



## **Concert – Together for Israel, Ltd. (PBC)**

### **Acquisitions and Engagements**

Version 1 – 2019

TABLE OF CONTENTS

<b>1. Definitions.....</b>	<b>3</b>
<b>2. Engagements: General.....</b>	<b>3</b>
<b>3. The Tenders Committee.....</b>	<b>3</b>
<b>4. Prerequisites for the Tender .....</b>	<b>4</b>
<b>5. Exemption from public tenders for acquisitions in certain circumstances .....</b>	<b>5</b>
<b>6. Advertising and EXEMPTION FROM advertising.....</b>	<b>Error! Bookmark not defined.</b>
<b>7. Work Procedures of the Tenders Committee .....</b>	<b>10</b>

## **1. DEFINITIONS**

- 1.1. Steering Committee – Joint Steering Committee of the Company and the Government of Israel.
- 1.2. The Company – "Concert" – Together for Israel, Ltd. (PBC).
- 1.3. The Law – Mandatory Tenders Law, 5752 – 1992.
- 1.4. Regulations – Mandatory Tenders Regulations, 5753 – 1993.
- 1.5. Tenders Committee – The Company's Tenders Committee, established according to the directives of this procedure.

## **2. ENGAGEMENTS: GENERAL**

- 2.1. The objective of this procedure is to regulate the Company's engagements pursuant to the terms of the agreement signed between the Company and the State of Israel through the Ministry of Strategic Affairs and Public Diplomacy.
- 2.2. Generally, acquisitions will be carried out by publishing a public tender, unless otherwise stipulated in this procedure.

## **3. THE TENDERS COMMITTEE**

- 3.1. The Tenders Committee is hereby established and will comprise the following members: The CEO, CFO, legal advisor, Assistant to the CEO, Content Manager, and the Chairman of the Board of Directors.
- 3.2. At least three members, necessarily including the CEO and CFO, shall constitute a legal quorum at any Tenders Committee meeting.
- 3.3. Decisions of the Tenders Committee will be made by a majority vote.
- 3.4. The Tenders Committee will base its decisions, among other considerations, on the recommendation of the Company's professional staff.
- 3.5. The Tenders Committee may delegate the technical management of the vendor selection procedure to a selected staff composed of the Company's employees. However, the Tenders Committee is not authorized to delegate its decision-making powers.
- 3.6. The Tenders Committee will take minutes of its discussions and resolutions.

- 3.7. The Tenders Committee may wholly or partially approve or deny any recommendation made by the professional staff to engage a vendor.
- 3.8. Documentation pertaining to each tender will be kept in a dedicated tender file, in any format approved by the Company (including digital files).

#### **4. PREREQUISITES FOR A TENDER**

- 4.1. To the best of its ability, the Company will conduct any tender transparently, fairly, and equitably, while maximizing the benefits to the Company as the procurer of the requested service.
- 4.2. Before publishing a tender, the Company will:
  - 4.2.1. Formulate the objectives of the engagement and determine its goals.
  - 4.2.2. Choose the proper vendor selection procedure, as required under the circumstances: a public tender, a closed tender, or tender exemption. Any decision by the professional staff concerning the type of the engagement procedure (public tender, closed tender, etc.) will be brought to the Tenders Committee for approval.
  - 4.2.3. Determine relevant conditions and criteria for the engagement.
- 4.3. As a prerequisite for their participation in a tender published by the Company, bidders will be required to:
  - 4.3.1. Submit appropriate proof of registration in the official mandatory registry relevant to their type of corporation (such as the Companies' Registrar or the NPOs' ("Amutot") Registrar) (Israeli entities only).
  - 4.3.2. Submit appropriate proof that they hold any and all necessary valid certifications of proper bookkeeping and tax withholding, as required under the Public Entity Transaction Law (Israeli entities only).
  - 4.3.3. Submit appropriate proof that they possess any and all necessary valid licenses, or meet any official Israeli standards, as required for the type of engagement (Israeli entities only).
  - 4.3.4. Meet additional relevant conditions, as decided by the Tenders Committee.

4.4. In examining the proposals, the Tenders Committee will consider the following criteria:

- 4.4.1.1. The quality and availability of the Services.
- 4.4.1.2. The cost of the Services.
- 4.4.1.3. Skills, experience, expertise.
- 4.4.1.4. Additional requirements relevant to the engagement.

## **5. EXEMPTION FROM PUBLIC TENDERS FOR ACQUISITIONS IN CERTAIN CASES**

5.1. Exemptions for purchases under certain amounts

- 5.1.1. The Tenders Committee may exempt purchases in amounts under 100,000 ILS from a public tender, subject to receiving three price quotes.
- 5.1.2. For purchases in amounts not exceeding 10,000 ILS, three price quotes are not required.

5.2. Closed Tender

- 5.2.1. In cases in which the Company seeks PR or advertising services and/or services of uncommon or special character, and the availability of potentially qualified vendors is limited, the Company may procure such services by way of a closed tender.
- 5.2.2. The Tenders Committee will include in its minutes a detailed description of the considerations, reasoning, and legal foundation for conducting a closed tender.

5.3. Procurement of Services from Experts

- 5.3.1. The Company may procure services listed below without a tender. However, the procurement of any service shall require the examination of at least three price quotes:
  - 5.3.1.1. Professional work requiring knowledge and special expertise in planning, design, graphics, engineering, architecture, surveying, and realty assessment.



- 5.3.1.2. Any work which requires special trust, including legal advice, accounting, arbitration, consultation, or research.
- 5.3.1.3. Scientific or literary work.
- 5.3.1.4. Education or professional training.

#### 5.4. Exempt Project Financing

- 5.4.1. Each quarter, the Company will publish a call for proposals on its website, listing the areas in which the Company seeks to promote projects during the period referred to in the announcement.
- 5.4.2. The Company will invite interested parties ("**Participants**") to submit proposals for the initiation and operation of jointly funded projects within the scope of the areas listed in the announcement.
- 5.4.3. The Company may receive proposals from Participants that are interested in initiating and carrying out projects themselves or from Participants that offer to provide funding for projects and wish to carry them out through an organization or corporation on their behalf.
- 5.4.4. Each proposal will detail the sources of funds that the Participant plans to use.
- 5.4.5. The Company will examine the proposals and their compatibility with company objectives and goals, as well as the terms set in these acquisition procedures. Should the Company find that a submitted proposal is in agreement with said goals and terms, the Company may decide to accept it and execute a binding contract with the Participant, subject to the approval of the Tenders Committee and the fulfillment of the following terms:
  - 5.4.5.1. The Participant will provide at least half of the funding needed to budget the project, regardless of whether the funding secured by the Participant is transferred to the Company or used directly by the Participant to carry out their share of the project. The Company will allow the direct use by the Participant of the secured funding only in cases in which such funding was raised specifically for the proposed project, and the project is carried out by the Participant and not by third parties.



- 5.4.5.2. The amount of funding provided by the Company will not exceed the amount of funding provided by the Participant.
- 5.4.5.3. The project is not intended for profit.
- 5.4.5.4. The accrued amounts allocated by the Company for the various projects will conform to the Company's annual work plan, as determined and approved by the Steering Committee, and will not deviate from the budget framework, as determined for each activity year.
- 5.4.5.5. The conditions, as set forth in Section 5.4.8 below, must be met by the Participant implementing the engagement.
- 5.4.6. In the cases listed below, the Company's decision to enter into a project financing engagement will be first brought before the Board of Directors for approval:
  - 5.4.6.1. The Company's participating amount in a particular project budget exceeds 25% of the Company's total budget for the year during which the project is to be implemented.
  - 5.4.6.2. The engagement is with any of the following:
    - 5.4.6.2.1. a shareholder in a company;
    - 5.4.6.2.2. a corporation in which one or more of the shareholders are also shareholders or officeholders in the Company;
    - 5.4.6.2.3. a person or legal entity who has contributed funds to the company or to a corporation in which a shareholder or an officeholder in the Company is a shareholder or officeholder.
- 5.4.7. In cases where the Tenders Committee considers that there is a risk of a conflict of interest in connection with the financing of a project, which is not one of the cases listed above, the Tenders Committee will bring the engagement to the approval of the Board of Directors.
- 5.4.8. The following are the administrative prerequisites for engaging a Participant for financing a project under this exemption clause:

5.4.8.1. For an organization incorporated in Israel:

5.4.8.1.1. The Participant has presented the Company with its certificate and articles of association.

5.4.8.1.2. The Participant has presented the Company with its NPO status certificate issued by the VAT authorities.

5.4.8.1.3. The Participant has presented the Company with valid certificates issued by the Tax Authority regarding proper bookkeeping and withholding tax exemption (which shall remain valid during the entire period of the engagement).

5.4.8.2. For organizations incorporated in Israel or abroad:

5.4.8.2.1. The organization has presented the Company with an up-to-date confirmation letter signed by a legal advisor concerning signature authorization.

5.4.9. Similarly, the Tenders Committee may, at its discretion, demand additional documents from the Participant as a condition for engaging with the Participant, should it consider them necessary to verify suitability of the engagement with the Participant.

5.4.10. Waiver of any one of the requirements listed above will be done for special reasons that will be recorded.

5.5. Exemption from tender according to the regulations:

5.5.1. The exemptions, as set forth in the regulations, will be applicable to the Company's engagements, with the necessary changes.

5.5.2. The Company's engagements with third parties, as far as they derive from an engagement with the Ministry, shall be through a tender, if the engagement is not exempt from a tender, in accordance with the Mandatory Tenders Regulations, 5753-1993, or the directives for this procedure. The Company will include this commitment in all of its third-party engagements.



- 5.5.3. The Company's engagement with third parties that were made under the exemption from a mandatory tender will be subject to the prior written confirmation by the Company's Tenders Committee that the exemptions conform to one of the following:
1. the special arrangements in this procedure;
  2. the exemptions listed in the regulations.
- 5.5.4. Any decision by the Company to enter into an engagement in accordance with the terms of the exemption from tender in an amount exceeding ILS 1 million will require the Ministry's approval and be subject to examination by the Ministry's legal advisor. If an exempt project includes several secondary engagements required for its implementation, then, subject to examination by the Ministry's legal advisor, the Ministry's approval will be required only for the main engagement.
- 5.5.5. The considerations for any decision to approve an exempt engagement will be recorded in the signed minutes of the Tenders Committee.
- 5.5.6. Except in cases expressly set forth in this procedure, no engagement will be made with a single supplier before the Tenders Committee reviews an expert opinion by the Company's professional authority detailing the vendor's unique qualities and explaining why they warrant exemption from a tender.

## **6. PUBLICATION AND EXEMPTION FROM IT**

- 6.1. The Company will publish quarterly on its website a list of all the projects carried out under the "exempt from tender" clause during that quarter. In special circumstances, in which the Committee believes that for special reasons that will be recorded, the publication of a certain project may jeopardize the execution of the project or of future projects, the Committee may approve a full or partial exemption from publication. The Committee's reasons will be recorded in its minutes.
- 6.2. The publication of a public tender will be according to regulations.

## **7. WORK PROCEDURES OF THE TENDERS COMMITTEE**

- 7.1. After the deadline for submitting proposals to a public tender has passed, the following activities will take place. Each activity will be recorded in the Committee's minutes:
  - 7.1.1. Opening the envelopes (a team of at least two people).
  - 7.1.2. Checking whether the Participants meet the prerequisites.
  - 7.1.3. Checking the completeness of the proposals and sending requests for completion to the participants as needed.
  - 7.1.4. Examining the proposals submitted by Participants who met the prerequisites by a professional committee and formulating recommendations regarding the winning proposal/s.
  - 7.1.5. Discussion by the Tenders Committee and decision making.
- 7.2. In order to streamline the work processes, the Tenders Committee is authorized to set up an electronic procedure for proposal submission (via files), provided that this does not impair the existence of an equitable and transparent procedure.
- 7.3. The Tenders Committee is authorized to appoint staff on its behalf that will examine the proposals and submit its conclusions for the final discussion by the Committee.