



**THE STATE OF ISRAEL**

**MINISTRY OF FINANCE**

**MINISTRY OF ENERGY**

**THE WATER AUTHORITY**

**THROUGH THE SEA-WATER DESALINATION  
INTER-MINISTERIAL TENDER COMMITTEE**

August 7, 2018

All Participants

**Re: Invitation for Pre-Qualification  
Desalination Facility at "Sorek Plant B" (200 Million m<sup>3</sup>/year)**

**Addendum No. 2**

1. Pursuant to the Invitation for Pre-Qualification issued on April 26<sup>th</sup>, 2018 and in accordance with the provisions thereof, the attention of all Participants is drawn to the clarifications and answers to questions regarding the Invitation - attached to this Addendum as **Appendix "I"**.
2. In accordance with the provisions of the Invitation, you are kindly requested to acknowledge receipt of this Addendum, no later than 2 days following receipt thereof, by a written notice to the Tender Committee, in the format attached to this Addendum as **Appendix "II"**.

Respectfully Yours,

Yitsik Marmelshtein  
Chairman of the Tender Committee

CC: Members of the Tender Committee

**ADDENDUM NO. 2 – August 7, 2018**  
**AMENDMENTS, CLARIFICATIONS AND**  
**MODIFICATIONS TO THE INVITATION FOR**  
**PRE-QUALIFICATION**

<b>Invitation for Pre-Qualification</b>		<b>Section</b>
1.	<p><b>Q:</b> The Tender Committee was requested to approve that there is no prevention that an Entity which exercises Control over a Member (and shall also serve as such Member's Guarantor), will also be the holder of a minority interests in a public company which may participate in another Pre-Qualification Submission, subject to the following conditions:</p> <p>"minority interest"- an interest of less than 20%, given also that another shareholder of the public compant holds an interest of more than 50% in the public company.</p> <p>The Relevant entity does not exercise Control over the PC, is not under common Control over the PC, and has not exercised its right to appoint a director to the voard fo directors of the PC, and in the PC's reports to the public is not included among the controlling shareholder of the PC.</p> <p><b>A:</b> The Tender Committee confirms the above.</p>	3.4(d)
2.	<p><b>Q:</b> The Tender Committee was requested to confirm that the provisions of Section 5.1.2(a)(ii) shall apply in the event that the reference project was executed by an unincorporated joint venture.</p> <p>For example, Section 5.1.2(a)(ii) shall not apply in the event that the reference project was executed by a registered partnership.</p> <p><b>A:</b> The Tender Committee confirms the above.</p>	5.1.2(a)(ii)
3.	<p><b>Q:</b> The Tender Committee was requested to confirm that Section 5.1.2(a)(ii) shall not apply in the event that the Desalination Expert held the Control in the SPV which was the "Main Contractor" of the reference project, and has actually performed the process design in the project.</p> <p><b>A:</b> In the evnet that the SPV was an unincorporated joint venture - it is required that the Desalination Expert (i) held at least 30% of the SPV, (ii) was jointly and severally responsible for the execution of the project, and (iii) actually performed the process design of the project.</p> <p>Otherwise - see clariction no.1 above.</p>	5.1.2(a)(ii)
4.	<p><b>Q:</b> The Tender Committee was requested to approve Financial Statements duly which are based on Chinese Accounting Standards (CAS).</p>	5.4.8(b)

	<p><b>A:</b> A Member whose Financial Statements are based on CAS should provide the Tender Committee, no later than <b>August 22<sup>nd</sup>, 2018</b>, with an opinion (in English), signed by an external auditor, confirming that the Member's Average Turnover, Average Operating Cash Flow and equity, as presented in the CAS based Financial Statements, substantially comply with US GAAP or IFRS methodology.</p>																									
<p>5.</p>	<p><b>Q:</b> The Tender Committee was requested to provide the applicable exchange rates for Chinese Yuan Renminbi to NIS.</p> <p><b>A:</b> ➤ The following exchange rates shall be added to the table in Section 5.4.9(b)(i) - Turnover and Operating Cash Flow:</p> <table border="1" data-bbox="301 651 1235 1003"> <thead> <tr> <th>Calendar Fiscal Year</th> <th>Currency</th> <th>NIS (₪)</th> </tr> </thead> <tbody> <tr> <td>January 1, 2014, until December 31, 2014</td> <td>1 CNY</td> <td>0.5809</td> </tr> <tr> <td>January 1, 2015, until December 31, 2015</td> <td>1 CNY</td> <td>0.6182</td> </tr> <tr> <td>January 1, 2016, until December 31, 2016</td> <td>1 CNY</td> <td>0.5779</td> </tr> <tr> <td>January 1, 2017, until December 31, 2017</td> <td>1 CNY</td> <td>0.5323</td> </tr> </tbody> </table> <p>➤ The following exchange rates shall be added to the table in Section 5.4.9(b)(ii) - Equity:</p> <table border="1" data-bbox="301 1111 1220 1323"> <thead> <tr> <th>Day</th> <th>December 31, 2017</th> <th>December 31, 2016</th> </tr> </thead> <tbody> <tr> <td>Currency</td> <td>NIS (₪)</td> <td>NIS (₪)</td> </tr> <tr> <td>1 CNY</td> <td>0.5349</td> <td>0.5552</td> </tr> </tbody> </table> <p>➤ Section 5.4.9(c) shall be amended as follows:</p> <p>"An Entity whose financial data is presented in currencies other than NIS/US\$/€/£/HK\$/<u>CNY</u> (the exchange rates of which are presented above) is required to submit a specific request to the Tender Committee for other currency conversion to NIS, at least 30 days prior to the Pre-Qualification Submission Date."</p>	Calendar Fiscal Year	Currency	NIS (₪)	January 1, 2014, until December 31, 2014	1 CNY	0.5809	January 1, 2015, until December 31, 2015	1 CNY	0.6182	January 1, 2016, until December 31, 2016	1 CNY	0.5779	January 1, 2017, until December 31, 2017	1 CNY	0.5323	Day	December 31, 2017	December 31, 2016	Currency	NIS (₪)	NIS (₪)	1 CNY	0.5349	0.5552	<p>5.4.9(c)</p>
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<p>6.</p>	<p><b>Q:</b> The Tender Committee was requested to provide the applicable exchange rates to US\$ for purposes of the Project Value and/or Values of Contract and/or Scope of Supply and Services that should be specified in the Forms, and in particular - Euro and AUD (Australian Dollar).</p> <p><b>A:</b> The above mentioned US\$ values shall be calculated based on the official exchange rates last published by the Federal Reserve prior to the relevant contract execution date.</p>	<p>Forms G, H, I</p>																								

**APPENDIX "II"**  
**ACKNOWLEDGEMENT OF RECEIPT**

Date: \_\_\_\_\_

To  
Mr. Yitsik Marmelshtein  
Chairman of the Tender Committee

Co./ Ms. Ravit Bar-On  
Coordinator of the Tender Committee  
E-mail: [RavitB@inbal.co.il](mailto:RavitB@inbal.co.il)

**Re: Invitation for Pre-Qualification**  
**Desalination Facility at Sorek Plant B (200 Million m<sup>3</sup>/year)**  
**Addendum No. 2**

Pursuant to the Invitation for Pre-Qualification issued on April 26<sup>th</sup>, 2018 and in accordance with the provisions thereof, we hereby acknowledge receipt of Addendum No. 2 to the Invitation for Pre-Qualification.

\_\_\_\_\_  
(name of Participant and signature of an authorized representative)

Cc: Adv. Michal Schwartz, Lipa Meir & Co.  
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