any loss or damage whatsoever suffered by any Bidder or any Entity participating with such a Bidder, and anyone on their behalf, by reason of any use of information contained in the Tender Documents or provided in connection therewith, or any interpretation, deduction, inference, action or forbearance in reliance thereon.

2.16 Conflict of Interest and Advisors to the Tender Committee

2.16.1 Each Bidder acknowledges that in the preparation of its Bid 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 ITB or the Lines Programme, including a conflict of interest which may arise as a result of engaging employees, advisors or sub-contractors of ISR.

2.16.2 The advisors to the Tender Committee are listed in **Annex C** *(List of Advisors)* hereto ("**Advisors**"). Advisors are not permitted to participate in the ITB, on behalf of any third-party other than the Tender Committee. Therefore, Participating Entities are prohibited from engaging any Advisor, directly or indirectly, with respect to the ITB.

For avoidance of doubt, the foregoing prohibition shall apply: (a) if the Advisor is an Entity – to any person employed by such Entity and to any person which Controls such Entity; and (b) if the Advisor is a person – to any Entity Controlled by such person or any Entity which employs such Person.

2.16.3 However, any direct or indirect engagement between a Participating Entity (or any Affiliate thereof) and an Advisor, which meets the following conditions, will be treated by the Tender Committee as an engagement which does not give rise to suspicion of a conflict of interest or unfair competitive advantage:

(i) The engagement is for the provision of services by an Advisor to a Participating Entity which are **not** related to the ITB or the Project ("**Services**"); and

(ii) The Services are provided to the Participating Entity by different personnel, individuals and/or teams of the Advisor from those personnel, individuals and/or teams of the Advisor that advise the Tender Committee in any capacity; and

(iii) The Advisor's revenues from the Services do not exceed 1% of the Advisor's annual revenue.

(the "**Basic Requirements**").

2.16.4 Each Bidder is required to notify the Tender Committee by no later than October 25, 2026 of any engagement thereby or by a Participating Entity of any and all Advisors and to include in such notice a statement as to whether such engagement(s) meets the Basic Requirements.

If a Participating Entity does not notify the Tender Committee as aforesaid, it shall be deemed not to have any such engagements.

2.16.5 **Determination by the Tender Committee**. The Tender Committee, taking into consideration, *inter alia*, the level of involvement of the applicable Advisor in the Project, and/or the ITB, reserves the right, at its discretion, to (i) determine that the engagement of any one or more Advisor by a Participating Entity is not approved, despite its apparent compliance with the Basic Requirements; (ii) approve engagements which do not comply with the Basic Requirements; (iii) request to

amend the terms of any engagement of an Advisor; (iv) disqualify Participating Entities from participating in the Tender Process; (v) impose conditions and restrictions with respect to the participation of the Participating Entity in the Tender Process; and/or (vi) do any other thing required, in its opinion, to avoid any appearance of or a conflict of interest or unfair competitive advantage, in each case, as the Tender Committee shall deem fit.

3 GENERAL PROVISIONS RELATING TO BIDDERS

3.1 The Bidder

A "**Bidder**" shall mean a single Entity which is not a partnership or a joint venture participating in the Tender Process and submitting a Bid and which complies with: (a) the requirements in Section 3.4 (Participation – General Requirements); and (b) the Threshold Requirements.

The Bidder may either be a Local Entity, or, an Entity that entered into an agreement with a Local Entity nominating such Local Entity to act as subcontractor of the Bidder for purpose of carrying out the Works if the Bidder is selected as a Successful Bidder.

3.2 Major Subcontractors of the Bidder

3.2.1 A "**Major Subcontractor**" shall mean each of the Entities presented by the Bidder and which comply with: (a) the requirements of Section 3.4 (*Participation – General Requirements*); (b) the Professional Threshold Requirements set forth in Section 5.1 (*Experience in Design and Erection of Overhead Contact Systems (OCS)*); and (c) all other applicable requirements of this ITB.

3.2.2 A Major Subcontractor demonstrating compliance with the abovementioned Professional Threshold Requirement must meet all conditions set forth therein. A situation in which one Major Subcontractor complies with some of the conditions of the Professional Threshold Requirement while another Major Subcontractor complies with the rest of the conditions thereof, shall not be considered as compliance with said Professional Threshold Requirement.

3.2.3 A Bidder which demonstrated compliance with the abovementioned Professional Threshold Requirement through a Major Subcontractor, must engage such Major Subcontractor to perform the designated scope of Works with which such Major Subcontractor demonstrated compliance with.

3.3 Guarantors

3.3.1 A Guarantor shall mean:

3.3.1.1 A Parent Company of the Bidder;

and which complies with:

3.3.1.2 All of the requirements of Section 3.4 (*Participation – General Requirements*); and

3.3.1.3 The applicable Financial Threshold Requirements in accordance with the provisions of Section 6 *(Financial Threshold Requirements)*.

3.4 Participation – General Requirements

Each Bidder, Major Subcontractor and Guarantor (each, a "**Participating Entity**") needs to comply and satisfy all of the following requirements:

3.4.1 It is a duly organized and a validly existing Entity under the laws of the jurisdiction in which it is organized.

3.4.2 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 fulfillment of its obligations in accordance with the provisions of the Agreement and participation in this Tender Process, and its incorporation documents do not contain any provision which may restrict or limit its ability to undertake and execute the applicable part of the works for which it is qualified with respect to the execution of the Project.

3.4.3 There are no actions or proceedings pending, voluntary or involuntary, with respect to dissolution, liquidation, freeze 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, freeze of assets, bankruptcy, insolvency, appointment of a trustee, a liquidator or a receiver (including temporarily), or any other analogous situation.

3.4.4 Its most recent Financial Statements do not include a "going concern notice" or a notice of a similar effect.

3.4.5 It and any Interested Party, including the office holders thereof involved in the Tender Process or in the Project, are not residents or citizens of a state or region which: (a) does not have diplomatic relations with the State of Israel; or (b) which does not have an economic representation in the State of Israel; or (c) in which the State of Israel does not have an economic representation.

3.4.6 It is not a Declared Entity and it is not a Related Entity of a Declared Entity; and the office holders thereof involved in the Tender Process or in the fulfillment of its obligations in accordance with the provisions of the Agreement (including individuals) are not Declared Entities and are not Related Entities of the Declared Entities;

3.4.7 To the extent required under Law, each Entity incorporated in the State of Israel, or registered in Israel as a Foreign Company as defined under the Companies Law 5759-1999, shall provide as part of Tender Form "8" *(Form of Affidavit)* all relevant approvals and statements as required in accordance with the provisions of the Public Entities Transactions Law, and an authorized dealer certificate from the VAT (Value Added Tax) authorities;

3.4.8 If an Entity is not incorporated in the State of Israel it shall provide approvals and statements equivalent to the approvals and statements in Section 3.4.7, to the extent such equivalent approvals and statements are required by law within its domicile.

3.4.9 To the extent applicable, each Bidder and each of its Major Subcontractors shall have, by no later than the Bid Submission Date, all:

(i) certifications of the Israeli Contractors Registrar (in Hebrew: "*סיווג בפנקס רשם הקבלנים*"):

a. Each Bidder and its presented Major Subcontractor must be a "registered contractor" pursuant to the Contractors Registration Law, having at least one (1) of the following classification(s): (i) field 100 (construction), classification C-5 (unlimited) [100 ג-5]; (ii) field 200 (roads, infrastructures and development), classification C-5 (unlimited) [200 ג-5]; or (iii) field 300 (bridges), classification C-5 (unlimited) [300 ג-5];

b. Notwithstanding the foregoing, if the Bidder or its Major Subcontractor (as applicable) is subject to the provisions of Article 14A of the Contractors Registration Law and such Bidder or any its Major Subcontractor (as applicable) is therefore not registered under the Contractors Registration Law, it will be required to approach the Ministry of Construction and Housing in order to obtain, prior to the Bid Submission Date, an exemption from the registration requirements of this Sub-Section (i)(a) in accordance with the provisions of Article 14A of the Contractors Registration Law.

(ii) approvals by the inter-ministerial committee for contractors' works (in Hebrew: "*תעודת קבלן מוכר בתוקף לביצוע עבודות ממשלתיות מטעם הוועדה הבין משרדית למסירת עבודות לקבלנים*"), or, with respect to foreign Entities, an equivalent approval or certificate issued by the competent authority in the jurisdiction of incorporation of such foreign Entity, evidencing eligibility to perform governmental works of a similar nature and scope.

3.4.10 Quality Control Certificate. Each Bidder and each Major Subcontractor must be certified for Quality Control System in accordance with the ISO 9001:2015 standard, or equivalent.

3.5 Authorized Representative

3.5.1 Each Bidder must appoint a representative on its behalf and to verify such appointment by submitting Tender Form "2" *(The Bid Submission Letter)* ("**Authorized Representative**"). The Bidder may replace the Authorized Representative by providing a prior written notice to the Tender Committee. 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.

3.5.2 The Authorized Representative shall be authorized to receive correspondence and

instructions from the Tender Committee for and on behalf of the Bidder and any and all Entities participating with such a Bidder.

3.6 Participation in a Bid

3.6.1 General

(i) Each Bidder may participate in only one Bid.

(ii) Each Major Subcontractor may participate in only one Bid. To the extent that two (2) Successful Bidders are selected by ISR, there will be no limitation on any Major Subcontractors to act as a Subcontractor for two (2) Contractors.

(iii) Each Guarantor may participate in only one Bid.

3.6.2 Interpretations

For the purpose of the provisions of Section 3.6.1 *(General)*, the terms "**Bidder**" "**Major Subcontractor**" and "**Guarantor**" shall be deemed to include any incorporated entity which exercises Control over such Entity, is under the common Control of such Entity or is Controlled by such Entity.

For the purpose of this limitation and restriction, the term Entity shall be deemed to include individuals.

3.7 Participation of Government Companies

Any company budgeted by the Government of the State of Israel as defined under Section 21 of the State Budget Law, 5745-1985 ["גוף מתוקצב"], any Municipal Company or a subsidiary thereof as defined under Section 21 of the State Budget Law, 5745-1985, any company supported by the Government of the State of Israel as defined under Section 32 of the State Budget Law, 5745-1985 ["גוף נתמך"], any Entity incorporated by Law (a statutory corporation), or any company subject to the provisions of the Government Companies Law, 5735-1975, is not permitted to participate in the Tender Process, directly or indirectly, including as a Bidder, or as a Major Subcontractor, Subsidiary, Parent Company or Guarantor.

3.8 Additional Requirements, including Security and Foreign Affair Considerations

3.8.1 Without derogating from any of its rights and prerogatives pursuant to this ITB or Law, the Tender Committee reserves the right to impose additional or new conditions, limitations, prohibitions, or restrictions, *inter alia*, with respect to the participation of a Participating Entity in the Tender Process or the Project, which relate to:

3.8.1.1. Competition, including pursuant to the Promotion of Competition and Reduction of Concentration Law, 5774-2013 (if applicable); and/or

3.8.1.2. Security and/or foreign affair considerations (including national security); In this respect, Bidders are hereby informed that restrictions may be imposed with respect to the participation of a Participating Entity in the Tender Process and

the Project, in relation to foreign investments, inter alia, upon inquiry made to The Advisory Board for Evaluating National Security Aspects of Foreign Investments, in cases in which concerns arise that such investments may negatively affect national security interests, all in accordance with provisions of Resolution B/372 issued by the Ministerial Committee on National Security Affairs (State Security Cabinet), dated October 30, 2019.

3.8.2 This may include instructions to any Participating Entity to cease its participation in the Tender Process or the Project or to change its holdings or its involvement in any aspect of the Tender Process or the Project. In this respect, it is clarified that any permits, consents or approvals of relevant authorities may impose similar requirements, conditions, limitations, prohibitions or restrictions.

3.8.3 Without derogating from the foregoing or from any of its rights and prerogatives pursuant to the Tender Documents or Law, the Tender Committee reserves the right to impose conditions, limitations, prohibitions or restrictions with respect to the participation in the future selection processes connected to the Project, of an Entity or person connected to the applicable Successful Bidder or any other person or Entity which otherwise participates in the Tender Process.

4 PRELIMINARY EVALUATION OF PREVIOUS EXPERIENCE WITH BIDDERS AND MAJOR SUBCONTRACTORS

4.1 By no later than September 8, 2026, as may be amended by the Tender Committee during the Tender Process, each Bidder shall submit to the Tender Committee, Tender Form "10" *(Preliminary Evaluation of Previous Experience)* hereto, in order for the Tender Committee to determine the eligibility of the Bidder and its proposed Major Subcontractor based on past experience of ISR therewith.

4.2 The Tender Committee shall conduct a preliminary review of each Bidder and its proposed Major Subcontractor to assess any negative past experience of ISR and/or any other entity with such Bidder and/or Major Subcontractor.

4.3 Such preliminary review shall include, without limitation, an evaluation of whether any such Bidder and/or Major Subcontractor has:

4.3.1 Failed to meet material deadlines in previous projects or contracts;

4.3.2 Delivered substandard work quality in previous engagements;

4.3.3 Committed a substantial breach of contract terms or conditions in previous agreements;

4.3.4 Demonstrated poor project management or execution capabilities that resulted in a substantial breach;

4.3.5 Engaged in any conduct that adversely and materially affected previous projects or relationships; or

4.3.6 Any other negative performance history that the Tender Committee deems likely to

affect such entity's ability to successfully execute the Project in accordance with the Tender Documents.

4.4 In the course of its evaluation, the Tender Committee may, at its sole discretion, rely on:

4.4.1 ISR's internal records and experience;

4.4.2 Information from other relevant entities or organizations;

4.4.3 Publicly available information;

4.4.4 Industry reports or references; and/or

4.4.5 Any other sources of information deemed relevant by the Tender Committee, including the Tender Documents (but excluding the Price Proposal).

4.5 The Tender Committee may request any additional information and/or documentation which it considers necessary for its approval of a Bidder or a Major Subcontractor, and the Bidders shall provide the Tender Committee with any requested information and documentation in order to facilitate the approval procedure set forth herein.

4.6 Based on the evaluation of past experience with the Bidders and their proposed Major Subcontractors as detailed above, the Tender Committee shall determine whether to allow the continued participation of the Bidder and its proposed Major Subcontractor in the Tender Process or to disqualify such Bidder or Major Subcontractor.

4.7 The Tender Committee shall notify the Bidders of its decision pursuant to Section 4.6 above by the later of: (i) thirty (30) days following the submission of Tender Form "10" *(Preliminary Evaluation of Previous Experience)*by the Bidder; or (ii) thirty (30) days following the provision of any requested information and/or documentation by the Bidder pursuant to Section 4.5 above, both as may be amended by the Tender Committee during the Tender Process.

4.8 Where the Tender Committee decided to disqualify a proposed Major Subcontractor from participation in the Tender Process, the Tender Committee shall enable the relevant Bidder to submit an alternative Major Subcontractor, for the Tender Committee's approval. The Tender Committee shall determine the date for such submission by the Bidder, provided that such submission and the Tender Committee's decision with respect thereto shall occur prior to the Bid Submission Date. The provisions of Sections 4.1 to 4.7 above shall apply with respect to the approval thereof, *mutatis mutandis*. For the avoidance of doubt, unless otherwise approved by the Tender Committee, at its sole discretion, the Bidder shall be allowed to submit only one alternative Major Subcontractor for the evaluation and approval of the Tender Committee pursuant to this Section 4.8.

4.9 The Tender Committee shall evaluate the past experience of the Bidders and their proposed Major Subcontractors based on the information available at the time of review. Further to the foregoing, the preliminary determination pursuant to this Section 4 may be revised in the event that additional material information becomes available during the Tender Process. In addition, the preliminary determination pursuant to this Section 4 shall not constitute, nor be

construed as, a guarantee of final approval of the continued participation of the Bidders and/or their proposed Major Subcontractors in the Tender Process.

5 PROFESSIONAL THRESHOLD REQUIREMENTS

Each Bidder is required to demonstrate compliance with the following Professional Threshold Requirements:

5.1 Experience in Design and Erection of Overhead Contact Systems (OCS)

The Bidder or a Major Subcontractor on its behalf:

5.1.1 designed and erected OCS for at least three hundred (300) km (in the aggregate) of railway tracks (single track), which comply with the following:

(i) all of the above 300 km railway tracks were Completed within the period of ten (10) years preceding the Bid Submission Date;

(ii) at least one segment of the OCS works out of the above 300 km railway tracks included integration with an existing OCS network; and

(iii) in at least one segment out of the above 300 km railway tracks, the OCS designed and erected complied with TSI requirements ("TSI certified").

5.1.2 the experience under Section 5.1.1 above may be demonstrated within the scope of several separate projects, provided, however, that in at least one (1) of the presented projects, the Bidder or Major Subcontractor (as applicable) was responsible for both the design and the erection of OCS.

5.1.3 In order to demonstrate compliance with this Section 5.1 (*Experience in Design and Erection of Overhead Contact Systems (OCS)*) the Bidder shall complete, execute and submit Tender Form "5" *(Experience in Design and Erection of Overhead Contact Systems (OCS))*.

5.2 Experience in Design and Construction of Complex Infrastructure Projects

5.2.1 The Bidder has Designed and Constructed, as a Main Contractor, at least two (2) Complex Infrastructure Projects which comply with the following:

(i) Each project was Completed within the period of ten (10) years preceding the Bid Submission Date;

(ii) The Contract Value of at least one (1) of the presented projects is not less than two hundred million New Israeli Shekels (NIS 200,000,000); and

(iii) The aggregate Contract Value of all presented projects is not less than five hundred million New Israeli Shekels (NIS 500,000,000).

5.2.2 In order to demonstrate compliance with this Section 5.2 *(Experience in Design and Construction of Complex Infrastructure Projects)* the Bidder shall complete,

execute and submit Tender Form "6" *(Experience in Design and Construction of Complex Infrastructure Projects)*.

6 FINANCIAL THRESHOLD REQUIREMENTS

Each Bidder is required to demonstrate compliance with the following Financial Threshold Requirements:

6.1 Turnover

6.1.1 Calculation of Weighted Average Turnover

The Weighted Average Turnover (WATO) of each bidder shall be calculated as a weighted average of its annual turnover for the three (3) most recent consecutive annual Financial Statements (provided that such are not earlier than for the year 2023), as follows:

$$WATO = \frac{3 * TO_{(t)} + 2 * TO_{(t-1)} + 1 * TO_{(t-2)}}{6}$$

Where:

TO - Bidder's annual turnover for the applicable year in accordance with its annual financial statements for that year.

t - Most recent year for which the Bidder has annual Financial Statements (provided such are not earlier than 2025).

6.1.2 Each Bidder is required to demonstrate that its weighted average turnover (calculated in accordance with Section 6.1.1 above) is not less than three hundred million NIS (300,000,000 NIS).

6.1.3 In order to demonstrate compliance with this Section 6.1 (*Turnover*) the Bidder or Guarantor (as applicable) shall complete, execute and submit Tender Form "7" *(Financial Threshold Requirements Compliance)*.

6.2 Operating Cash Flow

6.2.1 Each Bidder is required to demonstrate that its Weighted Average Operating Cash Flow (WAOCF) for the three (3) most recent consecutive annual Financial Statements (provided that such are not earlier than for year 2023), is not negative (either positive or equal to zero).

6.2.2 The Weighted Average Operating Cash Flow of each Bidder shall be calculated in the following manner:

$$WAOCF = \frac{3 * CF_{(t)} + 2 * CF_{(t-1)} + 1 * CF_{(t-2)}}{6}$$

Where:

CF - Bidder's operating cash flow for the applicable year in accordance with its annual Financial Statements for that year.

t - Most recent year for which the Bidder has annual Financial Statements (provided such are not earlier than 2025).

or:

6.2.3 In the event that the WAOCF of a Bidder is negative, the Bidder is required to demonstrate that the ratio between the absolute value of (a) and (b) below is less than 25%:

(a) The lower of:

(i) The WAOCF as calculated pursuant to the provisions of Section 6.2.2 above; or-

(ii) The operating cash flow of the Bidder based on its most recent annual Financial Statements (provided such are not earlier than for the year 2025).

(b) The equity of the Bidder on the last day of its most recent annual Financial Statements (provided such are not earlier than 2025).

So that:

$$\mathrm{ABS}[CF]/\mathrm{Et} < 25\%$$

Where:

ABS[CF] = the absolue value of CF.

CF = The lower of (a)(i) or (a)(ii) above.

Et = the equity of the Bidder, on the last day of its most recent annual financial statements (provided that such are not earlier than for the year 2025).

6.2.4 In order to demonstrate compliance with this Section 6.2 (*Operating Cash Flow)* the Bidder or Guarantor (as applicable) shall complete, execute and submit Tender Form "7" *(Financial Threshold Requirements Compliance)*.

6.3 **Equity**

6.3.1 Each Bidder is required to demonstrate that its equity on the last day of its most recent annual Financial Statements (provided such are not earlier than for the year 2025) is not less than fifty million NIS (50,000,000 NIS).

6.3.2 In order to demonstrate compliance with this 6.3 (*Equity*) the Bidder or Guarantor (as applicable) shall complete, execute and submit Tender Form "7" *(Financial Threshold Requirements Compliance).*

7 GENERAL INSTRUCTIONS WITH RESPECT TO DEMONSTRATION OF COMPLIANCE WITH THE THRESHOLD REQUIREMENTS

7.1 Relying on the Qualifications of other Entities

7.1.1 Reliance on a Guarantor

7.1.1.1 The Bidder may demonstrate compliance with the Financial Threshold Requirements by relying on a Guarantor, provided that the Guarantor itself complies with all Financial Threshold Requirements, and provided that both the Bidder and its Guarantor comply with the requirements under Section 3.4 *(Participation – General Requirements)* above.

7.1.2 Reliance on the Experience of a Supporting Entity

For the purpose of demonstrating the Professional Threshold Requirements specified in Section 5 (*Professional Threshold Requirements*) above, a Bidder or a Major Subcontractor may present and rely on works which were executed by the following Entities ("**Supporting Entity**"):

7.1.2.1 a Parent Company of the Bidder or Major Subcontractor (as applicable);

7.1.2.2 a Subsidiary held by the Bidder or Major Subcontractor (as applicable), provided that if the Subsidiary is an SPV which is not a limited liability company, reliance on such shall be subject to the following additional requirement:

The Entities which directly held the Means of Control of the SPV (including the Bidder or Major Subcontractor, if applicable), must have been responsible, jointly and severally, for the execution of the relevant works.

7.1.2.3 In the event that a Bidder or Major Subcontractor (as applicable) requests to rely on a Supporting Entity in accordance with the provisions of Section 7.1.2 above, such Bidder or Major Subcontractor (as applicable) shall include, in the relevant Tender Forms, details as requested therein with respect to the Supporting Entity and the connection between such Supporting Entity and the Bidder or Major Subcontractor (as applicable), including a chart describing the structure of holdings.

7.1.3 Reliance on a Major Subcontractor

7.1.3.1 A Bidder may rely on the professional experience of a Major Subcontractor for the purpose of compliance with the requirements set forth under Section 5.1 above, provided both the Bidder and its Major Subcontractor comply with the requirements under Section 3.4 *(Participation – General Requirements)* above, and provided that the Bidder together with its Major Subcontractor comply with all requirements under Section 5 (Professional Threshold Requirement). Without derogating from the foregoing and for

removal of any doubt, it is expressly acknowledged that only the Bidder shall be entitled to demonstrate compliance with the requirements set forth under Section 5.2 (Experience in Design and Construction of Complex Infrastructure Projects) above.

7.1.3.2 It is hereby acknowledged that the experience demonstrated by the Major Subcontractor shall be attributed to the Bidder. A Major Subcontractor demonstrating compliance with any of the Professional Threshold Requirements, shall be the Entity responsible (jointly and severally with the Bidder) for the performance and execution of the relevant part of the Works (corresponding to the category of experience demonstrated) on behalf of the Bidder in the event that the Bidder is selected as the Successful Bidder.

7.2 Exchange of Currency

7.2.1 The financial figures included in the Bid must be submitted in New Israeli Shekels (NIS) and, to the extent indicated in relevant Tender Forms, in the applicable original currency.

7.2.2 Financial information and the figures included in the Financial Statements, presented in any currency other than NIS, will be converted to NIS according to the following exchange rates tables:

7.2.2.1 For the purpose of Section 6.1 (*Turnover*):

a. Average annual exchange rates for a fiscal year ending on **December 31st**:

Currency	2023	2024	2025
USD	3.6897	3.699	3.4519
EUR	3.9895	4.0021	3.8928

b. Average annual exchange rates for a fiscal year ending on **March 31st:**

Currency	2023	2024	2025	2026
USD	3.444	3.7183	3.6873	3.329
EUR	3.5885	4.0331	3.9593	3.8556

7.2.2.2 For the purpose of Section 6.3 (*Equity*):

a. Exchange rates on the last day of fiscal year, for a fiscal year ending on **December 31st:**

Currency	2025
USD	3.19
EUR	3.7455

b. Exchange rates on the last day of fiscal year, for a fiscal year ending on **March 31st:**

Currency	2025	2026
USD	3.718	3.165
EUR	4.0219	3.6360

7.2.2.3 For the purpose of Section 5.2 (*Experience in Design and Construction of Complex Infrastructure Projects*), Contract Value shall be converted in accordance to the following table:

Currency	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
USD	3.8406	3.5997	3.5970	3.5643	3.4367	3.2293	3.3577	3.6897	3.6990	3.4519
EUR	4.2496	4.0622	4.2442	3.9926	3.9252	3.8196	3.5361	3.9895	4.0021	3.8928

7.3 Conversion of Currencies

7.3.1 Without derogating from the requirements of Sections 7.2 (*Exchange of Currency*) and 2.10 (*Requests for Clarifications*) above, if the financial information or Financial Statements of the Bidder are presented in currencies other than the currencies the exchange rates of which are presented in Section 7.2 (*Exchange of Currency*) above, a specific request should be submitted to the Tender Committee for other currency conversion to US$, at least thirty (30) days prior to the Bid Submission Date. Such a request shall contain all the relevant information, including exchange rate tables and reference to the source thereof. The Tender Committee will consider each request on a case-by-case basis and may issue an Addendum as a result therefrom.

7.3.2 If, according to its place of registration, the fiscal years specified in the financial information or Financial Statements of the Bidder or Guarantor (as applicable) are not the same as the fiscal year specified in Section 7.2 (*Exchange of Currency*) above, a specific request should be submitted to the Tender Committee to use alternative exchange rates, at least thirty (30) days prior to the Bid Submission Date. The request

must specify all the relevant information and exchange rate tables, on which the Bidder relies. The Tender Committee will consider each request on a case-by-case basis and may issue an Addendum as a result therefrom.

7.3.3 The Tender committee may, at its sole discretion, respond to requests submitted less than thirty (30) days prior to the Bid Submission Date.

7.4 Approved Accounting Principles

7.4.1 In order to demonstrate compliance with the Financial Threshold Requirements, the Bidder or a Guarantor (as applicable) (for purpose of this Section, "**Demonstrating Entity**") is required to submit its Financial Statements, duly executed by the Demonstrating Entity's management (or the equivalent thereof) and by its external auditors, and duly prepared and presented in accordance with one of the following:

(i) Israeli GAAP (including Standard No. 51 of the Institute of Certified Public Accountants in Israel);
(ii) US GAAP (published by the FASB);
(iii) International Financial Reporting Standards (including, with respect to the cash flow statements, IAS (International Accounting Standards) IAS No. 7 and IFRS updates);
(iv) French GAAP;
(v) Germany IFAD GAAP;
(vi) UK GAAP;
(vii) Spanish GAAP;
(viii) China Accounting Standards (CAS) ;
(ix) Ind AS- Indian Accounting Standards.

7.4.2 If the Financial Statements of the Demonstrating Entity are based on different accounting principles than those listed in Section 7.4.1 above:

6.4.2.1 A specific request should be submitted to the Tender Committee to approve submission of such Financial Statements, at least thirty (30) days prior to the Bid Submission Date. The Tender Committee will consider each request on a case-by-case basis and may issue an Addendum as a result thereof. The Tender Committee may, at its sole discretion, respond to requests submitted less than thirty (30) days prior to the Bid Submission Date.

6.4.2.2 If approved by the Tender Committee, such Entity will provide, withing the Bid Submission, a letter, signed by an external auditor, confirming that the Entity's turnover, operating cash flow and equity, as presented in its Financial Statements, substantially comply with US GAAP or IFRS methodology.

7.5 Financial Statements; General Provisions

7.5.1 Without Derogating from the generality of Section 7.4.1 above, the Financial Statements must include a balance sheet, a profit and loss statement, a cash flow, and auditor's report and notes.

7.5.2 If the Financial Statements of the demonstrating Entity do not include cash flow statements, such statements- in accordance with one of the accounting principles set out in Section 7.4.1 above, should be submitted, duly executed by the external auditors of the Entity.

7.5.3 If cash flow statements based on accounting principles other than Israeli GAAP, US GAAP or IFRS, will be submitted, together with such statements a confirming that the cash flow statements substantially comply with US GAAP or IFRS methodology, signed by an external auditor, should be attached.

7.5.4 The Financial Statements will be provided either in English or in Hebrew, but in no other language.

7.5.5 Without derogating from the aforementioned, in the event that the Financial Statements of an Entity contain comparative figures to the preceding years, the Entity will not be required to submit the Financial Statements for the preceding years, and it can rely on the comparative figures presented in its most recent Financial Statements.

7.5.6 In the event of a discrepancy between the Financial Statements and the Tender Forms, the Financial Statements shall prevail.

8 THE CONTENTS OF THE BID

8.1 The Parts of the Bid

8.1.1 Each Bidder shall submit one Bid, including all information and deliverables specified herein in order to demonstrate compliance with the requirements of the Tender Documents. The Bid shall be divided into four (4) parts (each, a "**Part**").

8.1.2 For the Bidders' convenience and without derogating from the provisions of this ITB, **Annex D** *(General Submission Instructions and Contents of the Bid)* includes a more detailed description of the contents of the Bids as specified herein:

8.1.2.1 **Part 1 (General Information and Bid Bond)**: Each Bidder shall: (i) comply with all requirements specified in this ITB and shall submit Tender Forms "2", "3", "4"; (ii) submit a Bid Bond in compliance with the requirements specified in **Annex E** *(Bid Bond – General Provisions)* hereto; (iii) identify all information contained in its Bid which it considers to be of a commercially sensitive or confidential nature in accordance with the provisions of Section 9.9 *(Identification of Sensitive or Classified Information and Disclosure of Documents)* below.

8.1.2.2 **Part 2 (Threshold Requirements)**: In order to demonstrate compliance with the Threshold Requirements specified Sections 5 *(Professional Threshold Requirements)* and 6 *(Financial Threshold Requirements)* above, each Bidder shall submit Tender Forms "5", "6" and "7" and attach to Tender Form "7" all relevant Financial Statements in accordance with Section 7.5 *(Financial Statement; General Provisions)* above.

8.1.2.3 **Part 3 (Price Proposal)**: Each Bidder shall submit the Tender Form(s) and deliverable(s) detailed in **Annex F** *(Price Proposal – Submission Instructions and Evaluation Criteria)* hereto (including all attachments and other documents required pursuant thereto).

8.1.2.4 **Part 4 (ICA Submission):** If the Bidder or its Major Subcontractor is a "Foreign Supplier", as such term is defined under the Mandatory Industrial Regulations, such Bidder shall submit Tender Form "11" (*Binding Undertaking of a Foreign Supplier*), all in accordance with the instructions set forth in Section 2.4 (*Mandatory Industrial Cooperation*) above.

8.1.3 The Bid, including all four (4) Parts thereof, shall be submitted on the Bid Submission Date. However, each Part shall be sealed in a separate envelope.

8.1.4 Without derogating from any other Bid submission requirements stipulated in this ITB, it is emphasized that the Price Proposal must be separated from the other Bid documents. In the event that the Bidder submits any part of the Price Proposal other than in accordance with the requirements of this Section 8 *(The Parts of the Bid)*, the Tender Committee may, at its sole discretion, disqualify the Bidder if it is of the opinion that there is no reasonable solution that solves and/or eliminates the defect and that the principle of equality has been undermined or that the Bidder acted in bad faith with the intention of influencing the Tender Committee.

9 METHOD OF SUBMISSION

Bidders shall submit the Bids by no later than Bid Submission Date, in accordance with the provisions of this Section 9 *(Method of Submission)*.

9.1 Compliance with the Requirements of the Tender Documents

Bidders shall prepare their Bids in conformity with the requirements of the Tender Documents. Bidders shall answer all parts of the Tender Documents 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 Bid, if required. Without derogating from the generality of the foregoing, Bidders shall complete, sign and submit all Tender Forms.

9.2 No Unauthorized Modification

9.2.1 Bidders shall not modify or supplement the instructions of the Tender Documents (including the Tender Forms). Unauthorized conditions, limitations, modifications, supplements, reservations, deviations, amendments, omissions, changes or additions to the Tender Documents and/or qualifications, disclaimers or provisions attached to a Bid (each a "**Deviation**"), may result in the disqualification of the Bid and of the Bidder.

9.2.2 Without derogating from the generality of the foregoing, any Deviation which:

9.2.2.1. was not submitted by the Bidder to the Tender Committee in accordance with the provisions of Section 2.10 *(Requests for Clarifications)* or

approved or issued by the Tender Committee in the form of an Addendum to the Tender Documents, in accordance with the provisions of Section 2.11 *(Addenda)*;

9.2.2.2. affects in any material way, the scope, quality, or performance of the obligations in accordance with the provisions of the Agreement;

9.2.2.3. limits in any material way the rights of the Tender Committee, or is inconsistent with the Tender Documents, or limit in any material way the Successful Bidders' obligations pursuant to the Agreement; or

9.2.2.4. would unfairly affect the competitive position of other Bidders submitting a responsive Bid;

may be deemed an "unauthorized Deviation".

9.2.3 Whether a Deviation will be considered to be "unauthorized" or not, and the consequences of any such Deviation, will be determined by the Tender Committee on the basis of substance rather than form. Thus, for example, a statement expressed as an "assumption", a "request for a change", a "clarification", "we suggest discussing at a later stage", or any similar or comparable words or expressions, may be considered by the Tender Committee as an "unauthorized Deviation".

9.2.4 The foregoing shall not derogate from the provisions of Section 11.3 *(Tender Committee's Prerogatives with respect to a Deviation)* below.

9.3 **Language of the Bid**

9.3.1 The Bids (including all Parts thereof and all Tender Forms) shall be submitted in English.

9.3.2 Supporting documents and printed literature submitted by a Bidder in any language other than English, shall be accompanied by a duly certified translation into English (in accordance with the applicable laws of the jurisdiction in which the applicable Bidder is organized), in which case, for purposes of interpretation, the English translation shall prevail.

9.3.3 Notwithstanding the foregoing, official and authenticated certificates of Israeli corporations (and only such official and authenticated certificates) and Updated Financial Statements of Israeli Entities which are originally prepared in Hebrew, may be submitted in Hebrew.

9.4 **Signing of the Bid and Table of Contents**

9.4.1 Each Tender Form (and, if indicated, any attachment thereto) shall be duly signed by the relevant Entity(ies) and/or person(s) (as applicable) as indicated in the applicable Tender Form or (if applicable) any attachment thereto.

9.4.2 **Authorization of Signatures by an Attorney**. Where indicated in the Tender Forms (and, if applicable, their attachments), the signature of an Entity or person shall be

accompanied by a confirmation by an attorney or a public notary.

9.4.3 In addition, each page of the Bid (including the Tender Forms and any additional document submitted as part of the Bid) shall be duly signed by the Authorized Representative or other authorized signatory(ies) of the Bidder (at the margins of each page). Notwithstanding the foregoing, if a document or a set of documents comprising a part of the Bid is/are bound so that pages cannot be removed or added to the bound pages, the Authorized Representative or other authorized signatory(ies) (as applicable) of the Bidder may sign the first and last pages of each such binder next to a clear indication of the number of pages contained in the applicable binder.

9.4.4 **Table of Contents**. All pages of the Bid will be enumerated, and the Bid will include a detailed table of contents.

9.5 **Number of Copies**

9.5.1 Each Bid must be submitted and clearly marked as one (1) original copy and two (2) identical copies (three (3) copies altogether marked as: "Original Copy" and as "Copy No. 1" and "Copy No. 2"). Notwithstanding the foregoing, Updated Financial Statements shall be submitted in only one (1) copy attached to the original copy of the Bid.

9.5.2 In addition, each Bid shall include three (3) USB storage devices ("disk-on-keys") accessible to and by the Tender Committee containing a copy of the Bid (including the Financial Statements, but excluding the Price Proposal) in PDF format.

9.5.3 In the event of any discrepancy between the original and the other Bid documents, and/or the USB storage device, the original shall prevail.

9.5.4 It is hereby clarified that, excluding Tender Form "1" *(The Bid Bond)*, the "Original Copy" may be a printed version of the scanned Tender Forms that have been signed with "wet ink" signatures, duly signed in accordance with Section 9.4 *(Signing of the Bid and Table of Contents)* and stamped "Original Copy".

9.6 **Sealing and Marking**

9.6.1 Bidders shall seal each of the copies of each Part of the Bid in separate duly marked envelopes.

9.6.2 Bidders shall sign each of the envelopes, each binder and each box within which the Bid is submitted.

9.6.3 Notwithstanding the above, the Price Proposal shall be submitted in separate sealed and marked envelopes.

9.6.4 All envelopes shall then be sealed in an outer envelope or a box.

9.6.5 Each envelope or box submitted as part of the Bid shall be clearly marked as "**Tender No. 226218 for the Electrification of Israel Railway's Railway Network**, submitted by [*name of the Bidder*]". No other details shall be indicated on the outer

envelope or box.

9.7 **Bid Submission Period**

9.7.1 Without derogating from the provisions of Section 2.11 *(Addenda)* above, Bids shall be submitted at the address provided in Section 9.7.2 on the dates designated for such submission as set forth set forth in Section 1.3 *(Anticipated Schedule)* above, by no later than 14:00 (2:00 p.m.) Israeli time (the "**Bid Submission Date**"). For the avoidance of doubt, Bids submitted during such dates shall be deemed timely submitted.

9.7.2 The Bids shall be submitted to the Tender Committee, at the allocated tender box to be placed at: the lobby floor of Israel Railways' Headquarters Building, 1 Yoseftal Street, Lod, Israel (the "**Tender Box**"). All Bids must be submitted exclusively in physical hard copy format. Electronic submissions through any medium whatsoever, including but not limited to email, electronic file transfer, or online platforms, are strictly prohibited and shall not be accepted under any circumstances. For the avoidance of doubt, neither the Website referenced in Section 2.10.8 nor the email address specified in Section 2.10.2 are designated for, or shall be used for, the submission of Bids or any component thereof.

9.7.3 Bids submitted after the Bid Submission Date may be opened by the Tender Committee solely for the purpose of identifying the relevant Bidder. Such Bids shall be rejected and promptly returned to the Bidders, who shall consequently be disqualified from participating in the Tender Process, subject to the applicable Laws.

9.8 **Validity of the Bids**

9.8.1 The Bids shall be valid and binding upon the Bidders for a period of (twelve) 12 months from the Bid Submission Date (the "**Validity Period**").

9.8.2 In the event that no Successful Bidder is announced, or in the event that only one (1) Successful Bidder is selected following completion of the Evaluation Process, or the Agreement is not executed by the Tender Committee within the Validity Period, the Tender Committee may, by a written notice to all or some Bidders, extend the Validity Period of all or some of the Bids by two (2) additional periods of six (6) months each (each, an "**Extended Period**"). Immediately following the Tender Committee's notice, the Bids shall be valid until the end of the applicable Extended Period(s).

9.8.3 Following the expiration of the Extended Period, the Bid shall remain valid unless withdrawn in writing by the Bidder, to the email address provided in Section 2.10.2 above.

9.8.4 If necessary, upon the announcement of the Successful Bidders and the Next Ranked Bidder (if any), the validity of their Bids shall be extended in accordance with specific instructions of the Tender Committee.

9.8.5 During the Validity Period (including any Extended Period thereof), neither will a

Bidder nor any Entity participating with such a Bidder, cancel, retrieve, revoke or rescind the Bid by any means or form, including by way of refraining from complying with any requirements or instructions issued pursuant to the provisions of the ITB.

9.9 **Identification of Sensitive or Classified Information and Disclosure of Documents**

9.9.1 Without derogating from the generality of the provisions of Regulation 21(e) of the Regulations and/or the discretion granted to the Tender Committee thereunder and pursuant to the Tender Documents, each Bidder will detail, within Tender Form "2" *(The Bid Submission Letter)*, in a clear, complete and legible manner, all information contained in its Bid, which it considers to be of a commercially sensitive or confidential nature and which in their mind should not be disclosed to other Bidders (a request with respect to "**Privileged Information**"), together with the reasons for such assertion of confidentiality for each of the items considered as such.

9.9.2 The Price Proposal shall not be deemed to constitute Privileged Information, notwithstanding its classification as such by the Bidder.

9.9.3 The Tender Committee will evaluate, as it deems necessary, the requests with respect to Privileged Information submitted by each of the Bidders. The decision of the Tender Committee with respect thereto will be issued to the Bidder. Without derogating from the discretion of the Tender Committee, it is expected that the Financial Statements of private companies shall in any case be deemed Privileged Information and shall not be subject to review by the Bidders.

9.9.4 If a Bidder did not identify any part of its Bid as being of a commercially sensitive or confidential nature, it shall not be entitled to claim its Bid (or any part thereof) is of a commercially sensitive or confidential nature and cannot be reviewed by other Bidders, and the Tender Committee will not be required to consider or determine the nature of such and shall be entitled to disclose its Bid.

9.9.5 If a Bidder identified parts of its Bid as being of a commercially sensitive or confidential nature ("**Privileged Information**"), such Bidder:

9.9.5.1 Shall not be entitled to claim that the other parts of its Bid (which have not been identified by it as Privileged Information) are of a commercially sensitive or confidential nature and cannot be reviewed by other Bidders; and

9.9.5.2 Shall not be entitled to review the Privileged Information or information which is of the same type or character as the Privileged Information in the Bids of other Bidders, unless otherwise determined by the Tender Committee. The foregoing shall apply: (i) even if a Bidder did not submit any request with respect to Privileged Information; and (ii) even if the request of a Bidder with respect to Privileged Information was rejected by the Tender Committee; and (iii) even if the Tender Committee decides 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 Bids (even if not specifically requested to apply such measures by a particular Bidder).

9.9.6 Only following the announcement of the Successful Bidders, and after the conclusion of the decision-making processes specified above by the Tender Committee, the Bidders will be entitled to review the relevant documents in connection with the selection process and the Bids submitted by the Successful Bidders, in accordance with Regulations 21(e)-21(f) of the Tender Regulations.

9.9.7 The foregoing review by a Bidder may be for a fee in an amount determined by the Tender Committee.

10 EVALUATION OF THE BIDS AND SELECTION OF THE SUCCESFUL BIDDERS

10.1 Evaluation Process

10.1.1 Without derogating from the Tender Committee's rights and prerogatives pursuant to the Tender Documents and Law, the process of evaluation of the Bids and selection of the Successful Bidders (the "**Evaluation Process**") shall be conducted in two (2) stages (each a "**Stage**") as specified below.

10.1.2 Without derogating from the rights and prerogatives of the Tender Committee under the Tender Documents and Law, with respect of each Stage, the Tender Committee will proceed to the next Stage of the Evaluation Process only for those Bids which: (i) the Tender Committee deemed to have complied with the requirements of the Tender Documents which are applicable to the reviewed Stage; and (ii) were not otherwise disqualified pursuant to the provisions of this ITB.

10.1.3 During the Evaluation Process and for purposes of the evaluation, review and scoring of the Bids, the Tender Committee may be assisted by consultants, advisors and/or experts.

10.2 Opening of The Tender Box

10.2.1 All Bids shall be kept in the Tender Box until the opening thereof. For purpose of this Section, the term "Tender Box" shall mean also a closed and locked room.

10.2.2 The opening of the Tender Box shall be documented in a protocol.

10.3 1st Stage of the Evaluation Process – Evaluation of the General Information and the Threshold Requirements

10.3.1 The Tender Committee will review and evaluate the documents submitted as part of Part 1 and Part 2 of the Bid (including the Bid Bond), in order to determine whether such documents have been submitted in compliance with the requirements of the Tender Documents and to evaluate compliance with the Threshold Requirements. The foregoing content will not be scored, and the Bid will either "pass" or "fail" this first stage of the Evaluation Process.

10.3.2 The Tender Committee will only proceed in its evaluation of the Price Proposal of Bids which the Tender Committee deemed to have complied with the applicable requirements of the Tender Documents and the Threshold Requirements; and which were not disqualified pursuant to the provisions of the Tender Documents.

10.4 **2rd Stage of the Evaluation Process – Evaluation of the Price Proposal**

10.4.1 The Tender Committee will only evaluate and compare the Price Proposals of Bidders whose Bids were found to comply with the Threshold Requirements and the requirements of the Tender Documents (including, *inter alia*, pursuant to the 1st stage of the Evaluation Process described above and which were not disqualified pursuant to the provisions of the Tender Documents). Nonetheless, it shall be the prerogative of the Tender Committee, at its sole discretion, to enable a Bidder to clarify or amend any default(s) in its Bid and resubmit the Bid or part thereof in compliance with the requirements of the 1st stage of the Evaluation Process and thus proceed to the next stage.

10.4.2 The Tender Committee will evaluate and compare the Bidders' Price Proposals according to the evaluation criteria set forth in **Annex F** *(Price Proposal – Submission Instructions and Evaluation Criteria)* hereto.

10.5 **Successful Bidders and the Award of the Project**

10.5.1 Upon completion of the Evaluation Process, and without derogating from its rights and prerogatives pursuant to the Tender Documents or Law, the Tender Committee will declare the two (2) Bidders who submitted the Bid with the (first) lowest and second lowest Price Proposal as the Successful Bidders (subject to ISR's right to select only one (1) Successful Bidder, as specified in Section 1.1.6). For the removal of doubt, it is emphasized that the Tender Committee is not obligated to select the Bidders with the lowest Price Proposals as the Successful Bidders, nor to choose two (2) Bidders or any Bidder as a Successful Bidder.

11 GENERAL PROVISIONS RELATING TO EXAMINATION AND EVALUATION OF THE BIDS

11.1 **General**

11.1.1 Without derogating from any of its rights and prerogatives pursuant to the Tender Documents or Law, in evaluating the Bids:

11.1.1.1 The Tender Committee may conduct an independent evaluation of and in connection with any Bid (including, with respect to its evaluation of referenced projects and past experience). In its independent evaluation, the Tender Committee may rely on any information available to it, including information provided by any third party and/or any publicly available information.

11.1.1.2 The Tender Committee will decide, at its sole discretion, if and to what extent the information provided by a Bidder is sufficient.

11.1.1.3 Decisions will be reached by the Tender Committee on the basis of substance rather than form. Thus, the Tender Committee may (*inter alia*):

11.1.1.3.1 Determine that a Bidder has in fact met the Threshold Requirements or evaluation criteria also in the event that: (i) supporting information to this effect has not been included in

the designated Tender Form but rather in any of the other Tender Forms submitted by the Bidder in its Bid and/or has not been expressly cited by the Bidder in its Bid as corresponding with the respective requirement(s); and/or (ii) additional information and/or supporting documentation is furnished or prepared by the Bidder after the Bid Submission Date (provided, however, that such documentation proves that the Bidder had met the respective evaluation criteria by the Bid Submission Date);

11.1.1.3.2 In Requests for Clarification issued by it pursuant to the provisions of the Tender Documents (including a request with respect to the demonstration of the Threshold Requirements), request a form of submission other than that which is specified pursuant to the provisions of the Tender Documents, including by providing documents which have been prepared following the Bid Submission Date;

11.1.1.3.3 Demonstrate compliance with the requirements of the Tender Documents (including Threshold Requirements) or raise questions and Requests for Clarifications with respect to lack of compliance with the requirements of the Tender Documents (including Threshold Requirements) or other provisions of this ITB based on information available to it;

11.1.1.3.4 Accredit the qualifications of one Entity to another:

(a) following a "Merger", as such term is defined under the Companies Law, 5759-1999 (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 substantially the same outcome), which was completed prior to the Bid Submission Date; and

(b) following an acquisition of all (100%) of the Means of Control of another Entity prior to the Bid Submission Date.

11.1.1.3.5 The Tender Committee shall have the right to examine, at any stage of the Tender Process, whether or not any particular Bid meets the requirements of the Tender Process, including the right to re-examine Bids (or parts thereof) that have already been reviewed by the Tender Committee, to request additional details, to request the correction of Deviations and/or to re-open decisions that have already been taken by the Tender Committee and replace them with different decisions, in each case for any reason as the Tender Committee may deem fit.

11.1.1.3.6 The review and/or the evaluation by the Tender Committee of a Bid or any part thereof shall not be considered or deemed to constitute or imply approval of such Bid or any part thereof, nor shall it relieve or release any Successful Bidder of any of its obligations, responsibilities and undertakings under the Tender Documents.

11.2 **Requests for Bidders' Clarifications**

11.2.1 As part of the Evaluation Process, and without derogating from any of its rights pursuant to the Tender Documents and any applicable Law, the Tender Committee, at its sole discretion, may conduct an independent evaluation in connection with any Bid.

11.2.2 The Tender Committee may request additional information and clarifications from a Bidder or any other Entity or person, including in writing, or through meetings in accordance with the provisions of Section 11.2.3 below.

Without derogating from the generality of the foregoing, the Tender Committee may request any of the Bidders to clarify, correct, modify, supplement, or amend any item contained in its Bids or to delete, disregard, withdraw, or correct any part of the Bid or to submit any additional information (including details, drawings and descriptions).

11.2.3 For the purpose of obtaining clarification, the Tender Committee may hold meetings with any of the Bidders and request any of the Bidders to hold a presentation of their Bids.

11.2.4 The Tender Committee may require or permit the Bidder, during the Evaluation Process, to add, amend, replace information which is required in order to demonstrate or substantiate the Bidders compliance with the requirements of the Tender Documents (including Threshold Requirements).

11.2.5 Bidders will comply with the requests and instructions of the Tender Committee and will submit all requested clarifications and additional information by email and in original hardcopy to be delivered by hand, within the time period which shall be stipulated by the Tender Committee. In case a Bidder fails to do so, the Tender Committee shall be entitled to exercise the following discretions: (i) to extend the date for submission of the requested clarifications and additional information; or (ii) to disqualify the Bidder and the Bid.

11.2.6 The Tender Committee's requests for clarifications will be in writing and will be delivered by email. Receipt thereof by a Bidder shall be confirmed by a return email within forty-eight (48) hours. The foregoing does not derogate from the rights of the Tender Committee to set other means to by which to provide clarifications, approvals and submissions.

11.2.7 The responses of Bidders to the requests for clarifications from the Tender Committee will form an integral part of their Bids. In the event of a discrepancy

between the Bids and the response of the Bidder to the requests for clarifications, such response of the Bidder shall prevail.

11.2.8 The Tender Committee may exercise its right under this Section 11.2 *(Requests for Bidders' Clarifications)* any number of times it may deem necessary.

11.3 **Tender Committee's Prerogatives with respect to a Deviation**

11.3.1 In any event that a Bid contains a Deviation, the Tender Committee may act as it deems appropriate, including without limitation, in any one or more of the following ways:

11.3.1.1 Disqualify the Bidder and the Bid;

11.3.1.2 Ignore all or part of a Deviation and, notwithstanding anything stated to the contrary in the Bid, evaluate such Bid without taking into account such Deviation;

11.3.1.3 Deem all or part of a Deviation as a technical or clerical error which does not conflict with the principle of equality;

11.3.1.4 Request the Bidder to amend all or part of the Deviations by resubmitting its Bid or any part thereof, by providing a notice of absolvent to the Tender Committee, or by any other means deemed necessary in the opinion of the Tender Committee; and/or

11.3.1.5 Amend the Tender Documents, in which case the amendment will apply equally to all of the Bidders and they will all be given the opportunity to resubmit their Bids or any part thereof, all in accordance with the written instructions of the Tender Committee.

11.3.2 It is hereby clarified that 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 Section 11.3.1 above.

11.3.3 The Tender Committee shall have the sole discretion to apply the abovementioned alternatives in whole or in part, or in stages, and to treat differently different Deviations within the same Bid or within different Bids. There is no binding preferential order which applies to the alternatives, or which restricts the Tender Committee from exercising its full discretion with respect thereto.

11.3.4 The approval of the Tender Committee to correct a certain type of Deviation shall not be deemed as approval to correct any other type of Deviation.

11.3.5 In the event that a Bidder refuses to comply with a request of the Tender Committee, without derogating from any of the rights of the Tender Committee pursuant to the ITB and any Law, the Tender Committee may disqualify the Bid.

11.3.6 The provisions of this Section 11.3 *(Tender Committee's Prerogatives with respect to a Deviation)* shall not derogate from any other right granted to the Tender

Committee pursuant to the Tender Documents or pursuant to any applicable Law.

11.4 **No Modification after Bid Submission Date**

A Bid may not be modified subsequent to the Bid Submission Date, except as a result of changes, modifications, or adjustments which were requested by the Tender Committee in accordance with the Tender Documents and approved in accordance with the Tender Documents.

11.5 **Rejection or Disqualification of the Bid**

Without derogating from the Tender Committee's rights pursuant to the provisions of the Tender Documents or under any Law, the Tender Committee reserves the right to:

11.5.1 Waive or amend any clerical error, arithmetic error or accidental omission in the Bids;

11.5.2 Accept Bids that are not fully compliant due to a default or lack of information, in which case the Tender Committee may, but is not required to, ask a Bidder to amend such default or lack of information in its Bid;

11.5.3 Reject any or all Bids, at any time and any stage, for any reason, without thereby incurring any liability to the affected Bidder or Bidders.

11.5.4 Reject or disqualify any Bid or condition the future participation of the applicable Bidder in the Tender Process, if the Tender Committee is of the opinion that such Bid or any part thereof does not conform to the requirements of the Tender Documents; or if the Tender Committee, at its sole discretion, concludes that the information supplied therein, including, without limitation, information regarding financial strength (including, if applicable, as evidenced by the Updated Financial Statements) or technical capabilities, does not accurately reflect the actual ability of the Bidder (or any Participating Entity, person or entity on its behalf) to execute the Project for any reason whatsoever, irrespective of whether the information supplied in the Bid *prima facie* supports a different conclusion; or if such give rise to a concern that the Bidder will not be able to execute the Project or any part thereof in accordance with the Agreement; and/or

11.5.5 Reject or disqualify any Bid or condition the future participation of the applicable Bidder in the Tender Process, if the Tender Committee is of the opinion that the Bidder’s assumptions (as included in the Bid) are not realistic and/or are not consistent with the reasonable “base case scenario” for the execution of the Project and/or the Price Proposal does not comply with or will not enable the Bidder to comply with the Bidder’s obligations under Law or under the Agreement, including, without limitation, in the event that, in the opinion of the Tender Committee, the Bid or any part thereof and/or the Price Proposal is not realistic and/or will not enable the Bidder to execute the Project or any part thereof in accordance with the Agreement.

11.5.6 **Additional Grounds for Disqualification.** Without derogating from the rights and prerogatives of the Tender Committee pursuant to the Tender Documents or Law, the

Tender Committee is entitled, but not obligated, at any time and any Stage, to disqualify any Bidder, or impose conditions or instructions on its participation in the Tender Process, *inter alia*, in any of the following events or circumstances (for the purpose hereof, the Bidder and any Major Subcontractor or Guarantor thereof shall be referred to as a "**Relevant Entity**"):

11.5.6.1 Any changes to a Relevant Entity, or to the holdings of the Bidder, without the prior written approval of the Tender Committee, and/or which leads to noncompliance with the Threshold Requirements or to other grounds for disqualification;

11.5.6.2 The commencement of insolvency, bankruptcy, receivership, liquidation or reorganization proceedings against a Relevant Entity, or any similar proceedings 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;

11.5.6.3 The appointment of a temporary or a permanent receiver or liquidator of a Relevant Entity;

11.5.6.4 The commencement of any voluntary action for the liquidation, bankruptcy or cessation of activity by a Relevant Entity, except for the purposes of merger or reconstruction on terms approved by the Tender Committee;

11.5.6.5 The commencement by a Relevant Entity of proceedings for a merger, re-organization, change of ownership or other analogous proceedings without the prior written approval of the Tender Committee;

11.5.6.6 A change in circumstances following which a Relevant Entity has a "going concern notice" or a notice of similar effect recorded in its Financial Statements;

11.5.6.7 In the event that any Relevant Entity is or becomes a resident of or domiciled in a country which: (i) does not have diplomatic relations with the State of Israel; or (ii) which does not have an economic representation in the State of Israel; or (iii) in which the State of Israel does not have an economic representation;

11.5.6.8 Any engagement of an Advisor to the Tender Committee by a Relevant Entity other than in accordance with the provisions of Section 2.16 *(Conflict of Interest and Advisors to the Tender Committee)* above;

11.5.6.9 Any material breach of the provisions of the Tender Documents or failure to comply with an instruction of the Tender Committee, including but not limited to the submission of any false, incomplete, misrepresentative or misleading information or documentation to the Tender Committee;

11.5.6.10 Any material change in, or exceptional circumstances with respect to, a

Relevant Entity which, in the Tender Committee's opinion, may hinder its participation in the Tender Process, or its involvement in the Project;

11.5.6.11 Any material change in any Relevant Entity's compliance with any of the applicable Threshold Requirements;

11.5.6.12 Negative past experience with any Relevant Party, which the Tender Committee deems likely to affect any Relevant Entity's ability to duly perform and complete the Project in accordance with the requirements set forth in the Tender Documents; and/or

11.5.6.13 Any other reason for which the Tender Committee deems that a Relevant Entity will not be capable of executing the Project (or its applicable role, as applicable) should the applicable Bidder be announced as a Successful Bidder, or any other event or circumstances which the Tender Committee may consider, at its sole discretion, as justifying disqualification, or conditioning or limiting the further participation of a Relevant Entity.

11.5.7 The Bidder shall be required to notify the Tender Committee of the existence of any of the events described in Section 11.5 *(Rejection or Disqualification of the Bid)* within a reasonable period of time under the circumstances.

11.5.8 Notwithstanding the foregoing, the Tender Committee may initiate and request the submission of applicable information with respect to any of the above, based on the information provided by the Bidder, as well as on any other information available to it (including information provided by any third party and/or any publicly available information).

12 DISCRETION OF THE TENDER COMMITTEE

12.1 Reservation of Rights and Prerogatives

12.1.1 Without derogating from any other provision herein, subject always to Law, the Tender Committee reserves the right and prerogative to act upon or in accordance with any of the following:

12.1.1.1 To add to, determine or amend, at its sole discretion and at any stage of the Tender Process (including after the evaluation of the Bids), any of the terms or requirements of the Tender Documents, including, without limitation, to waive at any time any provision of the Tender Documents;

12.1.1.2 To determine further, additional or supplementary professional and/or financial requirements or any other requirements it deems necessary in the circumstances, or require a change in the composition of the Bidder (including, if it believes it will benefit the Project, waiving a requirement for the participation of a Major Subcontractor of a certain discipline or request the addition of a Major Subcontractor of a certain discipline), at any stage (including during the Tender Process);

12.1.1.3 To evaluate, at any stage of the Tender Process, whether or not any particular Bid meets the requirements of the Tender Documents, including the right to request additional information, to request the correction of any deviation, re-examine Bids (or parts thereof) that have already been reviewed by the Tender Committee and to re-open, modify or nullify decisions that have already been taken by the Tender Committee, all for any reason as the Tender Committee may deem fit;

12.1.1.4 To determine the correct interpretation of the requirements of the Tender Documents, including the Threshold Requirements, including by ascribing to any requirement a broad interpretation or an interpretation that is not the most reasonable or probable linguistically, provided that such interpretation is consistent with the purpose of the requirement in the overall context of the Tender Documents, and to replace one requirement with another if such replacement requirement fulfills the purpose of the original requirement;

12.1.1.5 To terminate or cancel the Tender Process or any part thereof, at any time (including following the determination of the Successful Bidders in accordance with the provisions of Section 10.5 *(Successful Bidders and the Award of the Project)* above);

12.1.1.6 To determine that a Successful Bidder's Bid or any part thereof fails to comply with or fails to meet any of the requirements of the Tender Documents, in which case the Tender Committee may, at its sole discretion, refuse to accept or approve such part of such Successful Bidder's Bid and the applicable Successful Bidder shall be obligated to comply with all the requirements of the Tender Documents, notwithstanding the abovementioned failure(s);

12.1.1.7 To divide the Tender and/or to implement only part of the Tender;

12.1.1.8 To reject any or all Bids or any part thereof;

12.1.1.9 To allow Bidders to amend their Bids or any part thereof; and/or

12.1.1.10 Not to select the Bid(s) with the lowest Price Proposal.

12.1.2 The Tender Committee may exercise one or more of its rights, prerogatives and discretions under the Tender Documents and Law at any time and any number of times during the Tender Process (including during the Evaluation Process and following the announcement of the Successful Bidders).

12.1.3 Subject to the provisions of any and all applicable Laws, the Tender Committee may decide, at its sole discretion, whether to exercise or refrain from exercising any of its rights, prerogatives and discretions under the Tender Documents and Law.

12.2 **Next Ranked Bidder**

12.2.1 Following the selection of the Successful Bidders, the Tender Committee shall be

entitled (but not obligated) to select and announce the Bidder whose Bid was awarded with the third lowest Price Proposal as the next ranked bidder for the Project (the "**Next Ranked Bidder**"). Notwithstanding the foregoing, the Tender Committee shall not be obligated to select and announce any Bidder as the Next Ranked Bidder and may reach any other decision in this regard as it may deem appropriate in the circumstances. In the event that a Next Ranked Bidder was announced, the Tender Committee may request that the Bid of the Next Ranked Bidder remain valid for a period which shall not exceed twenty four (24) months as of the date of the announcement of the Successful Bidders. For the avoidance of doubt, the validity of the Bid Bond of the Next Ranked Bidder shall not be required to be extended and the Bid Bond of the Next Ranked Bidder shall be returned to the Next Ranked Bidder in accordance with the provisions of Section 6 *(Returning of the Bid Bonds)* of **Annex E** *(Bid Bond – General Provisions)*. The Next Ranked Bidder shall not be entitled to any compensation of any kind in connection with its status as Next Ranked Bidder.

12.2.2 If the Next Ranked Bidder failed to comply with its obligations hereunder, the Tender Committee may, without derogating from its rights and prerogatives pursuant to this ITB and Law, refer to the next ranking Bidder.

12.2.3 In the event that:

12.2.3.1 the Agreement between ISR and one or both of the Successful Bidders (as applicable) is not executed; or

12.2.3.2 either or both (as applicable) of the Successful Bidders fail to fulfill any of their respective obligations detailed in Section 13.2 *(Post Award Requirements – Preconditions for the Execution of the Agreement)* below; or

12.2.3.3 either or both (as applicable) of the Successful Bidders fail to fulfill any material obligation under the Agreement, as determined by ISR at its sole discretion, and such failure is not cured within the period specified by ISR in the relevant notice,

ISR shall be entitled (but not obligated) to terminate the Agreement (if executed) and the Tender Committee shall be entitled (but not obligated) to revoke its decision regarding the selection of the relevant Successful Bidder and to award the Tender to the Next Ranked Bidder, subject to the extension or renewal (as applicable) of its Bid and Bid Bond (if no longer valid).

If the Tender Committee awards the Agreement to the Next Ranked Bidder, it may determine that the provisions of this Section 12.2 *(Next Ranked Bidder)* will apply to the next ranked Bidder.

12.2.4 The provisions of this Section 12.2 *(Next Ranked Bidder)* shall not derogate from any of ISR's or the Tender Committee's rights and prerogatives pursuant to the Tender Documents and Law.

13 TENDER AWARD

13.1 Notification of Successful Bidders

13.1.1 Pursuant to the provisions of this ITB, the Tender Committee will notify the Successful Bidders in writing that their Bid has been accepted and shall determine the procedure and dates for submission of the required documents and materials for signature of the Agreement (the "**Letter of Award**").

13.1.2 The Letter of Award shall not constitute a valid or binding contract between the parties. The validity of the Agreement shall be subject to the fulfillment of all the preconditions set forth in Section 13.2 *(Post Award Requirements – Preconditions for the Execution of the Agreement)* below and the Agreement shall not enter into force until duly signed by the parties.

13.2 Post Award Requirements – Preconditions for the Execution of the Agreement

13.2.1 Each Successful Bidder shall be required, within the dates specified in the Letter of Award, and as a precondition for the execution of the Agreement, to provide the Tender Committee with each and all of the following:

13.2.1.1 The Agreement (Volume 2), including any addenda, appendixes or annexes thereto, duly signed executed and signed by the authorized signatories of the Successful Bidder;

13.2.1.2 Certification of registration as a supplier with ISR.

13.2.1.3 ICA approval of the Foreign Contractor's Industrial Cooperation Undertaking (if applicable).

13.2.1.4 A Performance Guarantee in accordance with clauses 61.1-61.2 of the Agreement;

13.2.2 Furthermore, the execution of the Agreement shall be conditioned upon:

13.2.2.1 The required approvals with respect to the budget for the execution of the Project; and

13.2.2.2 Each Successful Bidder's compliance with any conditions, limitations or restrictions imposed by the Tender Committee which relate to security considerations (including national security) and/or the Competition and Reduction of Concentration Law, 5774-2013.

13.3 Order of Priority, the Bid Documents

13.3.1 With respect to all parts of the Bid, as well as to any other obligation, whether expressly or indirectly included or incorporated by reference to the Law, the following rules shall apply:

13.3.1.1 In the event of any ambiguity, conflict or contradiction between the Tender Documents and a Successful Bidder's Bid, the provision or interpretation that is stricter or more onerous for the applicable Successful Bidder shall apply, as shall be determined by the Tender Committee, at its sole discretion; and

13.3.1.2 Without derogating from the generality of the foregoing, unless expressly determined otherwise by the Tender Committee, where the Bid imposes stricter requirements, as determined by the Tender Committee, than those which are specified or detailed in the Tender Documents, the contents of such Successful Bidder's Bid shall bind the Successful Bidder and serve as a minimal requirement and basis for the execution and implementation of the Project.

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ANNEX A – DEFINITIONS

All terms capitalized in the ITB, but not defined therein, shall have the meaning ascribed thereto in this Annex A (Definitions).

Notwithstanding the above, in the event of any conflict between the definitions herein and the definitions included in any part of the ITB, the definition most favorable to ISR or anyone on its behalf shall apply.

"Addenda" or "Addendum"	Shall have the meaning ascribed thereto in Section 2.11.1 of this ITB.
"Advisor(s)"	Shall have the meaning ascribed thereto in Section 2.16.2 of this ITB.
"Affiliate"	Shall mean, with respect to any Entity, any other Entity that directly or indirectly Controls, is Controlled by, or is under common Control with, such Entity.
"Agreement"	Shall mean the agreement, including all of the annexes and appendices thereto, as exhibited in Volume 2.
"Authorized Representative"	Shall have the meaning ascribed thereto in Section 3.5.1 of this ITB.
"Bid(s)"	The complete bid (including all parts appendices an attachments thereof), which will be submitted by the Bidder pursuant to the Tender Process in accordance with the terms and conditions of the Tender Documents, including the Price Proposal and all the information specified in the Tender Forms and the attachments thereof, including all clarifications thereto issued by the Bidder in accordance with the Tender Committee's instructions.
"Bid Bond"	Shall have the meaning ascribed thereto in Section 1 *(Amount of the Bid Bond)* of **Annex E** *(Bid Bond – General Provisions)* to this ITB.
"Bidder"	Shall have the meaning ascribed thereto in Section 3.1 *(The Bidder)* of this ITB.
"Bid Submission Date"	The date specified as the Bid Submission Date in Section 1.3 (*Anticipated Schedule*) of this ITB.
"Bid Submission Index"	Shall mean the PBI index published by the Tender Committee at least ten (10) days prior to the Bid Submission Date.

"BOQ (Bill of Quantities)"	Shall mean the Bill of Quantities attached as Attachment 1 to Tender Form "9" (*Price Proposal*).
"Business Day"	Shall mean any working day (excluding, Friday and Saturday) on which banks are open for business in Israel.
"Completed"	Shall mean the delivery of the project to its client, or the commencement of its commercial operation in accordance with its intended use.
"Complex Infrastructure Project"	Shall mean a project of a large-scale infrastructure, on a design-build basis, including any of the following: a railway infrastructure project (including railway electrification), a metro project, a LRT project, a highway project, a desalination or water treatment facility, a tunnel, a hospital, a power generation facility, military facility, a port or an airport.
"Conference"	Shall have the meaning ascribed thereto in Section 2.12.1 *(Conference)* of this ITB.
"Construction"	Shall mean execution, installation, testing, commissioning and Completion.
"Control"	Shall mean the ability to direct the activities of the relevant entity and shall include the holding of 50% or more of the issued and outstanding share capital, voting rights or other ownership interests of such entity or the right to appoint 50% or more of the directors (or the equivalent thereof) in such entity.
"Contractor(s)"	Shall have the meaning ascribed thereto in the Agreement.
"Contractors Registration Law"	Shall mean the Registration of Contractors for Construction Engineering Works Law, 5729-1969.
"Contract Value"	Shall mean the value of the actual unadjusted agreed contract price of a referenced project as of its signature date (excluding VAT, indexation and interest), and any additional variations or change orders approved by the client in accordance with the applicable contract.

"Declared Entity"	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.
"Design"	Shall mean the preparation of design for Construction.
"Deviation"	Shall have the meaning ascribed thereto in Section 9.2.1 of this ITB.
"Effective"	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. E.g., if Entity A holds 50% of all Means of Control of Entity B which, in turn, holds 50% of all Means of Control of Entity X, then Entity A Effectively holds 25% of all Means of Control of Entity X.
"Entity"	Shall mean any corporation, company or partnership, recognized by law within its domicile, excluding individuals.
"Evaluation Process"	The process conducted by the Tender Committee for the examination and evaluation of the Bids, commencing upon Bid Submission Date and ending upon the announcement of the Successful Bidders, as such process is defined in Section 10.1.1 of this ITB.
"Extended Period"	Shall have the meaning ascribed thereto in Section 9.8.2 of this ITB.

"Financial Statements"	Shall mean, for each Entity: (i) its audited consolidated annual financial statement which includes a report signed by the external auditor of the Entity, confirming its compliance with one of the accounting standards specified pursuant to Section 7.4 *(Approved Accounting Principles)* of this ITB; or, in the absence thereof (ii) its audited solo annual financial statement which includes a report signed by the external auditor of the Entity, confirming its compliance with one of the accounting standards specified pursuant to Section 7.4 *(Approved Accounting Principles)* of this ITB.
"Financial Threshold Requirements"	Shall mean the Threshold Requirements specified in Section 6 *(Financial Threshold Requirements)*.
"**Foreign Contractor's Industrial Cooperation Undertaking**"	Shall have the meaning ascribed thereto in Section 2.4.2 of this ITB.
"Guarantor"	Shall mean have the meaning ascribed thereto in Section 3.3 *(Guarantors)* of this ITB.
"Initial Electrification Works"	Shall have the meaning ascribed thereto in Section 1.1.2 of this ITB.
"Interested Party"	Shall have the meaning ascribed thereto in the Securities Law, 5728-1968, where for the purpose of this definition, any provision referring to 5% shall mean above 15%.
"ITB"	Shall mean the ITB (Invitation to Bid) in the Tender Process, which is marked as Volume 1, including all appendices thereto.
"ISR"	Shall have the meaning ascribed thereto in Section 1.1.1 of this ITB.

"Law"	Shall mean the Hebrew language version of the law in force in the State of Israel, including any and all acts, by-laws, binding standards, codes, decrees, directives, judgments, laws, resolutions, orders, ordinances, permits, proclamations, regulations, rules, statutes, treaties, verdicts and administrative policy requirements determined, enacted, handed down, issued, passed or promulgated by any court or any national, local or municipal arm, agency or authority of the State of Israel, including any administrative, fiscal, revenue or judicial agency, authority, body, commission, department, entity, Ministry or tribunal of the State of Israel and all as amended, consolidated, replaced, supplemented and/or varied from time to time.
"Letter of Award"	Shall have the meaning ascribed thereto in Section 8.1.113.1.1 of this ITB.
"Lines"	Shall have the meaning ascribed thereto in Section 1.1.2 of this ITB.
"Lines Programme"	The programme for electrification of the Lines attached as **Annex B** to this ITB.
"Local Entity"	Shall mean an Entity associated and registered in the State of Israel under the Law, whose management and significant part of the business of the group of companies to which it belongs is in Israel, and which holds a valid contractor classification of at least C-5 (unlimited) in at least one of the following fields: (i) field 100 (construction) [100 5-ג]; (ii) field 200 (roads, infrastructures and development) [200 5-ג]; or (iii) field 300 (bridges) [300 5-ג], pursuant to the Contractors Registration Law.
"Main Contractor"	Shall mean an entity which is directly accountable for the execution of the referenced project, bearing all the risks related to the execution thereof, including its management, administration and the (direct and indirect) engagement and coordination of all subcontractors. For the avoidance of doubt, entities which are directly accountable for the execution of the referenced project solely as a "project company" or a "concessionaire" pursuant to a "concession" or a "PPP" agreement will not be considered a Main Contractor under this definition.
"Means of Control"	Shall have the meaning ascribed thereto in the Securities Law 5728-1968.

"NIS"	New Israeli Shekels.
"OCS"	Shall mean Overhead Contact System for medium voltage heavy rail trains pursuant to IEC Standard 60038:2009.
"Parent Company"	Shall mean with respect to a specified Entity, the Entity which Controls such specified Entity.
"Part"	Shall have the meaning ascribed thereto in Section 8.1.1 of this ITB.
"Participating Entity"	Shall mean the Bidder, a Major Subcontractor, and the Guarantor.
"Paving and Bridging Input Price Index (PBI)"	Shall mean the Index of input in Paving and Bridges published from time to time by the Israeli Central Bureau of Statistics (table 5.1 excluding VAT, Code 240010)
"Performance Guarantee"	Shall have the meaning ascribed thereto in the Agreement.
"Price Proposal"	Shall mean the price proposal for executing the Project pursuant to the Agreement and in accordance with the Tender Documents, submitted as part of the Bid, including Tender Form "9" (*Price Proposal)*, prepared by the Bidder in compliance with the instructions of this ITB, including the pricing conditions offered by the Bidder in accordance with the provisions of **Annex F** (*Price Proposal – Submission Instructions and Evaluation Criteria*) to this ITB.
"Privileged Information"	Shall have the meaning ascribed thereto in Section 9.9.1 of this ITB.
"**Professional Threshold Requirements"**	Shall mean the Threshold Requirements specified in Section 45 *(Professional Threshold Requirements)*.
"Project"	Shall have the meaning ascribed thereto in Section 1.1 *(ITB – Overview)* of this ITB.
"Public Entities Transactions Law"	Shall mean the Public Entities Transactions Law (Enforcement of Bookkeeping, Payment of Tax Duties and Minimum Wages and Lawful Employment of Foreign Workers), 5736-1976.
"Regulations" or **"Tender Regulations"**	Shall have the meaning ascribed thereto in Section 1.1.1 of this ITB.

"Related Entity"	Shall have the meaning ascribed thereto to the term "Gorem Kashur" in the Law for the Prevention of Distribution and Financing of Weapons of Mass Destruction from 2018.
"Relevant Entity"	Shall have the meaning ascribed thereto in Section 11.5.6 *(Additional Grounds for Disqualification)* of this ITB.
"Request(s) for Clarification(s)"	Shall have the meaning ascribed thereto in Section 2.10 *(Requests for Clarifications)* of this ITB.
"Next Ranked Bidder"	Shall have the meaning ascribed thereto in Section 12.2.1 of this ITB.
"Semi"	Shall have the meaning ascribed thereto in Section 1.1.2 of this ITB.
"Site"	Shall have the meaning ascribed thereto in the Agreement.
"SPV"	Shall mean a special purpose company, a special purpose partnership or a special purpose joint venture.
"Stage"	Shall have the meaning ascribed thereto in Section 10.1.1 of this ITB.
"Subsidiary"	Shall mean an Entity in which the relevant Entity directly holds fifty-one percent (51%) or more of the shares, all partnership interests and of all other Means of Control.
"Successful Bidder(s)"	The Bidder(s) selected by the Tender Committee pursuant to the provisions of Section 10.5 *(Successful Bidders and the Award of the Project)* of this ITB.
"Supporting Entity"	Shall have the meaning ascribed thereto in Section 7.1.2 of this ITB.
"Tender"	Shall mean the Tender Process commencing upon the issuance of the ITB and ending upon the award of the Agreement.
"Tender Box"	Shall have the meaning ascribed thereto in Section 9.7.2 of this ITB.
"Tender Committee"	Shall mean the tender committee of ISR appointed in order to control and manage the Tender Process.
"Tender Documents"	Shall mean all the documents issued by the Tender Committee under or pursuant to this ITB.

"Tender Forms"	All forms detailed in Volume 1.
"Tender Law"	Shall have the meaning ascribed thereto in Section 1.1.1 of this ITB.
"Tender Process"	Shall mean, the selection process commencing on the issuance of the Tender Documents and ending upon the execution of the Agreement.
"Threshold Requirements"	Shall mean the Professional Threshold Requirements and the Financial Threshold Requirements.
"TSI"	Shall mean Technical Specification for Interoperability, as defined by the European Railway Agency.
"Validity Period"	Shall have the meaning ascribed thereto in Section 9.8.1 of this ITB.
"Voluntary Pre-Ruling of Bid Bond"	Shall have the meaning ascribed thereto in Section 7.1 of **Annex E** *(Bid Bond – General Provisions)* to this ITB.
"Website"	Shall have the meaning ascribed thereto in Section 2.10.8 of this ITB.
"Work Order"	Shall have the meaning ascribed thereto in the Agreement.
"Works"	Shall have the meaning ascribed thereto in the Agreement.

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ANNEX B – LINES PROGRAMME

Background on the Development Plan for the New Electrification Tender

One of the main purposes of Israel Railways Ltd., a fully own Government entity, is to serve as an engine for connecting and making accessible the various parts of the country, from north to south and east to west. In doing so, it contributes to reducing economic and employment gaps and improving the quality of life of the citizens.

In the current five-year plan (2022–2026), ISR is focusing on expanding its reach to the periphery, both through projects it performs itself and through projects performed by additional Government own infrastructure companies, as part of long-term planning for the coming decades.

Connecting Northern Israel

In the north of the country, planning is underway to connect the city of Kiryat Shmona to the railway network, with a vision of further expanding the connection in the future to Tiberias via the city of Nof HaGalil. The new railway lines, once operational, are expected to significantly improve the economic, employment and tourism situation in the northern periphery of the country. In addition, a future connection to an additional terminal is planned in the Ramat David area, along with the connection of the Valley Railway to the Haifa ports, with the aim of strengthening and enhancing the freight sector and increasing logistical efficiency. These operations, along with the intention of doubling the tracks on the coastal railway line, will allow for greater operational flexibility and will improve the quality of life of the residents of Haifa and the surrounding area by improving transportation accessibility between the various areas in the northern periphery. In addition, the doubling of the Valley Railway tracks, the connection to the ports, and the Menasheh railway lines will contribute to the development of the freight corridor and an optimal separation between passenger and freight railways.

The laying of all this infrastructure will create significant regional geopolitical opportunities and contribute to the development of the country's economy and security, as part of the expansion of an innovative inter-connected transportation infrastructure.

Connecting Israel from the South

In the south of the country, plans are underway to connect the city of Eilat to the railway network, with an investment in a high-speed railway line from Eilat to the city of Be’er Sheva, and from there seamlessly connected to the rest of the country's metropolitan areas. The new railway lines are expected to contribute to significant improvements in the economic, employment and tourism situation in the southern periphery.

In addition, expanding freight operations in the south is intended to help reduce traffic congestion on the roads, reduce damage to the environment, and reduce the number of road accidents between freight trucks and motor cars.

Haifa Lines - National Infrastructure Plan 65
Mifratz Central - Hof HaCarmel
Status: In statutory planning
Length: 12 km
Speed: 250 km/h
Not budgeted
Haifa Lines - National Infrastructure Plan 65A
Hof HaCarmel - Herzliya, Shefayim
Status: In progress
Estimated cost: 15.5 billion NIS
Length: 77 km
Completion: 2032
Speed: 250 km/h
Fully budgeted
Ayalon Lines 5 & 6
Herzliya, Shefayim - Ben Gurion Airport
Status: In statutory planning
Length: 730 km
Speed: 250 km/h
Not budgeted
Ben Gurion Airport and Modi'in Station Platforms
Capacity expansion
Status: In progress
Estimated cost: 2.4 billion NIS
Length: 5 km
Completion: 2033
Speed: 160 km/h
Fully budgeted
431 Line
Rishon LeZion - Modi'in
Status: In progress
Estimated cost: 3.4 billion NIS
Length: 20 km
Completion: 2027
Speed: 160 km/h
Fully budgeted
Rehovot Arc - 431
Modi'in - Ashkelon
Status: In planning
Length: 2 km
Speed: 160 km/h
Not budgeted
Na'an Arc - 431
Jerusalem - Be'er Sheva
Status: In planning
Length: 3 km
Speed: 250 km/h
Not budgeted
Ayalon Line 4
Status: In progress
Estimated cost: 5 billion NIS
Length: 12 km
Completion: 2031
Speed: 160 km/h
Fully budgeted
Electrification of Railways
Status: In progress
Estimated cost: 4.7 billion NIS
Completion: 2027
Fully budgeted
ERTMS Project
Status: In progress
Estimated cost: 2.1 billion NIS
Completion: 2027
Fully budgeted
Upper Galilee Line
Kiryat Shmona - Karmiel
Status: In planning
Length: 52 km
Speed: 160 km/h
Partially budgeted
Galilee Line
Hanarya Jct. - Tiberias - Menashe Line
Status: In statutory planning
Length: 60 km
Speed: 160 km/h
Not budgeted
HaShalom Line
Jordan River - Beit She'an, Doubling HaEmek Line
Status: Planning completed
Length: 14+60 km
Speed: 160 km/h
Not budgeted
Menashe North + South Line
HaEmek - Harish - Bat Hefer Line
Status: In planning
Length: 45 km
Speed: 160 km/h
Not budgeted
North-East Line
Hadera - Kfar Saba
Status: In planning
Estimated cost: 6.5 billion NIS
Length: 42 km
Completion: 2026
Speed: 160 km/h
Fully budgeted
South-East Line
Kfar Saba - Lod
Status: In progress
Estimated cost: 3.7 billion NIS
Length: 21 km
Completion: 2027
Speed: 160 km/h
Not budgeted
Extension of the Jerusalem lines
to the Khan
Status: In progress
Estimated cost: 4.7 billion NIS
Length: 21 km
Completion: 2032
Speed: 160 km/h
Fully budgeted
Lod Bypass
Suburban and freight trains
Status: In planning
Estimated cost: 2.9 billion NIS
Length: 19 km
Completion: 2032
Speed: 160 km/h
Fully budgeted
Philistia - Sorek
Status: In planning
Length: 22 km
Speed: 160 km/h
Partially budgeted
High-Speed Line to Beer Sheva
Ben Gurion Airport - Beer Sheva
Status: In planning
Length: 100 km
Speed: 250 km/h
Partially budgeted
Beer-Sheva - Dimona Line
Status: In planning
Length: 50 km
Speed: 250 km/h
Partially budgeted
Dimona - Eilat Line
Status: In statutory planning
Length: 192 km
Speed: 2500 km/h
Not budgeted
Kiryat Shmona
Haifa
Tel Aviv-Jaffa
Jerusalem
Be'er Sheva
Eilat
מינהל תכנון ופיתוח תשתיות
MINISTRY OF TRANSPORT AND ROAD SAFETY
Connecting Israel by Rail
Current and Planned Status
נתיבי ישראל
ISRAEL RAILWAYS
12/2025

The Israel Railways development plan incorporates large and important projects, including: the electrification project, the project to replace the train traffic control and monitoring system, the construction of new railway lines, the construction of new passenger stations and the upgrading of existing stations, the development of freight infrastructure, the advancement of planning for future projects, and more.

To date, Israel Railways has approved and executed projects in various stages of planning and construction, including the construction of new railway lines, doubling existing railway lines, performing and upgrading infrastructure works, development and upgrading of passenger stations, construction of communication signalling systems, construction of operation and maintenance compounds and logistics compounds for freight, and more.

In July 2017, Israel Railways received Government approval of the strategic plan for railway development for the year 2040. The estimated cost of the plan is approximately NIS 124 billion, of which approximately NIS 95 billion is designated for tracks, stations, freight and terminals, approximately NIS 10 billion for maintenance and depots facilities, and approximately NIS 19 billion for rolling stock. In 2019, Israel Railways prepared an implementation plan, with its main points including a derivative of the strategic plan for 2030, and the estimated cost of the plan was updated to approximately NIS 126 billion. The annual forecast for the number of passengers in 2040 is 300 million passengers, and the volume of freight activity in 2040 is expected to reach approximately 143 thousand tons per day.

The strategic plan for 2040 includes the following components:

1. Connecting four metropolises (Jerusalem, Tel Aviv, Haifa, Be’er Sheva) with high-speed trains that will travel at a speed of 250 km/h.

2. Construction of new passenger stations, the number of which is set to increase from 69 stations in 2023 to 125 stations in 2040.

3. Expanding freight train activity through the development of extensions and terminals.

4. Increasing the number of train depot maintenance compounds.

5. Improving railway connectivity with other public transportation systems such as: the metro, light railway, aerial lift cable cars, as well as connections to the ports in Israel.

6. Electrification of most of the railway lines.

7. Construction of the Rishon LeZion - Modi'in railway along the route of Highway 431.

8. Doubling the tacks of the coastal line between Herzliya - Shefayim - Haifa.

9. Doubling the coastal line in the section between Netanya and Glilot.

10. Connecting an eastern railway line to the coastal line.

11. Continuation of an underground railway line in Jerusalem.

12. Construction of the Lod bypass railway line and connecting it to the Sorek - Pleshet (Ashdod Port) railway line.

13. Doubling the tracks on the Sorek-Pleshet railway line.

14. Construction of the Lod bypass railway line.

15. Doubling the tracks on the Valley railway line and connecting it to the ports of Haifa.

16. Expansion of Ben Gurion Airport Station.

17. Construction of Track 4 on the Ayalon line.

18. Increasing the number of tracks at Modiin Central Station.

19. Extending platforms at stations, in order to allow for increased passenger capacity.

20. Construction of tracks 5 and 6 on the Ayalon railway line.

21. Construction of the Menasheh railway line.

22. Construction of the Western Galilee railway line.

23. Construction of the Carmiel - Kiryat Shmona railway line.

24. Construction of the Zevulun railway line.

25. Construction of the railway line to Eilat.

1.1. **Railway projects that are promoted by other Government owned companies**

In February 2010, the State approved the Transportation Plan for the Development of the Galilee and the Negev, 5770 - 2010. Within the framework of the "Netivei Israel" plan, the following resolutions, inter alia, were passed:

1) The establishment of an inter-city land infrastructure corridor from Kiryat Shmona and Nahariya in the north to Mashabei Sadeh and Eilat in the south, with the objective of populating the Galilee and the Negev. The infrastructure corridor will include: a route of main railways, of main roads that run the length of the country, and a number of routes across its width.
   It was resolved that the infrastructure corridor would be implemented in two phases: in the first phase, the immediate implementation of a number of projects; and in the second phase, planning of follow-up projects, subject to budget approval by the Government. In addition, the plan determined that between 2010 and 2020, inter-city and mass transit infrastructures worth NIS 27.5 billion would be built. The projects that would be built under this resolution are in addition to the approved and budgeted plans in the fields of inter-city and urban transportation totalling approximately NIS 42 billion (the development plan of Israel Railways, the development plan of Netivei Israel and of

municipal entities) that would be implemented in accordance with the policy of the Minister of Transportation. It was also determined that the plan's budget, including construction grants for projects in collaboration with the private sector, would be as an addition to the approved annual budget that would include all approved projects and those that would be included in plans that would be approved.

2) As part of the plan, it was determined that approximately NIS 11.2 billion would be allocated to Israel Railways, according to the following allocation: approximately NIS 8.2 billion for the construction of electrification infrastructure, procurement of rolling stock and maintenance facility, with an addition of approximately NIS 3 billion for the purchase of rolling stock for the Valley railway line and the Akko-Carmiel line, as well as for the electrification of the Akko-Carmiel line.
3) As part of the projects to be implemented, the following projects were brought under the responsibility of Israel Railways: the Valley railway line and the Akko-Carmiel railway line. The connection of the Beit Shean and Carmiel railway lines to the existing railway network has already been completed by Israel Railways.
4) As part of the planning projects, the following projects were placed under the responsibility of Netivei Israel: (1) Upper Galilee railway line (Kiryat Shmona - Carmiel); (2) Galilee railway line; (3) Nazareth railway line (Haifa - Nazareth); (4) Arad railway line (Beer Sheva - Arad); (5) Yeruham railway line (Beer Sheva - Dimona - Yeruham) and the Arava railway line (passenger train line and Nahal Tzin - Eilat freight train line).

Overview of Projects Promoted by Netivei Israel Ltd.:

- Ayalon Track 4 project (N.I.P. 33) - Netivei Israel is currently advancing physical planning of the project. A resolution was passed by the Ministry of Transportation to transfer the execution of part of the Track 4 project in the Ayalon section to Israel Railways. It was agreed that the estimated budget value that will be transferred to the railway management will be approximately NIS 1.8 billion. On December 30, 2022, Israel Railways published a tender for the planning and execution of the construction of the fourth track in the Ayalon section, approximately 4.65 km long, alongside the 3 existing tracks in the section (hereinafter - the 'Tender'). On June 1, 2023, Israel Railways announced that Danya Cebus Ltd. (hereinafter: the 'Winner') had won the Tender. The contract period with the Winner is 71 months. The scope of the contract with the Winner is in the sum of approximately NIS 490 million.

- The Eastern Track (N.I.P. 22) - in the northern section of the project from the Rosh Ha'ayin North area to Hadera East Station, Remez Junction (A-B). The projected completion of the work by Netivei Israel is the end of 2026.

Below is a list of projects that were budgeted and the planning thereof advanced by the Ministry of Transportation through other Government owned companies but have not yet been completed, which are known to Israel Railways on the date of publication of this document.

With planning advanced by Netivei Israel Ltd.:

- Tracks 5, 6 in Ayalon
- Menasheh railway line (Hadera East - Harish - Jezreel Valley).
- Carmiel - Kiryat Shmona railway line.
- The railway line to Eilat (the plan was split into 2 planning sections).
- Doubling of the tracks on the Yavneh-Pleshet railway line
- Connection to the future airport in Ramat David

With planning advanced by Trans Israel Ltd.:

- The Be'er Sheva bypass railway line - in the section up to Kiryat HaModi'in in the Lakit area.

Israel Railways' estimates regarding the completion of railway projects carried out by external companies, including schedules, are forward-looking information as defined in the Securities Law, and are based on Israel Railways' activities and the information in its possession up to this date. These estimates may not materialize, in whole or in part, or may materialize in a manner materially different from that anticipated. The main factors that may affect this are changes in the work plans of the companies performing the projects, the lack of appropriate budgeting from the government, labour disputes, developments and changes in regulation in the fields of the activity, and various risk factors.

1.2. **Railway projects that are a 'National Priority'**

1. It is noted that under Government Resolution No. 202 of August 1, 2021, and its revision under the various Government resolutions (such as Government Resolution 1231 of March 6, 2022), the following projects were included as "national priority projects" ("Priority 2"):

    1. The Track 4 project in Ayalon;
    2. The doubling of the coastal railway line project;
    3. The lowering of the Haifa railway line project;
    4. The high-speed railway to Be'er Sheva project - was defined as a planning priority project with a view to prioritizing its advancement in planning institutions and in the statutory planning process.

2. It is further noted that under Government Resolution No. 175 of February 24, 2023, all of Israel Railways' projects were designated as "essential infrastructure ventures". As part of this resolution, several projects from the strategic plan were also designated as "preferred essential infrastructure projects": expanding the coastal railway lines to Haifa Bay and extending the railway to Kiryat Shmona and Eilat.

    On September 7, 2023, a Government Secretary announcement was issued in accordance with Section 42(b) of the National Infrastructure Advancement Law, 5783 - 2023, which

was registered in 5784, in which the list of preferred essential infrastructure projects appeared, which included, inter alia, the following projects that are included in Israel Railways' development plan:

1. Extension of the railway to Kiryat Shmona and Eilat;
2. The track in Ayalon;
3. Expanding the coastal railway lines to Haifa Bay.

1.2.1. Continued budget for railway development

3. On August 2, 2021, the Ministry of Transportation and the Ministry of Finance approved a budget framework for the Israel Railways Development Plan for the years 2021 - 2025, in the sum of approximately NIS 46 billion.

The new development and operation agreement was signed on May 31, 2023, and on June 5, 2023, Israel Railways received the signature of government representatives on the framework agreement for the development and operation by Israel Railways.

1.1 **Railway Projects**

In addition to the projects detailed above, Israel Railways has additional railway projects that are in the planning, development and construction stages. The **main projects** are detailed below:

Name	Description	Estimation - Readiness for Operation	Status
Track 431 - Moshe Dayan - Rishonim - Anava	Creating a direct railway connection between the southern Gush Dan area (Rishon LeZion) to Jerusalem and Modi'in and infrastructure to receive the Be'er Sheva - Jerusalem and the Rehovot arc lines. Project contents: Construction of a railway track with a total length of approximately 30 km; Construction of two passenger stations -	Fourth quarter of 2027	In various stages of implementation – divided according to sections: 431 East: Section 1 (Rishonim to Ramleh South); Section 2 (Ramleh South Station); Section 3 (Ramleh South to Anava); Section 4.1 (connection to the outskirts of Modi'in); Section 4.2 (connection to Track A1).

	"Ramleh Darom" and "Sorek Rhombus"; 14 bridges with a total length of 6 km; Three tunnels with a total length of 1.1 km; Construction of control and signalling and communication structures at Rishonim and Anava interchange; A 3.5 km long bridge; Upgrading and extending platforms at Rishonim station.		431 West: Section 5 (Moshe Dayan - Ayalon Gateway); Section 6 (Ayalon Gateway - Sorek Rhombus); Section 7 (Sorek Rhombus Station); Section 8 (Sorek Rhombus - Rishonim); Section 9 - Extension of platforms at Rishonim Station.
Eastern railway (connecting the railway route to Highway 531 up to Lod).	Creating an eastern railway corridor for transporting freight (and passengers in the future) between the Port of Ashdod and the Port of Haifa; providing railway service and accessibility to communities along the route; removing freight trains from the coastal corridor (increasing railway capacity). The project under Israel Railways' responsibility includes the construction of approximately 26 km of double-track railway, the construction of 3 passenger stations (depending on budget), 2 preparations for overpasses, 16 railway and/or road bridges, and 3 pedestrian bridges.	Fourth quarter of 2026	In progress

Doubling of the Rehovot-Pleshet railway	Doubling and upgrading the railway between Rehovot and Pleshet. Project contents: Doubling of the tracks; Rerouting of the existing railway line in 5 sections; Restoring the substructure on the existing route in 5 sections; Construction of a new bridge for the new railway line over the Gamliel Stream, building an overpass over Route 42 and comprehensive restoration of the existing stream bridge; Drainage canals at a length of approximately 5 km and 11 drainage culverts; Laying of diverters.	2026	In progress
Doubling the tracks on the coastal railway lines between Shefayim and the Carmel Beach, N.I.P. 65A.	The length of the route is approximately 70 km. Upgrading the existing railway network to speeds of up to 160 km/h. Addition of two new tracks designed for speeds of up to 250 km/h. Addition of two more tracks for speeds up to 160 km/h on the Netanya-Shefayim section (a total of 4 suburban and two high-speed tracks). Arranging the replacement of level	2034	Detailed planning / advancing availability.

	crossings with overpasses. Construction of additional train stations and upgrading existing stations.		
Doubling of the Herzliya - Shefayim track	Addition of tracks 3 and 4 between Shefayim and Herzliya as part of an existing railway line and the immediate construction of Shefayim station at its final location, as determined in N.I.P. 65.	2029	Start of construction
Continuation of the Jerusalem Express Line	Doubling the railway capacity in Jerusalem (from 6 to 13 trains per hour in each direction). Connection between metropolitan centres and Jerusalem. Significant improvement in the level of service for passengers to/from the Jerusalem city centre. Connectivity to complementary public transportation systems	2032	Preliminary planning
Ben Gurion Airport - Doubling of tracks and track changes	Adapting the Ben Gurion Airport station to the expected demand up to 2040. Increasing railway capacity. Creating a high speed connection between the four metropolitan areas (Haifa, Tel Aviv, Be'er	Yet to be determined	Detailed planning

	Sheva, Jerusalem) to the Ben Gurion Airport station and a future connection to the eastern line via the Ben Gurion - Aviation Arc		
Aviation Arc - connection of the eastern railway line to the coastal line	Future connection to the eastern railway line via the Ben Gurion - Aviation Arc	Yet to be determined	Detailed planning
Lod Bypass - Phase I	Construction/upgrading of a double track (and electrification system) designated for freight combined with suburban passenger trains at planned speeds of 120/160 km/h - which will connect the Port of Ashdod to the Eastern Corridor, via the Pleshet-Sorek section. The project includes the construction of a bypass track for the city of Lod and the construction of Bnei Darom and Gedera passenger stations. Construction of the northern section of a double track dedicated for passenger trains with speeds up to 250 km/h, between Be'er Sheva and Tel Aviv. These trains will bypass Lod Station and connect directly to Ben Gurion Airport Station. The connection to Jerusalem will be via track 431 with a station in Gezer.	2032	Preliminary / statutory planning

Adapting capacity at stations and platforms	Increasing passenger volume by operating long trains (double setup) Extension of platforms to the required length 7+7 (in two stages, stage 1 - 250 metres long, stage 2 - 355 metres long).	Q4, 2027	In process

1.2 **Non-Railway Projects**

In addition to the projects detailed above, Israel Railways has additional non-railway projects[1] that are in various stages of planning, development and construction. The **main projects** are detailed below:

Name	Description	Estimation - Readiness for Operation	Status
Kishon Compound Phase II	Continuation project to upgrade the maintenance compound in Kishon A. The project includes: upgrading a workshop for performing heavy maintenance, setting up a garage for servicing electric trains, constructing a rails structure, building a lathe structure, building washing facilities, laying housing tracks and access roads, building the transformer stations, and	2027	In progress

[1] There are also other projects that have been completed or are in the final stages of completion, settling accounts with suppliers, landscape development, which no longer are considered main projects for Israel Railways: the Be'er Sheva compound, the Lod compound, Phase 1 of the Ashkelon compound.

	constructing storage and office buildings.		
Lod Compound Phase II	Upgrading and developing the Lod compound for the operation, maintenance and housing of trains in preparation for the coming years. An addition of approximately 6 km of housing tracks in accordance with the operational plan. Creating an integral compound that provides solutions to operational problems in the compound. Solving and handling the compound's drainage issues, including connection to the Lod municipal drainage system.	2028	In progress
R.G.M. compound	Development of infrastructure for receiving a mobile unit for various levels of maintenance requirements, housing and operation for passenger and freight trains having a total length of approximately 29 km, as a solution for the strategic plan and a solution for all railway factors such as infrastructure, communications and logistics.	Yet to be determined	Preliminary/statutory planning

Israel Railways' estimates regarding the completion of the additional railway projects, including the schedules, costs and expenses for their completion, as stated above, are forward-looking information as defined in the Securities Law, and are based on Israel Railways' activities and the information in its possession on the date of publication of the document. These estimates may not be realized, in whole or in part, or may be realized in a manner materially different from that anticipated.

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ANNEX C – LIST OF ADVISORS

Pursuant to Section 2.16.2 of the ITB, and without derogating from the provisions thereof, the following is the list of the Advisors:

No.	Name of Advisor	Company No.
.1	Arnon, Tadmor-Levy, Attorneys at Law	513311175
.2	Bizman Kirschner Ltd.	514919901
.3	DB Engineering & Consulting GmbH	560027799
.4	Waxman Group (Waxman Goverin Geva) Ltd.	511534448
.5	Yanai Ltd.	510162746
.6	Bellerstein Risk Management Ltd.	516253366

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ANNEX D – GENERAL SUBMISSION INSTRUCTIONS AND CONTENTS OF THE BID

1. **General**

1.1. This Annex D is provided for the Bidders' convenience only and without derogating from any of the provisions of the ITB, the Agreement, Annex F and any other Tender Documents.

1.2. Each Bidder shall be solely responsible for verifying that its Bid is complete and fully compliant with all requirements of the Tender Documents.

1.3. The Bid shall be submitted in four (4) separate Parts, in accordance with Section 8.1 of the ITB, and each Part shall be sealed in a separate envelope.

1.4. For the avoidance of doubt, to the extent of any discrepancy between this Annex D and any other Tender Document, the provisions of the ITB and the other Tender Documents shall prevail.

2. **Submission of Tender Form No. 10 - Preliminary Evaluation of Previous Experience**

2.1. Tender Form No. "10" (*Preliminary Evaluation of Previous Experience*) shall be submitted by each Bidder and each proposed Major Subcontractor, on a separate form, by the deadline specified in Section 4.1 of the ITB.

2.2. Tender Form No. "10" is submitted for the purpose of the preliminary evaluation procedure under Section 4 of the ITB and, unless otherwise instructed by the Tender Committee, shall not be deemed part of the Bid submitted on the Bid Submission Date.

3. **Structure of the Bid**

3.1. The Bid shall include all Parts specified in Section 8 of the ITB.

3.2. Each Part shall be submitted in a separate envelope clearly marked in accordance with the ITB and this Annex D.

3.3. Each Part shall include one (1) original copy, two (2) copies, and the required USB storage devices, all in accordance with Section 9.5 of the ITB, unless expressly stated otherwise in the Tender Documents.

3.4. Without derogating from the foregoing, Financial Statements shall be attached only to the original copy of the Bid.

4. **Contents of the Bid and Envelope Marking**

4.1. The following table summarizes the required contents of each Part of the Bid and the applicable submission instructions:

Part of the Bid	Envelope Marking / Submission Instructions	Required Contents
Part 1 - General Information and Bid Bond	Part 1 shall be submitted in envelope(s) clearly marked: **"Tender No. 226218 for the Electrification of Israel Railway's Railway Network, submitted by [*name of the Bidder*] - Part 1"**. The envelope(s) shall contain: • one (1) "original copy" clearly marked "Original Copy"; • two (2) copies clearly marked "Copy No. 1" and "Copy No. 2"; and • three (3) USB storage devices, to be placed in the "original copy", containing a PDF copy of Part 1 (together with Part 2, excluding the Price Proposal). Tender Form No. "1" (*The Bid Bond*) submitted as part of the original copy shall be submitted in its original form. Other documents in the original copy may be a printed version of scanned documents signed in wet ink, in accordance with Section 9.5.4 of the ITB.	**General Information and Bid Bond:** • **Tender Form No. "1" – The Bid Bond**. • **Tender Form No. "2" – The Bid Submission Letter**, including all attachments thereto, including Attachment "A" (Bidder's incorporation documents). • Identification of information claimed as commercially sensitive or confidential, as included in Tender Form No. "2", in accordance with Section 9.9 of the ITB. • **Tender Form No. "3" - Major Subcontractor Undertaking**, if applicable, including Attachment "A" (Major Subcontractor Incorporation Documents) thereto. • **Tender Form No. "4" - Guarantor Undertakings**, if applicable. • **Tender Form No. "8" - Form of Affidavit**, together with the required tax and VAT certificates. • Any additional corporate approvals, powers of attorney, signature authorizations,

Part of the Bid	Envelope Marking / Submission Instructions	Required Contents
		certificates, statements, acknowledgements of Addenda, and any other documents required under the ITB to be submitted as part of the general information section of the Bid.
Part 2 - Threshold Requirements	Part 2 shall be submitted in envelope(s) clearly marked: **"Tender No. 226218 for the Electrification of Israel Railway's Railway Network, submitted by [*name of the Bidder*] - Part 2"**. The envelope(s) shall contain: • one (1) original copy clearly marked "Original Copy"; • two (2) copies clearly marked "Copy No. 1" and "Copy No. 2"; and • three (3) USB storage devices, to be placed in the "original copy", containing a PDF copy of Part 2 (together with Part 1, excluding the Price Proposal).	**Threshold Requirements:** • **Tender Form No. "5" - Experience in Design and Erection of Overhead Contact Systems (OCS)**. • **Tender Form No. "6" - Experience in Design and Construction of Complex Infrastructure Projects**. • **Tender Form No. "7" - Financial Threshold Requirements Compliance**, including Annex A (Financial Statements) thereto. • All required Financial Statements and supporting financial documents in accordance with Sections 7.4 and 7.5 of the ITB. • Any chart describing the structure of holdings and any supporting documents required where the Bidder or a Major Subcontractor relies on a Supporting Entity in accordance with Tender Form No, "5", Tender Form No. "6", and Section 7.1.2.3 of the ITB.

Part of the Bid	Envelope Marking / Submission Instructions	Required Contents
		• Any additional evidence and supporting documents required under Sections 5, 6 and 7 of the ITB in order to demonstrate compliance with the Threshold Requirements.
Part 3 - Price Proposal	Part 3 shall be submitted in separate sealed and marked envelope(s), clearly marked: **"Tender No. 226218 for the Electrification of Israel Railway's Railway Network, submitted by [*name of the Bidder*] - Part 3"**. The envelope(s) shall contain: • one (1) original copy clearly marked "Original Copy"; • two (2) copies clearly marked "Copy No. 1" and "Copy No. 2". No Price Proposal documents shall be included on the USB storage devices required under Section 9.5.2 of the ITB.	**Price Proposal:** • **Tender Form No. "9" - Price Proposal**. • All additional attachments, schedules, breakdowns, calculations, declarations and other deliverables required pursuant to Annex F (Price Proposal - Submission Instructions and Evaluation Criteria), if any.
Part 4 - ICA Submission	Part 4 shall be submitted in separate sealed and marked envelope(s), clearly marked: **"Tender No. 226218 for the Electrification of Israel Railway's Railway Network, submitted by [*name of the Bidder*] - Part 4"**. The envelope(s) shall contain:	**ICA Submission:** • **Tender Form No. "11" - Binding Undertaking of a Foreign Supplier**, if applicable. • Any additional documents, statements, implementation-plan related materials, or other submissions required under

Part of the Bid	Envelope Marking / Submission Instructions	Required Contents
	• one (1) original copy clearly marked "Original Copy"; and • two (2) copies clearly marked "Copy No. 1" and "Copy No. 2".	Section 2.4 of the ITB and Annex G (ICA Appendix (Mandatory Industrial Cooperation)).

5. **Additional Submission Instructions**

5.1. Each page of the Bid shall be signed in accordance with Section 9.4 of the ITB.

5.2. All pages of the Bid shall be numbered and the Bid shall include a detailed table of contents.

5.3. Each copy of each Part shall be separately sealed and duly marked.

5.4. Each envelope, binder and box shall be signed by the Bidder in accordance with Section 9.6 of the ITB.

5.5. All envelopes shall then be placed in an outer envelope or box marked only in accordance with Section 9.6.5 of the ITB.

5.6. The Price Proposal must remain strictly separated from the other Bid documents. Any submission contrary to such requirement may result in disqualification in accordance with the ITB.

5.7. The ICA Submission, where applicable, must remain strictly separated from the other Bid documents.

5.8. Except as expressly permitted under the ITB, no Bidder shall modify, annotate, qualify or otherwise alter any Tender Form or locked form issued by the Tender Committee.

6. **Clarifications**

6.1. The above table is intended to facilitate submission only.

6.2. Each Bidder shall examine the Tender Documents in their entirety and ensure that all forms, attachments, certificates, statements and supporting documents required under the

Tender Documents are included in the applicable Part of the Bid, even if not expressly listed in this Annex D.

In the event that the Tender Committee issues Addenda amending the structure or contents of any Part of the Bid, the Bid shall be submitted in accordance with such Addenda.

ANNEX E – BID BOND – GENERAL PROVISIONS

1. Amount of the Bid Bond

Each Bidder shall include in its Bid an autonomous unconditional bid bond, in the form of Tender Form "1" *(The Bid Bond)*, for the sum of NIS 5,000,000 (five million New Israeli Shekels), (the "**Bid Bond**"). The Bid Bond shall be issued by an entity as stipulated in Section 3 *(Identity of the Issuer of the Bid Bond)* below.

2. Material Conditions

2.1. Without derogating from the above, the following items are considered to be material conditions of the Bid Bond (the "**Material Conditions**"):

2.1.1. The amount of the Bid Bond;

2.1.2. The duration and expiry date of the Bid Bond;

2.1.3. That the Bid Bond is an independent, irrevocable and autonomous guarantee; and

2.1.4. That the Bid Bond is payable within seven (7) days of receiving a written request for payment from the Tender Committee. The method by which the written request is to be communicated to the issuer of the Bid Bond is not considered to be a material condition of the Bid Bond.

2.2. In the event a Bidder submits a Bid Bond that deviates from the requirements detailed herein or from Tender Form "1" *(The Bid Bond)*, and such deviation does not relate to any of the Material Conditions of the Bid Bond, then, without derogating from any other prerogative of the Tender Committee pursuant to the ITB or Law, the Tender Committee may instruct the Bidder to clarify or correct its submitted Bid Bond, or the Tender Committee may ignore all or part of the deviation. Should the Tender Committee request a correction of a submitted Bid Bond, the Bidder shall provide such corrected Bid Bond by the requested date and only upon receipt of such corrected Bid Bond by the Tender Committee will the Bidder be entitled to receive in return the originally submitted Bid Bond. The Bidder shall not be permitted to cancel or derogate in any way from the Bid Bond for which a correction has been requested until such time as the corrected Bid Bond has been submitted and approved by the Tender Committee.

2.3. The Bid Bond shall be subject to the Law.

3. Identity of the Issuer of the Bid Bond

3.1. The Bid Bond shall be issued by a Qualified Local Issuer.

3.2. A "**Qualified Local Issuer**" means any of the following:

3.2.1. A licensed Israeli commercial bank; or

3.2.2. An Israeli insurance company (issued and signed by the insurance company itself and not by an agent),

provided that any of the abovementioned issuers has a credit rating (long term issuer rating) by one of the following local rating firms, of at least:

- (ilAA-) in the rating scale published by S&P Maalot; or
- (Aa3) in the rating scale published by Midroog; or
- The equivalent rating by another reputable rating agency to be approved by the Tender Committee in advance and in writing by way of a Bidder's Request for Clarification.

4. Validity of the Bid Bond

4.1. The Bid Bond shall be valid for a period of at least twelve (12) months commencing on the Bid Submission Date, as shall be determined by the Tender Committee and the exact expiration date shall be notified to all Bidders by the date set forth in Section 1.3 *(Anticipated Schedule)* of the ITB.

4.2. In the event that the validity of the Bids shall be extended in accordance with Section 9.89.7 *(Validity of the Bids)* of the ITB or Section 12.2 *(Next Ranked Bidder)* of the ITB, the validity of the Bid Bond shall be extended accordingly.

4.3. Failure by a Bidder to extend the validity of its Bid Bond as requested by the Tender Committee shall be construed as a violation of the provisions of the ITB, may disqualify the Bidder, and the Tender Committee at its sole discretion may, *inter alia*, forfeit the Bid Bond.

4.4. Without derogating from the generality of the foregoing, the Tender Committee reserves the right to demand from each Bidder to extend the validity of the Bid Bond beyond the abovementioned period in accordance with the provisions of the ITB, thirty (30) days prior to the expiration of the applicable Bid Bond, and may stipulate that such extension is a condition for the Bidder's continued participation in the Tender Process.

5. Forfeiture of the Bid Bonds

5.1. Without derogating from its rights and remedies pursuant to the ITB or Law, after giving the Bidder an opportunity to present its arguments pursuant to Section 16b of the Regulations, the Tender Committee shall be entitled to forfeit the Bid Bond as liquidated damages, in part or in full, and without being required to evaluate or prove the damages in accordance with all applicable Laws, if any of the events stipulated in Section 16b of the Regulations occurs (each a "**Forfeiting Event**").

5.2. The following English translation of the Forfeiting Events set out in the Regulations is provided for convenience only:

5.2.1. During the Tender Process, the Bidder acted in a misleading manner or with lack of good faith;

5.2.2. The Bidder provided misleading information or inaccurate material information;

5.2.3. The Bidder withdrew its Bid after the Bid Submission Date;

5.2.4. After being selected as a Successful Bidder, the Bidder did not follow the instructions of the ITB which constitute a pre-requisite for the engagement of ISR with such Successful Bidder.

5.3. In the event that the Bid Bond is forfeited, the full amount of the Bid Bond shall be considered as liquidated damages. The Bidder hereby declares and agrees that the amount of the liquidated damages is a reasonable and fair pre-estimate of the anticipated damages.

6. Returning of the Bid Bonds

6.1. Promptly after: (i) each applicable Successful Bidder provides ISR with the Winning Guarantee under the Agreement; and (ii) all conditions for the entry into force of the Agreement were met or waived by ISR and the Agreement enters into force and effect in accordance with the provisions of the Tender Documents, the Bid Bond submitted by each applicable Successful Bidder shall be returned to it.

6.2. The procedure for returning the Bid Bonds of the unsuccessful Bidders or following disqualification of a Bid or in the event of annulment of the Tender Process, will be determined by the Tender Committee, at its sole discretion.

7. Voluntary Pre-Ruling of Bid Bond

7.1. In order to minimize the possibility of non-conformities or deficiencies in the Bid Bond, the Tender Committee will allow Bidders to submit, by no later than the date set forth in Section 1.3 *(Anticipated Schedule)* of the ITB, a draft of the intended form of Bid Bond, for the Tender Committee's review (the "**Voluntary Pre-Ruling of Bid Bond**").

7.2. The Tender Committee may approve the wording thereof or provide comments to the draft of the Bid Bond, where applicable, and return it to the Bidder, enabling the Bidder to amend the wording of the Bid Bond and submit an updated version within its Bid.

7.3. In addition, and without derogating from the foregoing, the Tender Committee may provide all Bidders with a copy of the comments provided by it to a specific Bidder pursuant to the Voluntary Pre-Ruling of Bid Bond and may provide all Bidders with any approved form of a Bid Bond submitted to it, including any deviation from the wording of Tender Form "1" *(The Bid Bond)*, without disclosing the identity of the Bidder that submitted the draft Bid Bond.

7.4. The Tender Committee's comments shall not derogate in any way from the Bidder's exclusive responsibility for the conformity of the Bid Bond submitted within its Bid, with Tender Form "1" *(The Bid Bond)* and the provisions of the ITB.

7.5. Submitting the Bid Bond draft to the Tender Committee shall not impose any obligation on the Tender Committee towards the submitting Bidder or any other Bidder, and the Tender Committee may at its sole discretion provide comments in writing to the Bidder, provide partial comments or no comments at all. It is clarified that comments are provided on a non-binding basis.

7.6. The Voluntary Pre-Ruling of Bid Bond process is not a negotiation process between the Tender Committee and the Bidders. It is only an instrument of the Tender Committee to provide the Bidders with an opportunity to reduce the risk of disqualification due to a non-compliant Bid Bond.

7.7. The Tender Committee will provide its comments, subject to the aforesaid provisions regarding the Tender Committee's comments, to the respective Bidders no later than ten (10) Days prior to the Bid Submission Date.

7.8. Submission of a Bid Bond draft by a Bidder for the Tender Committee's Voluntary Pre-Ruling of Bid Bond shall not impose any obligation on such Bidder to submit a Bid, and the Tender Committee shall not consider such Bidder as submitting a Bid until the submission of a Bid in accordance with all the stipulations set forth in the Tender Documents on the Bid Submission Date.

7.9. Non-submission of a Bid Bond draft in accordance with the Voluntary Pre-Ruling of Bid Bond mechanism set out above shall not derogate from any of the Bidder's rights and obligations.

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ANNEX F – PRICE PROPOSAL – SUBMISSION INSTRUCTIONS AND EVALUATION CRITERIA

Bid Submission Index

1.1. For the purpose of submission of the Price Proposal, the Tender Committee will publish the PBI Bid Submission Index at least ten (10) days prior to the Bid Submission Date.

2. **General Instructions**

2.1. Bidders are required to complete **Tender Form "9"** *(Price Proposal)* in accordance with the instructions detailed therein and the following instructions:

2.1.1. The Bidders' Price Proposal shall be based on the data included in **Tender Form "9"** *(Price Proposal)* and attached thereto.

2.1.2. All figures in **Tender Form "9"** *(Price Proposal)* shall be quoted numerically with two (2) digits following the decimal point.

2.1.3. All prices within the Price Proposal, including **Tender Form "9"** *(Price Proposal)*, shall be quoted in NIS, exclusive of VAT, in real terms true to Bid Submission Date.

2.1.4. Bidders shall not leave any item without indicating a proposed price or rate (as applicable). The Tender Committee, at its sole discretion, may deem the price, rate or value (as applicable) of an item against which the Bidder has failed to enter a price or rate to be "0", provided however that such does not grant the Bidder an unfair advantage and does not raise any concerns as to the reasonableness of **Tender Form "9"** *(Price Proposal)* or as to the Bidder's ability to execute the Works for the proposed consideration.

The Bidder shall complete all applicable lines in the BOQ. The Bidder's Price Proposal shall be calculated as the aggregate of the prices resulting from the multiplication of the quantities specified in the BOQ by the unit prices filled in by the Bidder for each relevant BOQ line. The total sum of all such amounts shall constitute the Bidder's Price Proposal.

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ANNEX G - ICA APPENDIX (MANDATORY INDUSTRIAL COOPERATION)

1. A Foreign Supplier is required to fulfill industrial cooperation as defined in the Israeli Mandatory Bidding Regulations (Mandatory Industrial Cooperation), 5767-2007 (hereinafter: the "**Regulations**") to the extent of 18 or 35 or 50 percent[2] of the contract value (as applicable) where at least 20% of the contract value must be performed in a way of local subcontracting (for the purpose of performing the Supplier's undertakings under the Agreement).

For the avoidance of doubt:

1.1 "**Foreign Supplier"** - for the purpose of mandatory industrial cooperation - manufacturer, supplier, importer of imported goods or a supplier of work that is not being performed in Israel, whether by himself or by means of others.

The location of incorporation, the official address or business center of the Foreign Supplier or its shareholders is immaterial in this regard.

1.2 "**Israeli made goods**" **-** goods manufactured in Israel or in the Area or another place approved by the ICA and in which the price of the Israeli content therein constitutes at least 35 percent of the bid price (including taxes, levies, statutory fees, insurance and transportation expenses).

1.3 "**Israeli content Price**" - as such is defined in the Mandatory Tenders Regulations (Preference of Israeli Made Goods), 5755-1995.

1.4 "**Imported Goods**" **-** goods that are not manufactured in Israel. Ministry of Economy and Industry 86 Menachem Begin Rd., P.O.B 36049, Tel Aviv 6136001, Israel Rashpat@Economy.gov.il

2. A threshold condition for the participation of a Foreign Supplier in the Tender is that it shall submit, together with its Bid, a binding Undertaking for industrial cooperation (hereinafter: "**Undertaking**"), including an implementation plan complying with its undertaking to carry out industrial corporation (hereinafter: "**Implementation Plan**"**)** via form C of the ICA Guidelines for Israeli Buyers, both having been duly completed, signed and certified as required in these Forms.

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[2] The extent of the Industrial Cooperation shall be an amount equal to at least 35% of the value of the transaction or the value of the contract.

In respect of tenders relating to civil procurements to which the GPA Agreement applies, the extent of required industrial cooperation from Foreign Suppliers from the signatory countries shall only amount to 20% of the value of the transaction or the contract.

The Undertaking that should be submitted together with the Bid is attached as Tender Form "11" (*Binding Undertaking by Foreign Supplier*)**.**

In the case of a Foreign Supplier who is an importer, signature will be required from both the manufacturer of the goods and the importer.

The Foreign Supplier is aware that the mere fact of submission of the aforementioned duly completed documents (Form C and the Implementation Plan) does not mean that these documents are approved by the ICA. The substance of these documents require examination and approval by the ICA, this being a condition for receiving the ICA's approval for the Agreement between ISR and the successful Foreign Supplier. It may be that the Foreign Supplier will be required to amend these documents in accordance with the requirements of the ICA and as a condition for signing the Agreement with ISR, in the event that the Bidder is declared as the Successful Bidder in the Tender.

3. The Foreign Supplier is aware that signature of the Agreement with ISR is contingent upon the approval of the ICA, upon the provisions of the ICA Regulations and its Guidelines having been fully complied with, including approval of the Implementation Plan submitted by the Bidder.

4. The Foreign Supplier is aware that in the event of it being defined by the ICA as a Foreign Supplier under monitoring, the ICA may require, in addition to the Undertaking and the Implementation Plan, that it submit an Instrument of Guarantee for the implementation of its Binding Undertaking to fulfill industrial cooperation, as a condition for the ICA approval of signature of the Agreement with ISR, and this in the binding form D of the ICA Guidelines for Israeli Buyers.

   The amount of the Guarantee will be equivalent to the aggregate amount of the annual agreed liquidated damages under the Undertaking or the UICA.

   A Foreign Suppler under monitoring, who is required to submit a Letter of Guarantee as aforesaid, will be entitled to demand a change or update of the amount of the Guarantee depending upon the pace of his annual implementation, provided that he has met the targets of the Implementation Plan (if not otherwise stated in the Implementation Plan, the minimum annual pace is linear).

5. The potential Foreign Suppliers are invited to arrange meetings with the representatives of the ICA in order to obtain assistance in the planning and structuring of an optimum Implementation Plan to be submitted together with the Bids submitted in the Tender.

6. Guidelines, forms and contact details of the ICA can be obtained on the internet website: www.ica.gov.il.