



ANNEXURE “N”

CONDITIONS FOR PROVISION OF CONTRACTOR’S PERSONNEL’S SERVICES

1. Clarification

The term Services used herein shall always refer to the associated part of the Equipment and vice versa.

2. General scope of the Services

- (a) Erection, installation, commissioning, testing, operation and maintenance shall be carried out by the Purchaser, who shall, at its own expense, provide the skilled labour, all equipment and everything necessary therefor, all unless otherwise specified in the Contract.
- (b) At the request of the Purchaser, Contractor shall provide Services on *per diem* or lump sum basis as follows:
 - (i) to give to the Purchaser’s designated employees the necessary instructions for proper erection, start-up, commissioning, testing and maintenance of the Equipment;
 - (ii) to examine and verify that Contractor’s instructions have been properly carried out;
 - (iii) to train Purchaser’s designated employees as specified in the Contract;
 - (iv) to provide other services as specified in the Contract, if any.
- (c) Each person of Contractor's personnel performing Services on a *per diem* basis, and at least one representative of the Contractor where Services are rendered on a lump sum basis, without limitation, as an integral part of their duties and with no extra cost to Purchaser, shall:
 - (i) Confer with Purchaser’s personnel and, as applicable, recommend improvements and provide guidance concerning adequate erection, alignment of the Equipment on the foundations, commissioning, start-up, testing and maintenance of associated Equipment and related on Site activities (plans, objectives and procedures).
 - (ii) Review work practices and procedures of Purchaser’s personnel to verify proper implementation of the related provisions set out in the Equipment manuals and to inform/advise Purchaser of any observed errors and/or omissions.
 - (iii) Clarify Contractor and/or Contractor’s sub-supplier's technical documents.

- (iv) Participate in mandatory inspection milestones (if any).
 - (v) Inspect Equipment assembly to verify clearances, alignment and cleanliness and inform/advise Purchaser of any observed errors and/or omissions.
 - (vi) Inspect Equipment during commissioning and start-up to verify that pre-operational inspection and test activities have been properly completed and inform/advise Purchaser of any observed errors and/or omissions.
 - (vii) Advise and co-ordinate corrective actions with respect to non-conformances associated with the Equipment, as may be applicable and necessary.
 - (viii) Attend regularly scheduled “on-Site” progress review meetings to report observations.
 - (ix) Report the Service activities in Purchaser's Site diary or as otherwise mutually agreed.
- (d) Contractor's personnel shall not be required to perform services in addition to the Services forming part of the Work without the previous written consent of the Contractor. The Parties shall specifically agree upon the terms and conditions applicable to such additional services specifying in writing their mutual obligations and liabilities.

3. Purchaser's general undertakings related to the Services

- (a) The Purchaser shall make reasonable efforts to inform/advise the Contractor, in due time, of any information concerning local laws and regulations which are necessary for the proper execution of the Services.
- (b) The Purchaser shall notify the Contractor of relevant safety instructions which the Purchaser imposes on its own employees and should be observed by Contractor's personnel in the course of performing the Services.
- (c) Subject to security considerations and the suitability of Contractor's personnel (whether Services are rendered on a per diem or lump sum basis) as specified in Annexure “K” to the Contract (Security Appendix), the Purchaser, upon Contractor's written request, shall assist the Contractor in obtaining the necessary visa, entry and work permits by issuing to the Contractor on Contractor's written request letters of confirmation (Form N-1 hereto) that the personnel are to be sent by Contractor to perform Work in Israel on the Purchaser's Work site; provided that the Contractor sends the Purchaser written particulars as to:

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- (i) the names of each person performing services in Israel;
- (ii) the function and qualification of such person (including curriculum vitae/resume which shall include details of prior experience on similar equipment);
- (iii) the nationality and passport numbers of service personnel;
- (iv) the anticipated airports of origin and dates of personnel's arrival in Israel;
- (v) the anticipated dates of personnel's departure from Israel; and
- (vi) the required insurance policies / certificates specified in Article 26.

The letters shall be issued by Purchaser within 14 days of receipt of the Contractor's written request for assistance together with receipt of written particulars of Contractor's service personnel in both English and Hebrew and shall be in the form set forth in Form 4 hereto.

- (c) The Purchaser shall ensure that the Services shall be carried out in normal power station (Site) surroundings which are not abnormally hazardous to personal health according to International Industrial Standards;
Additionally, in case Asbestos Containing Materials is detected at any of Contractor's working areas, Contractor is allowed, provided it has immediately notified Purchaser, to (i) suspend work in the affected areas until it is proven that the asbestos concentration is at least below one hundred and fifty thousand (150.000) fibre/m³ or (ii) to decide that Contractor's personnel has to perform work with and under protective measures to be defined by the Contractor until it is proven that the asbestos concentration is at least below one thousand (1.000) fibre/m³.

The Purchaser undertakes to reimburse the Contractor for all demonstrated costs related to such suspension and/or the aggravation of the work, including costs for such protective measures such as filtering masks, locks and other means of protection, additional measurements (if any), as well as to issue a Change Order (if any) comprising an equitable adjustment of all affected contractual provisions.

However, if Purchaser has declared, upon Contractor's detection notification that the working area is safe as set out above and subsequent professional testing has not proven otherwise, all related costs shall be borne by the Contractor, and the Contractor shall be liable for delays in providing the Services.

- (d) The Purchaser shall provide emergency facilities such as ambulance, and medical first aid services, and fire fighting services, as are available for Purchaser's personnel on Site.

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- (e) (i) For Services rendered on a *per diem* basis, the Purchaser shall provide suitable offices facilities for Contractor's personnel on Site (open-space office facilities, per service person), including furniture, and convenient access to copying machine, telefax, telephone and internet facilities.

The provision of offices shall include air conditioning, office equipment, international telephone line, regular cleaning and access to toilets, shower, hot beverage machines and potable water as are available at Site for Purchaser's employees.
- (ii) For Services rendered on a lump sum basis, and unless otherwise specified, the Purchaser shall allocate convenient space on Site to allow Contractor erect its own office facilities and stores and shall provide internet and telephone connections to said facilities (all as agreed upon prior to Contract Execution and as specified in Contractor's proposal).
- (f) The Purchaser shall provide to the Contractor for the Services free of charge electricity and water. The expenses of telephone, internet and telefax costs shall be borne by the Contractor.
- (g) Upon request the Purchaser shall timely provide and make available to Contractor's personnel copies of project specific erection and commissioning manuals and drawings including but not limited to master procedures P&ID's, schematics, logic diagrams, supplied with the Equipment relevant to the Services.
- (h) The Purchaser shall designate, in writing, a competent representative or representatives fully conversant both in English and in Hebrew as the liaison for Contractor's personnel.

4. Contractor's general undertakings related to the Services

- (a) The Contractor shall ensure that in rendering Services its personnel fully comply with local laws and regulations and unless specifically required and permitted, that such Services are not rendered on Saturday or on any national holidays normally observed by Purchaser's personnel.
- (b) The Contractor shall ensure that its personnel fully observe safety instructions provided by the Purchaser and shall inform the Purchaser of any special dangers encountered in the course of rendering the Services. In the event the Purchaser becomes aware of any failure to observe its safety instructions or to safely perform the Services by any of Contractor's personnel, the Purchaser shall promptly notify the Contractor and shall be entitled to immediately remove said Contractor's personnel from Site.

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- (c) Contractor shall be responsible for the expertise and conduct of its service personnel. Purchaser shall be entitled to request the Contractor to replace any of its service personnel reasonably considered by the Purchaser to be unsuitable for carrying out their duties, and all costs with respect to their replacement shall be at the sole expense of Contractor.
- (d) Contractor shall be responsible for obtaining suitable and convenient board and lodging for its personnel in close proximity to the Site, and for providing its personnel with transportation to and from the Site and adequate medical services; and
- (e) Contractor shall on its account ensure that each key service person is equipped with a mobile telephone.
- (f) Contractor shall ensure that its personnel are fully conversant in either English or Hebrew in order to prevent communication problems related to the Work. Alternatively, the Contractor shall ensure that the necessary translation services are provided at no charge to the Purchaser.
- (g) In the event Services have been interrupted for whatever reason, upon resumption of the Services, the Contractor shall endeavor to reallocate the same persons formerly deployed for the Services at the time of interruption.

5. Charges payable by the Purchaser

Charges payable by the Purchaser shall be as follows:

- (a) Services rendered on the basis of daily (*per diem*) rates of Contractor's service personnel
 - (i) The On Site Services of Contractor's personnel shall be rendered at the *per diem* rates for Israeli and Non-Israeli personnel set forth in Annexure "C1", which rates shall include all handling fees, overhead, mobilization or demobilization charges, etc.
 - (ii) The rates shall apply for all working days where personnel are available to work on Site or, if specifically agreed upon, at other Purchaser's facilities.
 - (iii) For non-Israeli personnel of Non-Israeli Contractors, travel time from port of departure to Israel and back shall be billed as a straight 9 hour day per person per traveling day. A maximum of two (2) days to Israel and two (2) days return will be paid for travel from America and the Far East and one (1) day to Israel and one (1) day return will be paid for travel from Europe and all other countries.

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- (iv) The Contractor's Personnel shall not be paid for local travel time in Israel nor for days of absence from Work on account of illness or personal vacation.
- (v) The Contractor shall be responsible for living and accommodation arrangements of its personnel in Israel. In addition to the per diem rates Purchaser shall pay for local accommodation and living expenses of Non-Israeli service personnel of Non-Israeli Contractors while personnel are in Israel, one hundred and twenty US Dollars (US\$ 120.00) (or the currency equivalent thereof) per man per calendar day for the first two months of each assignment of Services, eighty US Dollars (US\$ 80.00) per man per calendar day for any period in excess thereof and sixty US Dollars (US\$ 60) for the day of departure.

The aforesaid amount shall be paid upon submission of the monthly invoices for Services rendered and the above sums shall be paid regardless as to whether the Purchaser has provided the Contractor's personnel with meals at the worksite or not.

- (vi) The Contractor shall be responsible for the arrangement of transportation of its personnel to and from Israel. If the country of origin of Contractor's service personnel as set forth in Annexure "C1" is not Israel, the Purchaser shall reimburse the Contractor for round trip air fares (economy class) against submission of copies of flight ticket receipts actually purchased. The maximum reimbursement by the Purchaser shall be the sum of US\$ 1,200.00 per person per round trip traveling from North America, US\$ 1,500.00 per person per round trip from the Far East and US\$ 800.00 per person per round trip traveling from Europe and other countries. All other costs of transportation of personnel shall be on the Contractor's account.
- (vii) Working hours and days:
 - (A) The working hours and working days of Contractor's personnel in Israel shall not exceed nine (9) hours per working day, which shall include a paid half (1/2) hour break, five (5) working days per week, Sunday through Thursday, not including travel time to Site and back.
 - (B) Each service person shall mark each entry and exit to the Site by passing a magnetic card provided by Purchaser through the apparatus indicated for said purpose.
 - (C) In the event that Purchaser shall require Contractor's personnel to work in excess of nine (9) hours on any working day, or to work any hours on Friday, Saturday or on any holidays normally observed by Purchaser's employees, the Purchaser shall pay the

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Contractor for such time at the rate of one and a half times the hourly rate (150%) calculated on the basis of the per diem rate.

(b) Services rendered on a lump sum basis

The Price for Services rendered on a lump sum basis shall be paid in accordance with the milestones set forth in Annexure "C1". Said prices shall cover all Contractor's expenses including all transportation, living and accommodation expenses, handling fees, overhead, mobilization or demobilization charges, overtime, etc.

(c) Without derogating from any of the Warranty provisions specified under Article 16 of Annexure "A", the Purchaser shall not pay the Contractor any expenses whatsoever for any services provided by any of Contractor's personnel as part of the performance by Contractor of its Warranty obligations under this Contract, nor for service days during the erection, commissioning and start up processes which are required to repair any defective Equipment where such defect is attributable to Contractor.

(d) The qualifications, the estimated number of the Contractor's personnel, the duration of performance of the Services, and the allocations therefore are as specified in the Contract. Services provided in excess of said estimates shall be charged to Purchaser at the same rate(s) as Services within the estimates.

6. Procedure for scheduling and ordering Services

For the details of scheduling and ordering Services refer to Article 28 of Annexure "A" (General Conditions) to the Contract.

- Final -



THE ISRAEL ELECTRIC CORPORATION LTD.
חברת החשמל לישראל בע"מ
FORM N-1

Ref. #:	Date:	מספר : _____	תאריך: _____
<u>(name of division) Division</u> <u>(name of department) Department</u> <u>To whom it may concern:</u> Please be informed as follows : Mr./Ms./Mrs. <u>(name and surname)</u> , carrier of <u>(citizenship)</u> Passport no. <u>(passport number)</u> is an employee of <u>(company)</u> , <u>(country)</u> . Mr./Ms./Mrs <u>(name and surname)</u> is travelling to Israel at the request of the Israel Electric Corporation Ltd., to <u>(reason for coming and main task)</u> with the <u>(project name)</u> project, at <u>(IEC site and location)</u> . Mr./Ms./Mrs <u>(name and surname)</u> will be arriving in Israel on <u>(date)</u> for the duration of approximately <u>(length of stay)</u> . Yours sincerely, <u>(writer's name and surname)</u> <u>(writer's title)</u> <u>(writer's address, fax/email and phone number)</u>		<u>חטיבת (שם חטיבה)</u> <u>אגף (שם האגף)</u> <u>לכל המעוניין:</u> הנני מתכבד להודיעך כדלקמן: מר/גב' <u>(שם ושם משפחה)</u> בעל/ת דרכון <u>(נתינות)</u> מספר <u>(מס' הדרכון)</u> , הוא/היא עובד/ת של <u>(שם התאגיד)</u> , <u>(מדינה)</u> . מר/גב' <u>(שם ושם משפחה)</u> יגיע/תגיע לישראל לפי בקשת חברת החשמל לישראל בע"מ, לשם <u>(סיבת הביקור ומטלה עיקרית)</u> , בקשר עם <u>(שם הפרויקט)</u> , ב- <u>(אתר חח"י ומיקומו)</u> . מר/גב' <u>(שם ושם משפחה)</u> צפוי/ה להגיע לישראל ביום <u>(תאריך)</u> למשך כ- <u>(משך השהיה)</u> . בכבוד רב, <u>(שם ושם משפחה של הכותב)</u> <u>(תפקיד הכותב ותוארו)</u> <u>(כתובת ומספר טלפון/פקס ודוא"ל של הכותב)</u>	

Form N-1 Contractors Service Personnel Letter

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