

FRAMEWORK AGREEMENT

Made and entered into con

**Between Europe Asia Pipeline Company Co. Ltd.
POB 801 Ashkelon 78101
(the " Company")**

On one hand;

And
Of
Company No./I.D.
(the " **Contractor**")

On the other hand;

WHEREAS The Company operates a network of energy and infrastructure installations and ports in the State of Israel for the discharge, loading, storage and carriage of oil and other energy products for the national and international markets including Tank Farms (the "**Installations**");

WHEREAS The performance of any work at the Installations or any part thereof requires specialized professional skills and knowledge on the part of the provider due to the nature of Installations and the safety, security and other risks entailed in works related to such facilities and, as a result, all parties involved in the performance of work at the Installations must strictly comply with all of the Company's general safety instructions and guidelines, as well as with all the instructions and guidelines particular to the performance of the Works (as defined below) as provided in this Agreement and the Applicable Law (as defined below);

WHEREAS The Company is interested in inspecting and performing repairs on its Tanks (as defined below) in its Tank Farm; thus the tanks must be cleaned accordingly.

WHEREAS The Company issued a request for proposals for performance of the Works, under Tender No. 16011316 (the "**Request**") and the Contractor's proposal (the "**Proposal**") was accepted by the Company

WHEREAS The Contractor declares it has examined and reviewed the terms of this Agreement and its appendices, including *inter alia* the Technical Specifications (as defined below), the Safety Requirement, the Safety Instructions and the Security Requirement at Exposed Fuel Sites and inspected the Tank Farms and access thereto and prepared the Proposal on the basis thereof and, having read the terms of this agreement including its appendices and the documents attached thereto, declares that it understands the prerequisites for entering into this Agreement and agrees to them without any reservation;

WHEREAS The Contractor declares and confirms that it has fully understood the Company's needs and requirements as stated in this Agreement and all its appendices and that it has the requisite qualifications, professional skills, personnel, knowledge, experience, materials, capability, equipment and financial means to fulfill its obligations, including performance of the Works, subject of this Agreement, in accordance with the timetables and at the standard required by the Company, and these shall continue to be under the Contractor's possession until it shall have fulfilled all the requirements of the Company and the Order, everything in a manner guaranteeing that it shall have at all times all the required measures allowing it to comply with its undertakings pursuant to the Order and all its appendices including this agreement; The Service Provider declares and affirms that it has the requisite qualifications, professional skills, personnel, knowledge, experience, financial ability, materials and equipment required to fulfill its obligations under this Agreement and provide the Services in full and in a timely, proper and professional manner in accordance with the schedule in the Technical Specifications and Terms and of the quality required in the Technical Specifications and

Terms and all the aforementioned will continue to be at its disposal until it has completed the Services in full;

WHEREAS The Contractor declares that it is aware that the Installations include, *inter alia*, underground, above-ground and marine fuel facilities, including, without limitations, the Tanks and their facilities, equipment, pipelines, pipes, cables and the like, and that performance of the Works by the Contractor requires the Contractor to assume and comply with a particularly high level of safety measures precautions, including all of the Company's safety and security requirements as well as with the applicable national safety rules, regulations, standards and professional guidelines, and that it has reviewed and inspected these requirements and is capable of complying with all such safety and security requirements, standards and professional provisions, including taking all precautions required under the Company's safety and security instructions;

WHEREAS The Contractor declares and undertakes that it is entitled, under the Applicable Law (as defined below), to perform the Works for the Company, that it and its employees and/or its subcontractors and their employees and/or anyone else on behalf of the Contractor shall comply with the relevant legal requirements, that there is no impediment, whether legal, physical or otherwise, to prevent it from performing the Works for the Company, and that neither it nor anyone on its behalf has any conflict of interests, direct or indirect, with the Company; and

WHEREAS The Company wishes to guarantee that any and all Works performed pursuant to this Agreement are performed by the Contractor at the highest safety standards and as required pursuant to any Applicable Law, including those related to preventing or minimizing the risk of any situation whereby any damage of any type, may be caused to any person and/or property, resulting from safety-related acts and/or omissions.

award, decree, writ, order or the like of, or adopted by, the State of Israel, including any national, state or local court, arbitral tribunal or Agency, and including any statute, law, treaty, rule, regulation, directive, code, ordinance, judgment, award, decree, writ, order or the like, regulating, relating to or imposing liability or standards of conduct, in any such case whether now or hereafter in effect which is applicable to the Installations, the Works or the parties to this Agreement.

2.3 Authorization -

Any authorization, permit, consent, order, approval, resolution, license, exemption, agreement, permission, notarization, recording, filing or registration legitimately and lawfully required to be obtained from any Agency under Applicable Law for the performance of the Works by the Contractor.

2.4 Change(s) -

As defined in Section 19.1.

2.5 Daily Liquidated Damages -

As defined in Section 20.6.

2.6 Damage -

As defined in Section 15.1.

2.7 Equipment and Parts -

All of the tools, equipment and parts required by Contractor for the performance of the Works other than items provided by the Company, if any, detailed in the Technical Specifications.

2.8 Fees -

The consideration to be paid by the Company to the Contractor for the performance of each of the Works as

specified in the Proposal, which shall be adjusted for sludge once the Tank is drained pursuant to the formula provided in the Proposal and in the Technical Specifications.

- 2.9 Force Majeure - Any event, whether or not foreseeable, that is not within the reasonable control of the party experiencing the same, including acts of God, acts of enemy, war, whether declared or not, hostilities, invasions, insurrection, riots, disorders, civil disturbances, sabotage, blockades, embargoes, strikes, lockouts, fires, explosions, earthquakes, landslides, storms, floods, or other severe weather conditions, breakdowns or damage to plants, equipment, machinery, storage installations or facilities, perils of the sea, or acts of government. A party involved in a strike or lockout situation shall not be deemed to have failed to reasonably control such event merely due to its refusal to settle such dispute
- 2.10 Omitted-
- 2.11 Insurance Certificate - As defined in Section 16.3.
- Liquidated Damages - As defined in Section 20.5.
- 2.12 Operations Supervisor - Any party appointed by the Company to supervise the performance of the Works at the Installations.
- 2.13 Performance Guarantee - As defined in Section 22.1.

2.14	<u>Safety Requirements</u> - <u>Storage Period</u> -	As defined in Section 13.2.
2.15	<u>Site</u> -	The place at which the Works are to be performed, as specified in the specific Notice to Proceed.
2.16	<u>Tank(s)</u> -	Tanks for the storage of crude oil with external floating roofs and no external dome or closure, of diameters of 80, 60 or 50 meters, as specified in the specific Notice to Proceed.
2.17	<u>Tank Farm</u> -	Either or both of the oil storage terminals in either the Port of Ashkelon or the Port of Eilat owned and operated by EAPC.
2.18	<u>Timetable</u> -	As defined in Section 3.2.
2.19	<u>Transaction Period</u> -	As defined in Section 3.5.
2.20	<u>Work Log</u> -	As defined in Section 17.1.
2.21	<u>Work Manager</u> -	As defined in Section 6.1.
2.22	<u>Works</u> -	Cleaning of the Tanks to a degree of cleanliness, as provided in the Technical Specifications.

For the avoidance of any doubt, it is hereby clarified that if, in the course of and/or following the performance of the Works, the Company asks the Contractor to perform any additional Work, all the terms hereof shall apply thereto.

2. **Agreement**

The parties agree that this Agreement includes as an integral part thereof the following appendices:

- 2.1 Appendix A – RFP, The Contractor's proposal and bill of quantities (the "**Proposal**").
- 2.2 Appendix B – The Company's technical specifications for the performance of the Works (the "**Technical Specifications**").
- 2.3 Appendix C – Safety Terms Compliance Confirmation.
- 2.4 Appendix D – Notice to Proceed.
- 2.5 Appendix E – Completion Certificate.
- 2.6 Appendix F – Omitted.
- 2.7 Appendix G – Security Inspection Questionnaire.
- 2.8 Appendix H – Security Requirements at Exposed Fuel Sites.
- 2.9 Appendix I – Performance Guarantee.
- 2.10 Appendix J – Insurance Certificate
- 2.11 Appendix K – List of Safety Felonies and Compensations
- 2.12 In any event of contradiction between the provisions of this Agreement and the provisions of any of the appendices, the provisions of the Agreement shall govern unless otherwise stated in this Agreement.
- 2.13 Notwithstanding the provisions of Section 2.10 above, it is hereby explicitly agreed and declared that the Fees shall be as specified in the Proposal.

3. **Scope and performance of Works**

- 3.1 This Agreement shall operate as a framework agreement between the parties hereto and sets out the main terms and conditions for any Works performed by the Contractor at any of the Company's Installations.
- 3.2 In the event of the Company, from time to time during the Transaction Period, wishes to have any Works performed at its

Installations and the Contractor's agree thereto, this shall be on the basis of a Notice to Proceed, which will *inter alia* describe the particular Tank in which the Works are to be performed, and the timetable for the performance of the Works (the "**Timetable**") as specified in the Proposal. Each Notice to Proceed is to be executed separately and when so executed is incorporated by reference and shall become a part of this Agreement. Terms and conditions in said Notice to Proceed shall supersede any conflicting terms and conditions in this Agreement for only the specific Work therein. Each Notice to Proceed, together with the terms and conditions of this Agreement, shall constitute and be construed as a separate agreement.

- 3.3 The existence of this Agreement shall not constitute any obligation or commitment on the part of the Company to enter into any Notice to Proceed during the Transaction Period of this Agreement and there shall be no express or implied rights or obligations in favor of or binding upon either the Company or the Contractor based solely on the terms and conditions of this Agreement alone. For avoidance of any doubt, the Company will be entitled to engage with and/or employ any third party in connection with the performance of any Works as defined in this Agreement;
- 3.4 The Company shall not make nor shall it be under any obligation to make any payments to the Contractor other than for Works performed by the Contractor pursuant to a Notice to Proceed. For the avoidance of doubt, the Company shall not pay and shall not be obligated to pay the Contractor Fees or any other consideration for any period between the end of the performance of one Works and the beginning of another.
- 3.5 This Agreement shall be in effect for a period of 5 (five) years beginning on the Signature Date of this Agreement (the "**Transaction Period**"). Without derogating from the aforesaid, EAPC may with prior written notice terminate this Agreement for any reason, provided, however, that if at the time of such termination there is any Notice to Proceed in effect between the parties, the termination date shall be the end of the

applicable Timetable for the performance of the Works specified therein, this without derogating from its rights as provided in Section 5.11.

4. Commencement and performance dates

- 4.1 For avoidance of any doubt, it is hereby agreed and clarified that the commencement of any Works under a Notice to Proceed shall be conditioned upon the Company's receipt of all of: (a) the relevant approvals of the Authorities under the Applicable Law; (b) a Performance Guarantee from the Contractor, as provided in Section 22; and (c) an Insurance Certificate from the Contractor, as provided in Section 16 below.
- 4.2 Performance of the Works on any Tank shall be in accordance with the Timetable specified in a Proposal and in a Notice To Proceed, which shall be provided by the Company to the Contractor not less than 30 (thirty) days prior to the date specified for the commencement of such Work. The Contractor undertakes to begin the Works regarding each Tank within 30 (thirty) days of receipt of the Notice to Proceed.
- 4.3 The Company has the exclusive right to decide on how many and which Tanks the Works are to be performed, if at all.
- 4.4 The Contractor undertakes to perform each of the Works continuously, without any interruptions, strictly in accordance with the Timetable as stated in the Proposal and in the relevant Notice to Proceed until the Work has been completed in accordance with the Specifications and the terms of this Agreement and a Completion Certificate as provided in Section 23 has been issued.
- 4.5 The Contractor agrees and undertakes that the Timetable for the performance of the Works as stated in the Proposal in each Notice to Proceed is of the essence and that the breach thereof shall be deemed a material breach of the terms of this Agreement.

5. Management and supervision

- 5.1 The Operations Supervisor may inspect the Works, including the manner in which it is performed, the standards of its performance, the quality of materials used by the Contractor and shall confirm the proper compliance of the Contractor with the provisions of this Agreement, particularly the Technical Specifications and with the instructions of the Company and of the Operations Supervisor.
- 5.2 The Company shall not accept any Works and/or any part thereof that have not been approved by the Operations Supervisor as being suitable, as a prerequisite for the issuance of a Completion Certificate.
- 5.3 The Operations Supervisor may reject any material and/or work which, in his professional opinion, does not comply with the requirements of this Agreement, particularly the Technical Specifications.
- 5.4 The Operations Supervisor or the Company may demand changes in the manner of the performance of the Works, in the work methods and in the tools, and may also replace any of the Contractor's employees, subcontractors and/or any other person on the Contractor's behalf who, in his professional opinion, is unsuitable to their job, in any respect.
- 5.5 The Contractor shall immediately comply with any demand made as provided in Section 5.4 above. A person so removed shall not be rehired by the Contractor, its subcontractors or any other person on the Contractor's behalf performing any Works at EAPC Installations or any part thereof, directly or indirectly, and all expenses involved with the removal and replacement of such person, including payment of severance pay, shall be solely on account of the Contractor. The Company shall not bear any payment or compensation for the removal of such employee.
- 5.6 Without derogating from the generality of the foregoing, the Company or the Operations Supervisor may require the Contractor to provide it with information and/or documents with

respect of any person employed by the Contractor and/or by any subcontractor and/or any other person on his behalf.

- 5.7 The Contractor undertakes to comply with the requirements and instructions of the Company and/or Operations Supervisor regarding the quality of Works, which compliance with such requirements and instructions shall not release the Contractor from its sole liability for the quality of materials, standard of provisions of the Works and compliance with all the terms of this Agreement, particularly the Technical Specifications.
- 5.8 The Contractor agrees and declares that the rights conferred upon the Operations Supervisor and/or the Company pursuant to this Section 5 may only be deemed to be tools with which the Company can ensure strict compliance at all times by the Contractor with its safety requirements as provided in this Agreement and shall not derogate from or release the Contractor from any of its obligations or undertakings under this Agreement and shall not be deemed to create any employer-employee relationship or any other relationship that imposes liability of whatever kind of the Company to any third party.
- 5.9 The Company may inform the Contractor in writing of any changes in the specification, quantity and quality of the Works or any part thereof which, in its sole discretion, is required, for the performance the Works under any individual Notice to Proceed, subject to the provisions of Section 19 below.
- 5.10 For the avoidance of any doubt, it is clarified that final approval of payment of the Fees to the Contractor shall not be determined by the Operations Supervisor but solely by the Company and in accordance with its internal procedures. Any discussion of fees between the Contractor and the Operations Supervisor shall be deemed as start of the Fee approval process, and the final decision with respect thereto shall be solely the Company's.
- 5.11 The Company may suspend the performance of any Works, or any part thereof, temporarily or permanently, due to operational considerations, if such exist, and/or if such suspension is required for the performance the Works at the Site and/or due

to Force Majeure and/or other circumstances required by the Company's safety and/or security procedures and/or by the conduct of Work and/or events which are not under the Company's control, and the Contractor undertakes to comply with such instructions and renew the performance of the Works according to the Operations Supervisor's instructions. The Contractor shall not be entitled to any payment or compensation for such interruption of the Works, and the Operations Supervisor shall determine, subject to the Company's approval, whether the Contractor is entitled to extend the Timetable for the performance of the Works as well as the length of such extension, as required.

5.12 For the avoidance of any doubt, it is hereby agreed and clarified that the provision of the instructions of the Company and/or the Operations Supervisor to the Contractor shall not derogate from the Contractor liability in respect of the performance of the Works under any the Applicable Law, and by the provision of such instructions the Company shall not be deemed "the party performing the work" as such term is defined and understood pursuant to the Work Safety Regulations and/or any other Applicable Law.

6. **Safety Officer and Work Manager**

Safety Manager

6.1 The contractor shall appoint a safety officer on his behalf, in accordance with the regulations of the Organization of Labour Supervision (Safety Officers) 5756 - 1996 (hereinafter, the "**Regulations**"). The contractor shall attach to the contract, at the time of its execution, a copy of the application to appoint a safety officer on his behalf, and certification that the application was sent by him to the Labour Supervisor on behalf of the Ministry of Economy and Trade.

6.2 The appointment of a safety officer is subject to the prior approval of the Supervisor.

- 6.3 If the Supervisor or the Chief Labour Supervisor on behalf of the Ministry of Labour disqualifies the appointment of a safety officer, the contractor shall replace said safety officer. Any such appointment of a replacement safety officer on behalf of the contractor shall be subject to the approval of the Labour Supervisor in the Ministry of Labour.
- 6.4 A safety officer will be continuously on site during the performance of the work and will perform all the duties assigned to him under the Occupational Safety Regulations and in particular under Section 10 of the Regulations.

"10. The duties and powers of the safety officer

(a) It is the duty of the safety officer to advise the employer regarding laws, regulations and standards in safety matters, to assist him and the management and planning staff regarding the safety, health, human engineering and occupational hygiene of the workers in the plant and to promote awareness in these matters:

- (1) Detect health and safety hazards in the plant, and notify the employer of them;
- (2) Ensure proper health and safety standards in the plant;
- (3) Require the introduction of proper health and safety procedures in the plant, in the work processes, in the facilities, in the buildings, in the equipment and materials, and in any change to them;
- (4) Act to ensure compliance with the provisions of the Organization of Labour Supervision Regulations (Providing Information and Training of Employees), 5744 - 1984, and the preparation of a plan for training employees;
- (5) Ensure the preparation of a safety plan and revisions as required under the Organization of Labour Supervision Regulations (Safety Plan), 5744 - 1984;
- (6) Ensure the implementation of the provisions of a safety plan that was prepared at the plant and the inclusion of health and safety requirements in the latest directions for

the use, operation, maintenance, safe storage of equipment, materials and work processes in the plant;

- (7) Investigate the causes and circumstances of work accidents and occupational diseases in order to learn lessons, prepare written findings and conclusions of the inquiries and offer the employer appropriate measures to prevent the recurrence of accidents; ensure employee training regarding the circumstances of accidents and occupational diseases and the lessons learned;
- (8) Coordinate all information and documentation related to work accidents and occupational diseases that occurred in the plant;
- (9) Prepare health and safety protocols and a written summary of information on the risks at work, their publication and updating. Oversee the implementation of health and safety regulations and report any breach to the employer;
- (10) Ensure the marking of hazardous materials, equipment and work processes and the installation of instructional signs for the use of personal protective equipment;
- (11) Ensure the supervision and monitoring of the proper working order of health and safety devices, personal protective equipment, tools and equipment that by law require periodic supervision, in accordance with the manufacturer's instructions and in accordance with generally accepted professional rules;
- (12) Ensure that routine medical examinations are conducted for plant workers who are exposed to factors for which there is a requirement that such examinations be conducted;
- (13) Ensure that occupational environmental tests are performed by certified laboratories, when there is a requirement for such tests in the law or the regulations; document the findings of such supervisions and inform the employer and the employees of their results and the measures that are to be taken;

- (14) Establish arrangements that will ensure adequate health and safety conditions in the employment of external contractors;
- (15) Cooperate with the plant safety committee, and provide it with all the information required for its routine activity;
- (16) Order the cessation of work when there is an immediate danger to the life or health of an employee, and report this immediately to the employer or his representative at the workplace;
- (17) Ensure the existence of a plan and routine practice drills for emergency situations;
- (18) Report to the regional labour supervisor, upon his demand, of actions taken for raising the level of health and safety and preventing risks in the plant;
- (19) Accompany labour supervisors on inspection visits to the plant, if required.

(b) The safety officer is authorized to enter any place in the establishment where workers are employed, to inspect the health and safety arrangements, and to take all actions necessary for the performance of his duties as stated in sub-regulation (a)."

6.5 The contractor shall perform the obligations of the employer under section 11 of the Regulations:

11. "Duties of the Employer

An employer who appointed a safety officer for the plant -

- (1) Will inform the employees of the appointment and duties of the safety officer;
- (2) Determine the place and status of the safety officer in the organizational structure of the plant, provide him with all the means necessary for the performance of his duties, allow him to perform them and ensure that he fulfils his duties as specified in Regulation 10

- (3) Allow him access to any place in the plant and outside the plant where the plant workers are employed;
- (4) Enable him to participate in safety operations and advanced training as required by Regulation 3 (b), to advance his knowledge and experience in the safety, health and wellbeing of employees"

6.6 Safety Management Plan- The safety officer shall prepare a safety management plan (hereinafter the "Plan") in accordance with the provisions of the Organization of Labour Supervision Regulations (Safety Management Plan), 5763 - 2012. The plan will be presented to the supervisor upon his request

6.7 The Plan will not contradict the company's safety procedures.

6.8 To the extent that there is a conflict between the provisions of the Occupational Safety Ordinance and its regulations and the special safety provisions required by this contract, the stricter provisions between them shall prevail and be binding.

Work Manager

6.9 The Contractor shall appoint a work manager on its behalf. If the Operations Supervisor disqualifies the Work Manager, the Contractor shall replace him. Any appointment of a substitute Work Manager on behalf of the Contractor shall require the prior approval of the Operations Supervisor.

6.10 The Work Manager shall be authorized by the Contractor to represent it and receive binding instructions and notices from the Company and/or from the Operations Supervisor in all matters relating to performing the Works.

6.11 The Work Manager shall be present on site continuously at the time of performing the Works and shall fulfill all his duties according to the Safety at Work Regulations.

The Contractor and its Work Manager shall be responsible to perform all parts of the Works coordinating the works of the various contractors on site in a manner that shall not interfere with other works conducted there and ensuring that no

employee of the Contractor or other employees are present on site in a work area of any contractor to prevent the injury of employees as a result of falling objects from heights.

7. Compliance with the Applicable Laws

- 7.1 The Contractor declares and undertakes that performance by it of any the Works as provided by the terms of this Agreement shall not contravene any other agreement by which it is bound, or violate or breach any Applicable Law or the rights of any third party (including a third party's intellectual rights).
- 7.2 The Contractor undertakes to strictly comply with all provisions of the Applicable Law and of any other jurisdiction relating to the performance and/or management and/or supervision of the Works, including all the safety procedures issued by the Company and provided to the Contractor and the professional standards applicable to the Works whether required by the Applicable Law or not.
- 7.3 The contractor shall obtain, at its own expense, all Authorizations required for the performance of the Works under the Applicable Law, including any work permits required for the performance of the Works or the supervision thereof by the Contractor's personnel.
- 7.4 Without derogating from the Contractor's liability under this Agreement and/or pursuant to any law, the Contractor shall at all times comply with all the requirements and provisions of the National Insurance Law 1995 and all orders and regulations promulgated thereunder, and incidental and/or temporary employees such that the rights of all persons at the Site on behalf of the Contractor are then protected by the Applicable Law.
- 7.5 The Contractor declares that all of the representations and warranties made by it in this Agreement are true and correct and shall remain so for the entire Transaction Period and the performance of the Contractor of any Works on the basis of a

Notice to Proceed shall be deemed to be a repetition by it of all such representations and warranties. The Contractor is aware that the Company has agreed to enter into this Agreement with the Contractor in reliance on such representations and warranties and were EAPC aware that any of these representations or warranties or any part thereof was either untrue or incorrect it would not enter into this Agreement.

8. No employer-employee relationship

8.1 The parties hereby declare that the relationship between them is that of an orderer and an independent contractor for all intents and purposes and they hereby express their agreement that their relationship shall not be deemed an employer-employee, principal-agent, partnership or joint venture relationship of any kind. Accordingly, neither the Contractor nor anyone employed by it and/or on its behalf shall be deemed to be or shall have any rights as employees in the Company, with all that entails.

8.2 The Contractor undertakes to comply with all the labor laws, regulations and orders that apply to an employer-employee relationship with respect of its employees and anyone who is directly and indirectly employed by the Contractor.

9. Assignment

9.1 This Agreement is personal to the Contractor and the Contractor may not assign this Agreement or any part thereof to any other person or entity, nor may it transfer or convey to person or entity any right or obligation hereunder, in whole or in part, other than with the Company's express written prior consent. For this purpose, it is clarified that any cooperation with another entity, including bringing it as a partner, for the purpose of performing the Works pursuant to this agreement, shall be deemed, for this purpose, as assignment of the agreement which would be conditioned with the Company's written, explicit and prior consent.

9.2 For the avoidance of any doubt, it is hereby declared and agreed that the Contractor may not hand over to another the performance of the Works, in whole or in part, without the Company's prior, written consent. However, the employment of workers, whether their wage is paid according to working time or to work quantity, is not deemed, in itself, as handing over the performance of the Works or some of them to another.

9.3 For the avoidance of any doubt, notwithstanding that the Company's such consent has been given, it shall nevertheless not release the Contractor from its responsibility and undertakings under this agreement and pursuant to any law.

9.4 The Company may assign this Agreement and any of its rights and obligations hereunder to any other entity.

10. Omitted

11. Subcontractors

11.1 The employment by the Contract of any subcontractor to perform any Works or any part thereof shall be conditioned upon receipt of the Company's prior written consent, which may be withheld by the Company at its sole discretion.

11.2 If such consent is given by the Company, it shall not be construed to create a contractual relationship or any other relationship between the subcontractor and the Company and it shall not release the Contractor from any undertaking pursuant to this Agreement.

11.3 The Contractor declares and agrees that in the event it engages a subcontractor, the Contractor shall remain the main contractor for the performance all the Works and shall *inter alia* bear any and all liability in connection with the Works.

11.4 In any event, it is agreed and declared that the employment of a subcontractor by the Contractor shall be according to the provisions of Work Safety Ordinance [New Version], 5730-1970 and its regulations (the "**Safety in Work Ordinance**") and its regulations also under the circumstances set forth in Section

6.6 above and all of the provisions of this Agreement with respect thereto shall apply to any subcontractor *mutatis mutandis*.

11.5 The consent of the Company to the performance of the Work and/or any part thereof by a subcontractor, shall not release the Contractor from any of its liability and undertakings under this Agreement and the Contractor shall bear full liability for any act and/or omission of the subcontractor, its representatives and/or employees and/or agents.

11.6 The handing over of various Works by the Contractor to subcontractors shall not derogate from its full, overall liability to the entire Work under this agreement, including safety and any other aspect, and shall not release it from any of its undertakings under this agreement. The Contractor or a Work Manager on its behalf shall be on site at the time of performing any subcontractor's services on site, supervise the subcontractors' work, performance and progress, and it shall remain the contact point for the Orderer's queries also with respect of any part of the Contractor's services performed through subcontractor.

11.7 All of the provisions of this Agreement with respect to workplace safety and security in connection with the Site and the performance of the Works and/or any mandatory provision of labor law under the Applicable Law shall apply to any subcontractor of the Contractor and any of its agents and/or employees and/or anyone on its behalf *mutatis mutandis*.

12. The Site

12.1 The Contractor shall coordinate the performance of all Works at the relevant Site with the Operations Supervisor. Each Site shall be delineated, effectively fenced and marked by the Contractor by means of clear, visible signposting.

12.2 The Contractor shall be solely responsible of everything done in the entire Site designated for the performance of the Works, and the Contractor undertakes to provide, at its own expense, effective fencing and other safety measures for public safety and convenience, wherever necessary or required by the

operations supervisor or any Law or any Instruction of any competent Authority.

- 12.3 The Contractor undertakes to remove from the Site to a licensed landfill, from time to time, any the excess materials, waste and garbage that have been accumulated on Site. Such waste shall be transported at the Contractor at its sole liability and expense, unless specified otherwise in the Technical Specifications.
- 12.4 The Contractor declares that it knows that only people holding valid access permits issued by the Company may enter or exit the Company's Installations. The Contractor undertakes to strictly comply with the Company's instructions in this regard and undertakes to obtain, in a timely manner, the access permits as required for its employees, agents, anyone acting in its name and on its behalf and/or its subcontractors.
- 12.5 The Contractor shall place a sign in a prominent place at Site specifying the following: the Contractor's name and its address, the Work Manager's name and address, the nature of the Work performed, everything in accordance with the provisions of Applicable Law in general and the Safety at Work Regulations (Construction Works), 5748-1998, in particular.

13. Safety

- 13.1 Without derogation from any other provision of this Agreement, as of the Contractor's activity start date on a Site with respect of any Order to Proceed, the Contractor shall bear full responsibility for safety, including to fire safety, during the performance by the Contractor of the Works, and the Contractor hereby undertakes to fully and timely comply with all the duties and obligations imposed by the safety laws in connection with the Works pursuant to this Agreement and to comply with all the provisions of any Applicable Law in connection with safety and observe them, including, without derogating from the generality of the foregoing, regarding prevention of electrification, fire prevention fire, works in heights (within the meaning of these regulations in the Work Safety Regulations (Work at Heights), 5767-2007, stability of

scaffolds, railways and dangerous workplaces, all in order to prevent any risk of injury or bodily harm to its employees and/or anyone on its behalf and/or to the Company and/or anyone on behalf of the Company and/or to any third party and damages to equipment and facilities of Contractor and/or anyone on its behalf and/or to the Company and/or anyone on behalf of the Company and/or to any third party.

13.2 Ensuring safety during the performance of the Works shall be according to the requirements of the Applicable Law, particularly safety laws, the requirements of any standard and acceptable professional rules, the requirements of the Safety Instructions and any other of the Company's EAPC safety instructions provided to the Contractor from time to time, the applicable international standards and any other particular instructions and/or precautions that apply to the Tanks, the Works or any part thereof, the Equipment and Parts and the Installations (the "**Safety Requirements**").

13.3 The Contractor undertakes to strictly and fully comply with all the requirements of the Applicable Laws, particularly the national safety laws and the Safety Requirements.

The Safety Requirements in this Agreement do not and shall not be deemed to derogate from, but are in addition to the requirements of any law, and no Contractor's claim shall be accepted or approved based on the claim that the Contractor was not aware of and/or familiar with the provisions of any law, including the Safety Requirements as stated above, notwithstanding that they were not indicated or included in the Safety Instructions.

13.4 The Contractor declares that it understands and confirms that complying with all the safety requirements of the Applicable Law and this Agreement, including the Safety Requirements in the course and in connection with the performance of any and all of the Works under this Agreement is a matter of utmost importance to the Company and if the Contractor had not so undertaken, the Company would not have entered into this Agreement. The Contractor undertakes to take all the required

measures to ensure the performance of the Works in a safe manner and guarantees performance of the Works and any act in relation thereto shall be strictly as dictated by the Safety Requirements.

- 13.5 The Contractor declares that it understands that it is not technical possible or feasible to specify herein each and every detail concerning the safety issues that may arise during the performance of the Works or in relation thereto pursuant to the particular Notices to Proceed, and agrees with the Company that any safety issue that may arise hereafter shall be resolved in the course of the performance of the Works by the Company's Safety Supervisor, and any instruction given by him in writing shall be deemed to have been specified in this Agreement in advance. It is further clarified that the provisions of this section have already been included in the Fees and that the Contractor shall not be entitled to any additional consideration and/or payment in this connection.
- 13.6 It is the Contractor's responsibility to ensure the safety of its employees, agents and/or anyone acting in its name and/or on its behalf and/or its subcontractors as well as the Company's employees and/or anyone on behalf of the Company and any other third party at the Site. The Contractor undertakes to take, at its own expense, all the precautions required to prevent accidents during the performance the Works and/or in connection with the performance thereof.
- 13.7 The Contractor undertakes to comply with all the provisions of the law and in particular the Safety at Work Ordinance and its regulations notwithstanding that it is not legally mandatory to act as aforesaid, and as set forth above.
- 13.8 The Contractor undertake to attend to and supervise that all of its employees and/or any other party its behalf and its subcontractors shall be knowledgeable in and comply with all the laws, regulations and Company's instructions that may affect the performance of the Works on dangerous sites of the aforesaid type.

- 13.9 In so much that there are any additional applicable professional standards and/or safety provisions specific to the Work and/or to the Contractor's professional skills and/or competence and/or relating to Equipment and Parts and/or to the manner or procedure by which the Works are performed, which are not otherwise addressed directly or indirectly in this Agreement or any of its appendices (the "**Unique Safety Instructions**"), the Contractor shall ensure that the Unique Safety Instructions do not conflict with or derogate from the Safety Requirements. In the event that any such contradiction may arise, the Safety Requirements shall override the Unique Safety Instructions and the Contractor shall report immediately and prior to the start of Works any such concerns to the Operations Supervisor and act in accordance with his instructions. The Contractor shall prepare the Unique Safety Provisions, provide a copy thereof to the Company, train its employees therein and ensure that they are being adhered to. It is hereby clarified that the foregoing shall not derogate from the Operations Supervisor's power to demand that the Contractor provide him with additional safety instructions such as in connection with tools and/or procedures it intends to exercise in performing the Work.
- 13.10 All of the Contractor's employees and/or its subcontractors and/or anyone on its behalf at the Site and/or performing any of the Works shall be trained by the Contractor in accordance with the Safety Requirements and the Unique Safety Instructions prior to the start of any Works on Site. The training shall be delivered in the language of the workers who are to perform the Works or be present on Site. A named list of those participating in the training, signed by the participants confirming that they have understood the content of the training, shall be delivered to the Operations Supervisor.
- 13.11 The Contractor shall provide each of its employees and/or its subcontractors and/or anyone on its behalf at the Site with a written copy of the Safety Instructions in a language in which they are fluent language.

- 13.12 Any new employee, subcontractor or person on behalf of the Contractor on Site shall undergo the entire training process before the start of his work on Site is approved.
- 13.13 If the Works last for more than 60 days, the Contractor undertakes repeat its safety training 60 days after the start of the particular Works and every 60 additional days thereafter.
- 13.14 Prior to the start of any Works, the Contractor shall hold, at its own expense, a "safety event" drill according to the Operations Supervisor's instructions.
- 13.15 The Contractor will pay the Company pre-agreed liquidated damages in case of performing any safety violation as specified in the List of Safety Violations and Penalties in Appendix K without derogating from any other relief and/or remedy available to the Company under the provisions of this Agreement and/or pursuant to any law.

14. Security

- 14.1 The Contractor declares that it knows that it, its subcontractors, employees, agents and anyone acting in its name and on its behalf must be equipped with access permits issued by the Company and fully meet the security checks of the Company's security officers in order to either enter or exit any of the Company's Installations.
- 14.2 The Contractor declares and undertakes that it knows that the condition to receive access permits to the Company's Installations and any Site and/or handling the Company's equipment and information is to undergo security checks as required by the Company's national security supervisor (the "**Company's Security Manager**"), and it undertakes to act as stated in the "Contractor Security Instructions" which is part of Appendix G. The Contractor declares and undertakes that it knows that failure to complete the forms in a timely manner or failure to receive security clearance for any of its employees and/or subcontractors and/or anyone else on its behalf will delay the beginning of Work on the scheduled date and shall constitute a breach by the Contractor of the terms of this Agreement.

- 14.3 Upon completion of the security check procedure, the Contractor shall be provided with access permits for its employees, agents, subcontractors and anyone acting in its name and on its behalf, as aforesaid.
- 14.4 The Contractor undertakes to comply with the instructions of the Company's security officers, the Installation Manager and the Operations Supervisor, and shall terminate the work of any of its employees, agents and/or subcontractors in any of the Company's Installations, including any Site, in any event where such instruction is given or in any event where an access permit is not given to any of its employees (without any need to provide a reason), and it shall have no claim of damage and/or claim as a result thereof.
- 14.5 The Contractor undertakes to remove any of its employees, agents and/or subcontractors from the Installations, including the Site, strictly in accordance with the instructions of the supervisor or the Company's security officers, Installation Manager or Operations Supervisor.
- 14.6 The Contractor undertakes to return the access permits for the Company's facilities to the Company's Security Department immediately upon the Company's Security Officer's first request.
- 14.7 The Contractor shall instruct its employees, agents and subcontractors and anyone acting in its name and on its behalf to comply with the instructions of the on-call security officers at the Company's Installations at all times, including to allow them to search their vehicles and personal effects, and present them with their I.D. cards, passports or driver's licenses.
- 14.8 The Contractor shall arrange continuous communication and control arrangements with its employees during all hours of the day in order to ensure immediate help for its employees in case of emergency.

15. Liability for Damages and Indemnification

15.1 The Contractor hereby undertakes to bear full and sole liability for any and all damages, costs or expenses and/or for bodily injury and/or property damage direct and/indirect (the "**Damage**") sustained by any person or entity, including but not limited to the Contractor and/or the Company and/or any of their respective employees, representatives or agents as well as contractors and/or subcontractors of any tier directly or indirectly deriving from or connected to the performance of the Works or any part thereof and/or any act or omission of the Contractor, its employees, agents or anyone acting in its name or on its behalf and/or its subcontractors and/or as a result of a breach and/or failure to fulfill any term and/or obligation which is imposed on it under this agreement and/or pursuant to any law.

15.2 The Contractor undertakes to bear and pay any damages and compensation due pursuant to any law to any of its employees and/or subcontractors and/or agents and/or anyone acting in its name or on its behalf and/or at its service, as a result of any accident or damage caused to them or to their property, directly or indirectly deriving from or connected to the performance of the Works or any part thereof and/or any act or omission of the Contractor, its employees, agents or anyone acting in its name or on its behalf and/or its subcontractors and/or as a result of a breach and/or failure to fulfill any term and/or obligation which is imposed on it under this agreement and/or pursuant to any law.

15.3 The Contractor undertakes to repair any physical damage to the Tanks incurred as stated in this section by itself and at its expense, immediately upon occurrence of the damage and/or receipt of the Operations Supervisor's instruction and in accordance with his guidance.

15.4 Sections 15.1-15.3 above shall not inure to the benefit of any person having acted with fraudulent or malicious intent.

15.5 The Contractor shall be liable for any damage or defect discovered in any asset related to the performance of any of

the Works and/or in of the Installations in proximity to the Site of the performance of the Works and/or any part thereof and/or the Equipment and Parts of the Contractor or anyone on its behalf and/or that were provided thereto in connection with the Works. The burden of proof that any such damage or defect existed prior to the beginning of Works shall be on the Contractor. The Contractor shall document any such damage or defect immediately at the time of discovering it by means of photographs and an immediate entry into the Work Log describing the damage or defect and the circumstances of discovering it. In addition, the Contractor shall immediately inform the Operations Inspector on Site and deliver a written notice to the Company's VP Operations, no later than 4 (four) hours from the time of discovery specifying all the details of the damage or defect and the circumstances of their discovery. If the Contractor fails to act according to all the requirements of this Section, it shall be held as exclusively having caused the applicable damage or defect.

- 15.6 If the Company is required by any competent authority to pay a fee and/or a fine and/or a penalty and/or to fulfill any undertaking relating to the performance of the Works and/or to the violation of any of the obligations imposed on the performing contractor pursuant to any law, the Contractor shall be liable and it undertakes to compensate and indemnify the Company for any damage and/or expense incurred thereby, whether direct or indirect, including its legal expenses.
- 15.7 The Contractor undertakes to deliver an immediate notice to the Operations Supervisor and to the Company of any accident and damage caused to any property and/or person. This notice shall not release the Contractor from any liability under this agreement and pursuant to any law.
- 15.8 The Contractor holds the Company harmless of all Damages for which the Contractor is liable as provided in this Section 16. The Contractor, at its own expense, shall immediately upon the Company's first demand, fully indemnify, defend, and hold the Company and its shareholders, affiliates, officers, directors, and employees (the "EAPC Indemnitees") harmless from and

against any liabilities, damages, costs or expenses (including attorney's fees and expert witness fees) suffered or incurred by any EAPC Indemnitee from or in connection with any payment an EAPC Indemnitee was required to make pursuant to a court decision whose enforcement was not delayed for any liability, damage, cost or expense for which the Contractor is responsible as provided in this Section 15.

15.9 The Contractor undertakes to report any work accident to all the relevant entities and authorities, pursuant to the Applicable Law.

15.10 The Contractor hereby confirms that it is aware of the fact that but for its express and informed consent as to the liability and indemnification provisions contained in this Section 15, the Company would not have entered into this Agreement.

16. Insurance

16.1 Without derogating from Contractor's liability under this Agreement or at law, Contractor undertakes to procure and to maintain, at its sole expense, in its own name and in the name of the Company, contractors, subcontractors, the insurances detailed hereunder through an insurance company of repute (the "**Contractor's Insurances**"):

a) Contract Works Insurance to be maintained during the period of performance of the Works for the applicable Tank including and during a maintenance period of 12 months following handing over (hereinafter "**Maintenance Period**") as follows:

Section 1 - Property Damage

covering unforeseen physical loss or damage from any reason not otherwise excluded to property of any form forming part of the Works occurring during the performance of the Works prior to hand-over to the Company as well as such loss or damage discovered or occurring during the Maintenance Period as a result of any cause (not otherwise excluded) which arose during the performance of the Works. This section shall be extended to cover loss of or damage to

property worked upon/surrounding property with a limit of indemnity of at least one million Euro.

Section 2 - Third Party Liability Insurance

covering liability at law for death and/or bodily injury and/or property damage caused during the performance of the Works or during work carried during the Maintenance Period.

It is expressly stated in the section that property is deemed to be third party property apart property worked upon/surrounding property Section 1.

This section shall be subject to a limit of at least of €2.5 million per occurrence and in the aggregate

- b) Employers Liability Insurance covering liability at law for death or bodily injury sustained by any person employed in the performance of the Works or during work carried during the Maintenance Period.

This policy shall be subject to a limit at least of €5 million per occurrence and in the aggregate.

16.2 The Contractor's Insurances shall provide that they shall take precedence over any insurance, which may be maintained by the Company. Furthermore the Contractor's Insurances shall provide that the said insurances shall not be cancelled nor materially amended during the period of insurance, unless at least 30 days' prior written notice thereof be given to the Company, by registered mail.

16.3 At least 45 days prior to initiating performance of any Works for a particular Tank, Contractor shall submit to the Company an insurance certificate in respect of the Contractors Insurances duly signed by its insurer in the form set forth in **Appendix J** (the "**Insurance Certificate**"). The submission of such a certificate and/or its review by the Company, shall not relieve Contractor of any of its undertakings under clause 16. At the request of the Company, the Contractor shall permit representatives of the Company to peruse the Contractors Insurances, within the offices of the Contractor and during normal working hours.

16.4 In addition to the insurances noted in clause 16.1 above, Contractor shall maintain the following insurances in respect of any motor vehicle (including mobile cranes and any other mobile equipment) operated by his staff in the performance of the Works at the Site:

- a) Compulsory insurance covering liability, which is required to be insured under the requirements of the Israeli Applicable Law.
- b) Third party liability insurance (excluding compulsory liability noted in clause (a) above) with a limit of indemnity of at least Euro 250,000.

16.5 If at any time the Company is notified by Contractor's insurer/s that any of Contractor's Insurances are about to be cancelled or materially changed, Contractor shall re-procure such insurance prior to the date of such cancellation.

16.6 For avoidance of doubt, it is agreed the limits of indemnity noted in clauses 16.1 and 16.4 above represent a minimum requirement.

16.7 The Company shall not be liable for any loss or damage to any equipment, tools, materials and/or test gear of Contractor or of anyone acting on its behalf which is brought to any Site, provided that the foregoing waiver shall not inure to the benefit any person who willfully caused such damage.

16.8 Throughout the performance of this Agreement, Contractor shall comply with any applicable National Insurance Law and all regulations and orders there under so as to ensure that all personnel employed or engaged by or on behalf of Contractor in the performance of such Work or Services, shall be entitled to the full benefits under such applicable law. Contractor shall effect and maintain National Insurance and/or Workmen's Compensation Insurance as required under the laws applying to the employment of such persons.

16.9 It is clarified that the insurance certificates attached to this agreement, which the Contractor is obligated to submit duly signed by its insurer, are worded in a concise form, as required

by the insurance companies according to the instructions of the Commissioner of Capital Market, Insurance and Savings, where the submission of such certificates does not derogate from Contractor's obligation to fulfil all of its undertakings and to make insurance in accordance with the provisions as set forth in the above insurance clauses

17. Work Log

17.1 In the course of performing any of the Works the Contractor shall keep a work log (the "**Work Log**") and shall make a daily entry in it of details regarding the number of employees and equipment present on the Site, progress of Works during that day, instructions given to the Contractor, comments as to the course of performing the Works, or anything else which, in the Contractor's opinion, may reflect the factual situation in the course of performing the Works.

17.2 At the end of each workday, the Work Manager shall sign the Work Log. The Operations Supervisor may make entries in the Work Log of any instructions given to the Contractor, any focused safety instructions at any specific stage of the Works and comments as to the course of performing the Works, or anything else which, in the Operations Supervisor's opinion, may reflect the factual situation in the course of performing the Works as well as his reservations, if any, as to the details recorded.

18. Payment of Fees

18.1 The Company shall pay the Fees in accordance with the Technical Specifications after certification by the Operations Supervisor that the relevant Works or the portion thereof has been completed to the Company's satisfaction.

18.2 The Fees shall be paid without any linkage component, unless otherwise explicitly stated.

18.3 The Fees shall be paid by wire to the bank account notified to the Company by the Contractor.

19. Changes

19.1 At any time during the performance of the Works the Company may order the Contractor to change the performance of the Works, whether by alternation, omissions and/or additions to the performance of the Works, provided that the value of the Works does not exceed 50% of the total amount of Payment of Fees mentioned in Sections 18 above (the "**Changes**").

19.2 In any event where the terms of Section 19.1 above apply, the Company shall determine the required change to the Fee as a result of the- Change based on the criteria in the Proposal. If the Proposal does not include all the prices of the Works required to determine the value of the Change, the change in the Fees shall be determined by an analysis of the agreement unit price. If there are no similar clauses for the analysis, the value of the Change shall be determined in accordance with the "Dekel" price list prices for large works less 10% and without including the main contractor's percentage, and the contractor will have to make the Change for the fee specified in this section..

20. Contractor's breach of this Agreement

20.1 The parties agree that the Contractor's representations, warranties and undertakings in the preamble to this Agreement as well as the provisions of Sections 4.1. 4.2. 4.4, 5.5, 5.7, 6, 8, 11, 12, 13, 14, 15, 16, 17, 18, 21, 22, 23 and 25 including all subsections thereof are material to this Agreement, the breach of which shall be deemed a material breach of the terms of this agreement.

20.2 Without derogating from the foregoing, it is hereby agreed that if the Contractor discontinues the ongoing performance of any of the Works pursuant to the terms hereof and/or is insolvent and/or if a petition for the winding-up or liquidation of the Contractor is filed in any jurisdiction and/or if the Contractor fails to fulfill its undertakings under the terms of this Agreement and/or if that the Works have not been completed or not have been delivered in a timely manner and/or if the quality of Works

does not comply with the Company's requirements as provide in the Technical Specifications and/or the Contractor materially breaches any of the safety instructions related to this Agreement and its appendices, including the Safety Requirement, the Company may, at its sole discretion, send a written notice to the Contractor suspending all the Works, and the Contractor shall immediately discontinue the performance of the Works and shall only resume them after receiving written instructions from the Company to resume the Works. In such a case of delivery of such notice, the Contractor shall immediately and at its sole expense evacuate its employees and/or authorized persons as well as all of the Equipment and Parts from the Site and the Installations.

20.3 If the Work is suspended as aforesaid, the Company may deliver the performance of the Works to another contractor, and the Contractor shall compensate the Company for all its losses and expenses incurred as a result of the suspension of the Works and delivering them to another contractor, and the Contractor shall not have any demand and/or claim in relation thereto.

20.4 The Company may, at its sole discretion, setoff and/or deduct all losses, expenses and other amounts from all the amounts due from it to the Contractor under this Agreement. The Company may also offset and/or deduct these amounts from the Performance Guarantee.

20.5 Without derogating from the generality of the foregoing, the parties agree that in any event where the Contractor breaches the agreement by a material breach, it shall pay the Company pre-agreed liquidated damages of 400,000 New Shekels as (the "**Liquidated Damages**"), without derogating from any other relief and/or remedy available to the Company under the provisions of this Agreement and/or pursuant to any law.

20.6 In the event that the performance and/or completion of the Work or any part thereof is delayed, the Contractor shall pay the Company an amount of 15,000 New Shekels (the "**Daily Liquidated Damages**") for every day of delay, in addition to

and without derogating from the Liquidated Damages stated in Section 20.5 above.

20.7 The parties agree that the Daily Liquidated Damages shall not derogate from any other relief and/or remedy available to the Company, whether under the provisions of this Agreement or pursuant to the provisions of any law.

21. Warranty

21.1 The Contractor shall be responsible for each of the Works (excluding reasonable wear and tear) for a period of 1 (one) year following the issuance of the relevant Completion Certificate (the "**Warranty Period**") and shall repair any defective Works and replace any defective parts or materials during the Warranty Period, to the satisfaction of the Company. The cost of all such repairs and/or replacements shall be borne solely by the Contractor. To secure the Contractor's warranty under this section, the Company shall withhold 5% (five percent) of the final agreement price for the period ending on the last day of the warranty term and this amount, as deducted, shall be refunded shortly after said date.

21.2 Failure by the Contractor to timely repair and/or replace any defective Works, parts or materials during the Warranty Period shall be a material breach of this Agreement and, without derogating from any other remedy available to the Company, the Company may draw upon the Performance Guarantee as provided in Section 22 of this Agreement.

22. Performance guarantee

22.1 Prior to the commencement of the performance of the Works under a first Notice to Proceed issued hereunder, and as a prerequisite therefor, the Contractor shall deposit with the Company an autonomous, irrevocable, unconditional, transferable guarantee from an Israeli bank in the amount of 200,000 (two hundred thousand New Shekels) (the "**Performance Guarantee**"), to secure the performance of the Works according to the plans and specifications and the fulfillment of all the terms of this Agreement by the Contractor, including during any Warranty Period. The cost of providing the

Performance Guarantee shall be borne by the Contractor. The Performance Guarantee shall be renewed annually so as to be in effect until returned to the Contractor at the end of the Warranty Period for the final Works performed by the Contractor during the Transaction Period.

22.2 In any event of a breach by the Contractor of this Agreement and/or failure to fulfill its undertakings as required hereunder, the Company may draw upon the Performance Guarantee on account of expenses it has incurred and/or Damages it has suffered, as estimated by it, including prior to receiving an accurate estimate thereof, this without derogating from any other remedy available to the Company in contract or by law.

22.3 In the event that the Performance Guarantee is drawn upon, the Contractor will, within 7 (seven) days, provide a replacement Performance Guarantee or if less than the full amount has been drawn, shall increase the balance of the Performance Guarantee to the full amount.

23. Completion of Works and delivery date

23.1 The Contractor undertakes to finish each of the Works and deliver them to the Company in accordance with the Timetable in each Notice to Proceed as stated in the Proposal, completed and finished to the Company's full satisfaction, in accordance with the terms of this Agreement and the EAPC Specifications.

23.2 Completion of the Works shall be upon issuance by the Company to the Contractor of a certificate declaring that the Works have been completed (the "**Completion Certificate**"), which shall only be issued after the Company has determined that the Works meet all the tests required in the Specifications.

23.3 Upon granting of the Completion Certificate to the Contractor, the Warranty Period stated in Section 21 hereof shall commence.

24. Consideration

24.1 The consideration due to the Contractor for the performance of each Works shall be as specified in each Notice to Proceed on

the basis of the Contractor's Proposal and the principles stated in EAPC's specifications (the "**Fee**").

Linkage terms: without linkage.

24.2 Notwithstanding the foregoing, the parties agree that the Fee is an estimate only and that the quantities stated in the bill of quantities are estimates only.

24.3 The final Fee shall be determined and paid to the Contractor according to the quantities actually performed and approved by the Company, multiplied by the unit price stated in the bill of quantities.

24.4 The Company reserves the right to offset from the Performance Price any debt due to it under this Agreement, including in relation to the performance of Works under any other Notice to Proceed, or pursuant to any other agreement between the Company and the Contractor as well as any other amount due to it from the Contractor.

25. Equipment and Logistics

25.1 The Contractor shall provide all of the Equipment and Parts, which shall be in proper working order and maintained as per the applicable manufacturer specifications, if any.

25.2 EAPC shall not be responsible for the Equipment and Parts (other than part as described below) or any other property belonging to the Contractor, its employees, agents, representatives, contractors, subcontractors and any other person on its behalf brought to any of EAPC's Installations and care and custody thereof shall at all times be and remain with the Contractor. With respect of the any parts, EAPC shall have no responsibility with respect thereto until the installation of such parts at the Tank has been completed to EAPC's satisfaction.

25.3 Contractor will be solely responsible for all the dispatch of the Equipment, Parts and Materials in and out of Israel and to the EAPC Installations, including insurance and freight costs (DDP

EAPC Installations Incoterms 2000), which shall also include preparation and provision of all documentation needed for customs (original invoice, original packing list, original bill of landing, insurance certificate, etc.). Drafts of all such documents are to be sent to EAPC by e-mail prior to the booking procedure and following the drafts' confirmation by EAPC, the Contractor shall send EAPC the original documents by a courier.

25.4 Contractor shall specify contact person for all logistics issues.

25.5 Contractor shall specify if the goods will be sent by sea transport or by air transport.

25.6 Contractor shall provide full technical details of the goods, including technical data sheets of the communications parts.

25.7 For avoidance of any doubt, it is hereby agreed that if the Equipment and Parts or any other materials and/or property of the Contractor, its sub-contractor or any other person on his behalf is stored at either at a Site or any other place provided for such storage by the Company either during the performance of the Works or between such performance (the "Storage Period"), the Company shall not be responsible therefor, whether pursuant to the Bailees Law, 1967 or otherwise and the Contractor shall maintain any insurance with regard thereto as required by this Agreement during the Storage Period as well. For the avoidance of any doubt, during the Storage Period Contractor shall not pay the Company any storage fees.

26. General

26.1 The Parties agree that the way to deliver notices between them shall be one of the following:

26.1.1 Registered mail – shall be deemed to have reached its destination three business days of the day it was delivered.

26.1.2 Personal delivery – shall be deemed to have reached its destination upon confirmation of delivery.

26.1.3 E-mail – shall be deemed to have reached its destination upon confirmation of receipt by return e-mail.

26.2 The parties' binding addresses are:

The Company – POB 801 Ashkelon 78101

The Contractor –

26.3 The parties may inform each other of any change in their above addresses.

26.4 The Company's consent to deviate from the terms of this agreement in a specific case or any concession or delay given to the Contractor shall not be used as a precedent and no analogy shall be inferred by comparison to another case.

26.5 Any change in the dates stated in this agreement and any other change shall not be valid unless made in writing and signed by the parties' authorized representatives.

26.6 This Agreement and the Parties' rights and obligations thereunder shall for all purposes be solely and exclusive governed by, and construed and enforced under, the laws of the State of Israel and any dispute hereunder shall be subject to the exclusive jurisdiction of the competent civil court in the southern district of Israel.

Contract No. _____ Date

Specification
Attached as a Separate File

Plans

Attached as a Separate File

Bill of Quantities
Attached as a Separate File

Appendix C to the Agreement

To: Europe Asia Pipeline Company Co. Ltd.

From: _____

Subject of the Work: _____

Safety Requirements Compliance Confirmation

In hereby undertake and confirm for Europe Asia Pipeline Company Co. Ltd. pursuant to the above-mentioned agreement I hereby undertake to:

1. Learn and be familiar with the risks in the facility **and in particular in an active fuel facility.** To be familiar with the facility safety instructions and procedures and act accordingly.
2. Only perform works which are approved in the agreement and "work permit". **Not perform any work which is not included in this agreement and its appendices without the Operations Supervisor's approval. Not to perform risky works without a "work permit" and in particular works with fire risks and excavation works.**
3. Coordinate my work with the facility management. Obtain approval for any connection / use of facility infrastructures (electricity, water, sewage, communication etc.) **from the Operations Supervisor.**
4. Work pursuant to the relevant legal safety provisions and the Company's safety rules and in particular the safety instructions attached to the agreement.
5. Act according to the safety signs in the facility (signposts, speed limitation, denial of access to operational areas, no smoking, no use of mobile phones etc.).
6. Ensure that all employees on my behalf are familiar with the Site, the access ways to the place of work, the locations where they may be, are knowledgeable of the emergency procedures and work permit procedures and act accordingly.
7. Ensure that all employees on my behalf are knowledgeable of the emergency procedures and "work permit" procedures (9-11-01) and act accordingly.

8. Ensure that the place of work is equipped with emergency equipment, at least two 12-kg powder extinguishers and a first aid kit.
9. Prepare a safety management plan for the Work, as required. Prepare a risk survey for the Work, as required. Be prepared for working according to the safety management plan and risk survey, as required.
10. Guide the employees on my behalf and provide them with general information as to safety at work rules in general and in particular have them be familiar with all the risks involved with the Work and Company's safety rules, and train the employees on my behalf accordingly.
11. Document the trainings in writing, including employee and trainer's signatures. Ensure that each employee undergoes safety training in the Company's facilities (Training Form attached) and receives a risk summary in writing.
12. Place on Site safety signs including risk summary, use instructions of personal protection equipment, details of the Work, Contractor and Work Manager.
13. Prepare Unique Safety Instructions for the Work (as required) and train the employees on my behalf accordingly.
14. Ensure that all those employed on my behalf in works requiring a periodical medical examination have been examined as required according to the relevant regulations for each issue and are qualified to perform the Work as required.
15. Perform a weekly safety audit (an Audit Form is attached according to a checklist).
16. Perform the Work according to a "work permit" and a daily work confirmation. Ensure that I do not deviate from the terms of the "work permit" and daily work confirmation.
17. Ensure that all the incoming equipment to the Company's premises is properly held, tested and equipped with proper, valid licenses, permits and surveys. Ensure that all the equipment is safely operated by skilled, trained, qualified operators who have valid qualification and license. Forward a copy of these licenses, permits

and surveys to the Operations Supervisor prior to the start of their work at the Company's facilities.

18. Provide the employees on my behalf with proper personal protection equipment, conforming to standard and to the work they perform and ensure that they use it properly.
19. Warn and report the Operations Supervisor / Company's representative and if required, discontinue the Work, if any unsafe conditions are developed.
20. Investigate, document and report the Operations Supervisor / Company's representative of any work accident, dangerous event and hazardous material event.
21. Record, document and report the Operations Supervisor / Company's representative of all activities taken to improve safety and any repairs of safety faults and hazards.

The Work Manager for this agreement as required in the Safety Ordinance is: _____

I.D.: _____

Address: _____

Date: _____

(Contractor's Signature & Stamp)

**Registration Form of Contractor's Employees who have undergone
Safety Procedures Training**

Contract /Work Order No.:

Work subject & location:

Contractor:

Name of Contractor's representative or Work Manager:

.....

I.D. no.

Name of EAPC trainer:

Training date:

Employee's Statement

I hereby state that I have undergone training on safety issues as delivered by EAPC representative and the Contractor's representative and read the safety at work procedures relating to my work and they are clear and acceptable to me.

I am aware of the risks involved with the work I should perform and I undertake to use all the equipment required to prevent any injury to me or others as well as to any equipment and property on the Site and its surrounding and take all the required measures to perform the work safely.

I know that the Contractor hiring me has undertaken to EAPC to be responsible to me and to any third party for any bodily or property damage that may be caused in the course of and/or following my work.

I know that EAPC is not liable to compensate me for any bodily and/or property damage caused to me and/or to anyone acting on my behalf that may be caused in the course of and/or following my work.

This form, after it is confirmed by the Contractor's trainer and the complex security officer shall constitute a list of the names of people who are authorized to enter the Work Site. The form is not valid for work in fuel lines.

No.	Surname	First name	I.D. No.	Mobile Phone No.	2-30-000 delivered with risk summary	Employee's signature

Name & Signature of Contractor's representative

Complex security officer's signature

Trainer's Name & Signature

**Checklist for a weekly safety inspection by Contractor's Work
Manager / representative**

Project description:

Work Order/Contract No: _____ Inspection for month _____ Contractor's name: _____

Description	In order/ not in order/ N/A
* Ensure you have the suitable safety instruction	
Trainings and qualifications	
All employees have undergone safety trainings suitable to the Work. Employees were trained in basic safety rules for working in EAPC (*2-30-001), in the work environment and in the limitations under which they are allowed to be present and perform activity. Trainings are documented including employees' and trainer's signatures.	
Work Manager holds safety session to all employees at the beginning of each week.	
All employees who perform work requiring qualification (Work Manager, electrician, work at height, crane-operator, forklift operator, heavy equipment operator etc.) have a valid qualification documented with the Work Manager.	
Heavy equipment, cranes, machines and lifting accessories are in proper condition with a valid license / survey, operated by an operator / crane-operator with a suitable, valid permit. Tools perform work according to safety rules.	
Work permit	
A general valid work permit is available and a daily permit is signed by all parties according to Procedure 9-11-01.	
No works are performed that exceed the work permit. All work permit terms are complied with. The work permit is in force.	
All employees are familiar with the permit, instructions, limitations and works allowed under the permit.	

Work Site	
All employees are equipped with personal protection equipment suitable for the work (minimal threshold – helmet, safety shoes, suitable working clothes).	
Work at height is performed according to Safety Instruction *2-30-060.	
Excavation works are performed according to Safety Instruction *2-30-020.	
Lifting works are performed according to Safety Instruction *2-30-024.	
Works with open fire (welding, cutting, grinding) are performed according to Safety Instruction *2-30-055.	
High and extra high voltage works are performed according to Safety Instruction *2-12-002.	
Electricity connections and arrangements are in proper condition, checked by a certified electrician according to The Electricity Regulations (Temporary Electricity Facility on Construction Sites), cables, outlets, plugs, tools are in good order, good insulation, integrity check of residual-current devices.	
Work tools are tested and in good order. Each tool has its own protection. Tools are operated according to manufacturer's instructions and in particular the safety instructions.	
Use and storage of hazardous materials are according to hazardous materials safety sheet and Safety Instruction *2-30-062.	
Marking, fencing and signing of Site as required including standard signs as required in the agreement (Work name, Contractor's name, Work Manager's name, and Tel numbers).	
Risk summary signposting. Signposting of use instruction of personal protection equipment. No smoking signposting.	
Work permit available on Site and is accessible to all visitors.	
Fire extinguishing station includes at least 2 12PD powder extinguishers.	

Order and cleaning. Lighting. Storage of materials. Hazards of slipping, falling, injury from protruding objects. Waste removal to an approved landfill by the authorities at least once a week.	
Drinking water, food, hygiene and toilets.	
Orientation and preparing for emergency	
Employees are familiar with the work limitations in an active fuel facility. Locations of secure spaces and shelters. Areas in which employees are allowed to be. Limitations in areas where employees are allowed to be. Smoking arrangements. Traffic speed limitations. Parking arrangements facing to front.	
Employees know how to act in emergency (accident, fire, hazardous materials, security event) and how to report and join EAPC forces.	
First aid box/kit with equipment at a quantity suitable to the nature of work and number of employees.	
Records and reports	
A Work safety file is kept which includes all permits, licenses, medical examinations etc.	
Work log is filled in on a daily basis in terms of safety comments. Log is signed by the Work Manager and EAPC Supervisor.	
Have there been an accident / safety event / hazardous material event during the past month? If yes, was an investigation conducted and submitted to the Supervisor and were the investigation recommendations implemented?	
Defects from a previous inspection and from other inspections have been corrected.	
Work is performed according to specification.	

Indicate other actions you took to promote safety. Indicate defects / additional comments.

Name & Signature of Work Manager / Contractor's representative:

Appendix D to the Agreement

To

Re: **Notice to Proceed**

Today, _____, a Notice to Proceed for the Works subject of Procedure No. _____ is hereby given.

Tank no _____ Diameter of: _____

Timetable: The start of the performance period under the Agreement is _____ . [30 days following the issuance of this document]

The end of the performance period under the agreement is _____ .

Appendix E to the Agreement

To

Re: **Completion Certificate**

A Completion Certificate for the Works subject of Procedure No. _____ is hereby given today _____.

Tank no _____ Diameter of: _____

Appendix F to the Agreement – Safety Instructions – attached as a separate file

Appendix G to the Agreement/Work Order

Last update: 01/2014

To

**All candidates for work at Europe Asia Pipeline Company Co. Ltd.
and/or contractors receiving a work order/work agreement**

Dear Sir/Madam,

Re: Security Check Questionnaire

1. Any person entering EAPC facilities/fuel line strip and/or for the purpose of performing a work/handling any of EAPC equipment/information, is required to undergo security checks. Therefore, please send **a nominal list of your employees** which includes the following details: I.D. No. (with 9 digits), surname, first name and position (see attached table) to one of EAPC security officers:

For work in Eilat complex: **Amir Chanuki, EAPC Eilat Security Officer**, Tel: 073-2226453, Fax: 08-6323390.

For work in Ashkelon complex: **Liad Jibly, EAPC Ashkelon Security Officer**, Tel: 08-6740203, Fax: 08-6740209.

For work on the fuel line strip: **Rafi Ravid, National Security Supervisor**, Tel: 08-6740604, Fax: 08-6740609.

After forwarding the list, an EAPC security officer will decide how to further handle every employee on the list.

You and/or you employees may be required to complete an additional/other questionnaire before one of the Company's security officers and/or arrive with at least two identifying documents out of: I.D. / valid driver's license / valid Israeli passport.

2. Please also find a basic questionnaire to be completed by your employees. Proper completion of the questionnaire will expedite the procedure.

The questionnaire should be completed according to the following instructions:

- A. **Part A of the questionnaire** – the candidate will complete all sections in a clear, legible handwriting. The candidate must:
Sign by hand, write his I.D. No. including control digits, his father's name and his address as registered in the I.D.
 - B. **Part B of the questionnaire** – the candidate will sign the statement followed by which you or a manager on your behalf will identify the candidate according to an I.D. / driver's license, witness their signing in Part B, complete the details and sign the statement in Part B.
3. A clear photocopy of an I.D. / driver's license should be attached to every questionnaire.
 4. Questionnaires that will arrive incomplete, illegible or without signatures will not be processed.
 5. The questionnaires will be forwarded in a sealed envelope with the words "Security Check Forms" written on the envelope. The envelope should be handed over to an EAPC security officer/security guard or sent to the security officer of the complex where the work is performed (contractors working on the fuel lines in the strip between Eilat and Haifa will send the envelopes to EAPC Security Manager at the address written hereunder).
 6. **Please note that it is strictly legally forbidden to attach to the questionnaires any criminal record printouts and/or send them to us and/or forward them to any of EAPC employees.**

Kind regards,

EAPC Security Department

Appendix: Employees table and R Questionnaire

Distribution: All contracts/work orders on behalf of EAPC Senior employees

To: _____ Security Officer

Contractor's name: _____ Tel: _____ Fax/E-mail:

_____ Date: _____

No.	I.D. (9 digits)	Surname	First name	Position
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29.				
30.				

Europe-Asia Pipeline Company Co. Ltd.

(Following completion – this document contains information protected by the Privacy Protection Law. Any person unlawfully disclosing it is committing an offense).

Security Check Questionnaire – R Contractor's name: _____

Please complete Part A in clear handwriting and sign Part B with the presence of another person who will add his or her signature and statement in that part.

Part A – personal details

First name	Father's name	Surname	Aliases
Current		Current	
Additional/previous		Additional/previous	

I.D. No.	Previous / additional I.D. No.	IDF Personal No.		Marital status
CD 	CD 		<input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Divorced <input type="checkbox"/> Widowed

Religion/ nationality	Full date of birth (d/m/y)	Country of birth	Date of immigration	Citizenship (in case of several citizenships, record all)
		<input type="checkbox"/> Israel <input type="checkbox"/> Other: _____		<input type="checkbox"/> Israeli Other: _____ <input type="checkbox"/> Previous: _____ Additional: _____

Part C (To be completed by EAPC)

Employing entity	Job description	Status	Security aspects	
		<input type="checkbox"/> Permanent <input type="checkbox"/> Temporary <input type="checkbox"/> Contractor <input type="checkbox"/> Other: _____	<input type="checkbox"/> Physical — <input type="checkbox"/> Facility security — <input type="checkbox"/> Critical infra.	<input type="checkbox"/> Information

Under the employment proceeding, the candidate/employee signed the following statements:

Date _____ **Examiner's title** _____ **Examiner's full name** _____
Examiner's signature

Renewal of Form R. Renewal of Form R for 6

Appendix H to the Agreement/Work Order: XXXX

Appendix A

Security requirements of a Contractor hiring employees/guards in works in

EAPC fuel sites

1. Any contractor performing Works on fuel lines will hire employees and/or guards approved by EAPC Security Manager according to the Following criteria:
 - A. Upon receipt of a notice of winning a tender/receipt of a work order from EAPC, the Contractor will contact EAPC Security Manager to coordinate the completion of suitable security questionnaires for itself and for the employees and guards on its behalf.
 - B. If the Contractor decides to hire a security firm, it shall forward EAPC Security Manager all the legally required permits from the security firm and its guards.
 - C. The security firm will present the Contractor each month, and no later than the fifth of each month, a list of names of at least 6 guards approved by EAPC Security Manager who may be allocated for securing the fuel lines throughout the month. The list will be sent by fax/e-mail to the Fuel Line Maintenance Unit Manager and to EAPC Security Manager.
 - D. It is the responsibility of the Contractor/security firm to determine a method for the control of the welfare and presence of their employees/guards on the Work Site throughout all work hours. At the end of the work hours, the employee/guard placed on the Work Site will call the Contractor/security call center, on an hourly basis, to ensure he has not been injured and/or in any distress.
 - E. Any security firm that violates the security instructions will not be approved for work on EAPC fuel lines.

Date

Appendix I to the Agreement – Letter of Guarantee

Bank

Branch

Address

Date: _____

Europe Asia Pipeline Company Co. Ltd.

POB 801

Ashkelon 78101

Dear Sir/Madam,

Re: Bank Guarantee No. _____ in the amount of
200,000 New Shekels (two)

At the request of _____ (the " **Applicant**"), we, the undersigned, hereby guarantee to you the payment of any amount that is or will be due to you from Applicant up to the amount of 200,000 New Shekels (the " **Guarantee Amount**"), in connection with Proceeding _____.

We will pay you the above Guarantee Amount within 5 days of receipt of your first written demand, without any conditions, without imposing on you the duty of establishing and/or proving your demand, without your having to request the payment from Applicant first and/or without regard to any defenses the Applicant may have with respect to your demand or of your claims.

Your demand for payment from us may be made once or several times, for the entire Guarantee Amount or any part thereof, all providing your demand shall not be for more than the Guarantee Amount.

This guarantee will remain in force until _____ inclusive and every requirement according to it must be sent to us at the above address by that date. This guarantee will be null and void thereafter.

This guarantee is autonomous, irrevocable and cannot be cancelled other than following receipt by us of a written notice thereof from you.

Yours sincerely

Bank

Branch

.....

Name & Signature

Appendix J- see attached

Appendix K- List of safety felonies and compensation rates

Felony	Amount of agreed compensation (ILS)
Working contrary to specs	500
Working contrary to daily/general work permit	500
Failure to comply with permit's safety requirement	500
Tractor shovel/heavy mechanical equipment hitting a pipe	1000
Cutting/welding/dismantling live piping prior to executing all safety measures as specified in permit	1000
Working with fire (welding, cutting with burner, disc, etc.) without a working-with-fire permit or contrary to permit	1000
Loading (raising load) without a loading permit or contrary to the loading permit	700
Excavating without an excavation permit or without exercising all safety measures as detailed in the excavation permit	700
Employee entering excavation prior to reinforcement/preparing slopes	1000
Working in heights with risk of falling above 2 meters without exercising all required measures as detailed in Safety Regulation 2-30-060	1000
Having on site defected, unexamined or not surveyed machinery/tools/equipment without protection gear	500
Safety defect in equipment/electric system	400
Working without personal safety gear	300
Lack of signage, fence marking	300
Foreman not on site	300
Heavy mechanical equipment/vehicle or operator with no valid license/insurance	300