

**THE STATE OF ISRAEL**

**INVITATION FOR PREQUALIFICATION**

**For Participation in a Tender for the Formation of  
Israeli Life Sciences Funds**

November 2009

## **Invitation for Pre-Qualification**

### **Table of Contents**

|     |   |    |
|-----|---|----|
| 1.  | Introduction  | 1  |
| 2.  | Background  | 2  |
| 3.  | The Pre-Qualification Stage – General                         | 4  |
| 4.  | Tendering Rules   | 5  |
| 5.  | General Provisions Relating to Participants                   | 12 |
| 6.  | Pre-Qualification Requirements                                | 13 |
| 7.  | Pre-Qualification Submissions                                 | 18 |
| 8.  | Method of Submission  | 19 |
| 9.  | Examination of the Pre-Qualification Submissions              | 21 |
| 10. | Legal Framework and the Terms of the Funds                    | 24 |
| 11. | Tender Selection Stage  | 24 |
| 12. | Rejection of the Pre-Qualification Submissions                | 28 |
| 13. | Disqualifying Conditions and Events                           | 29 |
| A.  | Annex A – Definitions   | 31 |
| B.  | Annex B – Summary of Terms of the Israeli Life Sciences Funds | 37 |
| C.  | Annex C – Forms   | 45 |
|     | • Form I – The Pre-Qualification Submission Letter            |    |
|     | • Form II – The Participant                                   |    |
|     | • Form III – The Member                                       |    |
|     | • Form IV – Qualifications and Experience                     |    |
| D.  | Annex D – List of Advisors to the Tender Committee            | 60 |

## 1. Introduction

- 1.1 The Government of Israel (the "**Government**"), acting on behalf of the State of Israel, hereby invites local and foreign individuals, companies, joint ventures, consortia or management teams, to participate in the Pre-Qualification Stage (as defined below) according to the terms and conditions of this Invitation for Prequalification (together with all annexes and addenda attached hereto, this "**Invitation**"), for the selection of management teams that will each manage a new life sciences fund to be formed by the Government in order to promote and accelerate the growth of the Israeli life sciences industry and in particular the bio-pharmaceutical industry (each, a "**Fund**" and together, the "**Funds**"). Capitalized terms used herein without definition shall have the meaning given to them in Annex A hereto.
- 1.2 This Invitation is issued following the Request for Information published on August 17, 2009 and pursuant to the decision of the Tender Committee headed by the Deputy Accountant General and comprised of representatives of the Ministry of Finance (the "**MOF**") and the Office of Chief Scientist in the Ministry of Industry, Trade & Labor (the "**OCS**"). The Tender Committee will manage the Tender Process.
- 1.3 The Funds will be structured as venture capital funds formed under Israeli Law. The basic terms of the Funds are set forth in Annex B to this Invitation (the "**Term Sheet**"). As set forth in greater detail in the Term Sheet and this Invitation, the capital commitments to the Funds will be made by the Government together with the Israeli and foreign private sector; the Government will commit USD 80 (eighty) million in the aggregate to the Funds. The Government intends that its commitments will be matched by commitments of private sector investors (the "**Investors**") amounting to a multiple of the Government's commitments.
- 1.4 Each Fund will be managed by a dedicated professional management team that will be selected from amongst the Tender Participants that pass this Pre-Qualification Stage and participate in the Tender Selection Stage.

- 1.5 The purpose of this Invitation is to describe the stages of the Tender Process, invite Participants to participate in the Pre-Qualification Stage and provide Participants with general information regarding the Tender Selection Stage and the terms of the Funds.
- 1.6 In sum and subject to the terms of this Invitation, the Tender Process for selection of the investment managers of the Funds from among the Participants will be comprised of the two following stages:
- 1.6.1 First, the pre-qualification stage in which the Tender Committee shall pre-qualify the Eligible Participants, based upon certain pre-qualification requirements set forth in this Invitation (the "**Pre-Qualification Stage**"); and
- 1.6.2 Second, the Tender Selection Stage in which the Tender Committee shall select the Selected Tender Participants from among the Tender Participants (the "**Tender Selection Stage**"), as described in this Invitation and as shall be more fully described in the Invitation to Tender that the Tender Committee shall provide to the Eligible Participants prior to the commencement of the Tender Selection Stage (the "**Invitation to Tender**").

## **2. Background**

- 2.1 The Government has identified the compelling potential of the Israeli life sciences sector in general and, in particular, the local bio-pharmaceutical sector. The following is relevant data regarding the local biotechnology industry:
- 2.1.1 The number of per capita patents granted by the USPTO in biotechnology is second only to the United States; 8.5% of all patents registered in Israel are in this field and the Israeli specialization index in this field is among the highest in the world.

- 2.1.2 There are approximately 160 biotechnology R&D companies in Israel, over 45 companies are engaged in clinical development stages and an additional 45 companies are engaged in advanced development preclinical stages.
- 2.1.3 Biotechnology has been declared a preferred sector by the OCS, resulting in increased financing grants and dedicated supporting programs. The OCS has granted approximately 20% of its entire early stage R&D grants to the biotechnology sector. This focus is a result of the recent increase in the rate of new biotechnology companies' formation in Israel, most of them are based on scientists from leading academic institutions. Israeli universities are ranked 12 & 21 in the number of university biotech patents granted by the USPTO.
- 2.1.4 Five "block buster" drugs have originated out of the Israeli academia, and more are at developmental stages.
- 2.1.5 There are thousands of highly-skilled PhD graduates in the relevant areas.
- 2.2 The Government acknowledges that this potential has yet to be realized, as illustrated by the following:
  - 2.2.1 In general, the Israeli biotechnology companies do not ordinarily reach commercial levels of development in Israel.
  - 2.2.2 A substantial number of researchers leave the country because of a lack of sufficient attractive employment opportunities in Israel.
  - 2.2.3 90% of Israeli biotechnology companies have less than 50 employees.
- 2.3 Due mainly to the relatively long life cycle of biotechnology investments and the "high-risk/high reward" nature of these investments, local venture capital funds, local institutional investors and other local investors have largely refrained from making the required investments in this area in general and specifically in the area of bio-pharmaceutical product development. This funding "gap" has stymied the growth of the

local biotechnology industry both in terms of the number of local Phase II and Phase III companies and in terms of managerial know-how in this field.

- 2.4 Due to the high potential of this industry, the Government has decided to fill this funding "gap" by forming the Funds. The Funds will invest in the life sciences sector and will allocate a definite amount of their respective capital commitments to investments in companies developing bio-pharmaceutical products. In light of the success of the Israeli life-science sector and particularly the medical devices sector, and in order to diversify the Funds' investments, the Funds may invest any surplus capital commitments above such definite amount generally in companies that operate in the life sciences sector.

### **3. The Pre-Qualification Stage – General**

- 3.1 During the Pre-Qualification Stage, Participants will be required to submit Pre-Qualification Submissions in accordance with the provisions of this Invitation, in order to demonstrate their compliance with the Pre-Qualification Requirements (in addition, the Government and the Tender Committee may include additional pre-qualification requirements in the Invitation to Tender in accordance with applicable law).

- 3.2 Pre-Qualification Submissions submitted by the Participants will be examined by the Tender Committee in accordance with the provisions of this Invitation. Without derogating from the provisions of Sections 4.10 (Reservation of Rights) and 9.1 (Examination of the Pre-Qualification Submissions), at the end of its evaluation and the Pre-Qualification Stage, the Tender Committee will announce the Eligible Participants and will invite them to participate in the Tender Selection Stage.

### **3.3 Anticipated Schedule**

- 3.3.1 The anticipated schedule for the Pre-Qualification Stage is as follows:

- 3.3.1.1 Questions Submission deadline: November 30<sup>th</sup> 2009 at 4:00 PM,  
Israel time;

3.3.1.2 Pre-Qualification Submissions: February 9<sup>th</sup> 2010, at 4:00 PM, Israel time;

3.3.1.3 Announcement of Eligible Participants: March 1<sup>st</sup> 2010.

3.3.2 Pre-Qualification Submissions should be submitted to the relevant tender box in the entrance floor of the Ministry of Finance, 1 Kaplan St. Jerusalem, Israel, in sealed envelopes, marked only: "PQ for Life Sciences Funds Managers".

## **4. Tendering Rules**

### **4.1 Governing Law and Jurisdiction**

4.1.1 The Pre-Qualification Stage shall be governed and construed in accordance with the provisions of the applicable Laws and Regulations, including the Mandatory Tenders Law 5752-1992, and the Mandatory Tender Regulations 5753-1993 (the "**Regulations**").

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

### **4.2 Conformity with All Applicable Laws**

Each Participant is assumed to have obtained legal advice. The Participants and the Pre-Qualification Submissions shall abide by the Laws and Regulations. Participants shall be subject to any changes in any of the Laws and Regulations should such changes be introduced during the Pre-Qualification Stage.

### **4.3 The Annexes**

Without derogating from the provisions of Sections 8.1 (Compliance with the Requirements of the Invitation) and 8.2 (No Unauthorized Modification), the Annexes attached hereto are considered part of this Invitation.

#### 4.4 **Severability**

The invalidity or unenforceability of any part, provision or Section of this Invitation shall not effect the validity or enforceability of other parts, provisions or Sections thereof. Any invalid or unenforceable part, provision or Section shall be deemed severed from this Invitation, and this Invitation shall be construed and enforced as if this Invitation did not contain such invalid or unenforceable part, provision or Section.

#### 4.5 **Purchase of the Invitation**

4.5.1 This Invitation is available for viewing online, free of charge, at "[www.mof.gov.il](http://www.mof.gov.il)", and, after arranging an appointment with the Tender Committee Coordinator, at the following address:

Ministry of Finance, 1 Kaplan St., Jerusalem 91030, Israel.

4.5.2 Copies of this Invitation may be obtained for the payment of five thousand (5,000) NIS per copy. No additional payment with respect to the Tender Documents will be charged, so that purchasing this Invitation shall include payment for the Tender Documents.

4.5.3 It is hereby emphasized that the purchase of this Invitation is a condition to Participants in the Pre-Qualification Stage and does not constitute any recognition of any Participant's eligibility or competence to meet the requirements and terms of this Invitation and/or the Tender Documents.

#### 4.6 **Cost of Participation in the Pre-Qualification Stage**

Any and all costs and expenses incurred by the Participants, Members or their respective Affiliates in connection to their participation in the Pre-Qualification Stage will be borne by such Participants, Members or Affiliates, and such persons will not be reimbursed by the Tender Committee or the Government for any costs or expenses so incurred thereby.

#### 4.7 **Language of this Invitation**

4.7.1 All communications and submissions must be in Hebrew or English.

4.7.2 Documents, certificates and printed literature, which in their original form are neither in Hebrew nor English, must be accompanied by a certified Hebrew or English translation, and such translation shall prevail in the event of any discrepancy between such translation and the original.

#### 4.8 **Clarifications of this Invitation**

4.8.1 Participants are responsible for examining with appropriate care this Invitation, including all Annexes and Addenda thereto, and informing themselves with respect to any and all conditions which may in any way affect their participation in the Pre-Qualification Stage, including in the preparation and submission of the Pre-Qualification Submissions.

4.8.2 Participants may, in writing, raise questions and request clarifications or interpretations to this Invitation from the Tender Committee by no later than the deadline for the submission of questions, as set forth in Section 3.3 (Anticipated Schedule). Such requests shall be addressed to the e-mail address of Mr. Arik Bronshtein (the "**Tender Committee Coordinator**"): [biofund@mof.gov.il](mailto:biofund@mof.gov.il) and by fax (02-569-5371).

4.8.3 Although the Tender Committee has no obligation to clarify or interpret this Invitation, the Tender Committee may issue one or more Addenda for purposes of clarification or interpretation in response to such questions or requests in accordance with the provisions of Section 4.9 (Addenda). Participants shall acknowledge receipt of any Addendum in the manner set forth in Section 4.9 (Addenda). The Tender Committee shall not be bound by, and Participants shall not rely on, any oral interpretation or clarification to this Invitation.

4.8.4 Any questions or any requests for clarifications or interpretation of this Invitation raised by Participants at a later date than the deadline for the submission of questions as provided in Section 3.3 will be accepted or rejected at the sole discretion of the Tender Committee.

- 4.8.5 All correspondence on behalf of the Tender Committee shall be communicated to the relevant Participant's Authorized Representative, as set forth in Section 4.8.6 below, by fax and/or by mail and/or by e-mail, according to the details provided by each Participant upon purchasing this Invitation. Only such correspondence communicated by the Tender Committee's Coordinator shall be binding upon the Tender Committee.
- 4.8.6 Each Participant will submit the contact details of the Authorized Representative of such Participant to the Tender Committee within seven (7) days from the date of purchasing this Invitation.

#### 4.9 **Addenda**

- 4.9.1 The Tender Committee reserves the right to revise, modify, amend, clarify, add, eliminate or otherwise change this Invitation or any part thereof, including but not limited to any instruction, requirement, specification, Pre-Qualification Requirements or date contained therein, up to the dates set for the submission of Pre-Qualification Submissions. Such revisions, if any, shall be announced by written Addenda to this Invitation.
- 4.9.2 Copies of Addenda shall be furnished to all Participants who have previously purchased this Invitation and complied with Section 4.8.6 as to such Participant's Authorized Representative. Should any Addendum result from any request for clarification or interpretation submitted by a Participant, the identity of that Participant shall not be disclosed.
- 4.9.3 Receipt of requests submitted by Participants in accordance with the provisions of Section 4.8 (Clarification of this Invitation) will not restrict the discretion of the Tender Committee in any way, and it will be free to exercise its right under this Section whenever it is of the opinion that this Invitation or any part thereof requires amendment or revision.
- 4.9.4 The Tender Committee may postpone the deadline set for the submission of Pre-Qualification Submissions by such number of days as shall be necessary, in the

opinion of the Tender Committee, to enable the Participants to revise their Pre-Qualification Submissions as a result of any Addendum issued. The announcement of such new date, if any, will be included in such Addendum.

4.9.5 Participants are required to acknowledge receipt of any Addendum in writing no later than two (2) days following receipt thereof by a written notice to the Tender Committee. In addition, Participants shall acknowledge receipt of all Addenda to this Invitation in their Pre-Qualification Submissions, specifically detailing each Addendum number and the date of receipt thereof.

#### 4.10 **Reservation of Rights**

4.10.1 The Government and the Tender Committee reserve the right to redefine the Funds' terms, and the terms and conditions for the selection of the Selected Tender Participants (including additional pre-qualification or minimum requirements), as it shall deem appropriate.

4.10.2 For the removal of doubt, participation in the Pre-Qualification Stage shall not confer upon any Participant any right with respect to the Funds or any future proceedings which will be conducted with respect thereto, including the Tender Selection Stage.

4.10.3 It is expressly understood that any reliance by Participants on this Invitation in their Pre-Qualification Submissions and the making of any deductions, interpretations or conclusions from the information which is made available by the Government and the Tender Committee is at such Participant's sole risk. The Government, the Tender Committee and/or any person on their behalf, shall not be responsible in any respect to any loss or damage whatsoever suffered by any Participant, or any other person, their employees, officers, agents, or any other persons for whom any such Participant or person may be contractually or legally responsible or accountable, by reason of any use of information contained in this Invitation or provided in connection therewith, or any action or forbearance in reliance thereon, and shall not be required to compensate such Participant or person, their employees, officers, agents, or any

other persons for whom such Participant or person may be contractually or legally responsible or accountable.

- 4.10.4 The Government and the Tender Committee reserve the right not to proceed with this Pre-Qualification Stage, or with the Tender Process or any part thereof, and may terminate or cancel this Invitation or any other proceedings which are conducted with respect thereto, or with respect to the Funds, at any time, as it shall deem appropriate.
- 4.10.5 The Government and the Tender Committee may publish a new invitation to pre-qualify or other proceedings with respect to the Funds, which may include other pre-qualification requirements, or require additional pre-qualification or minimum requirements in the Tender Documents.
- 4.10.6 In the event of cancellation of this Pre-Qualification Stage due to a change in circumstances or for any other reason, participation in this Pre-Qualification Stage shall not confer on the Participants any right with regard to the Funds and/or to any future competitive process, which shall be held by the Government in connection therewith.
- 4.10.7 The Government and/or the Tender Committee shall also have the right, at their sole discretion, to conduct negotiations with any party and/or to enter into any form of agreement in relation to the Funds, as it may find appropriate.

#### **4.11 Advisors to the Tender Committee**

- 4.11.1 Annex D of this Invitation contains a list of the advisors to the Tender Committee. Subject to the provisions of any and all applicable Laws and Regulations, the Tender Committee may exercise its rights under this Invitation through its advisors.
- 4.11.2 The advisors listed in Annex D are not permitted to participate in the Pre-Qualification Stage and/or the Tender Process, other than as advisors to the Tender Committee, without the prior written approval of the Tender Committee.

#### 4.12 **Intellectual Property Rights**

The Invitation documents and any and all intellectual property right therein are exclusively owned by the Government and are supplied to the Participants for the purpose of participation in the Pre-Qualification Stage only.

#### 4.13 **General Provisions**

4.13.1 The information in this Invitation regarding the Tender Selection Stage is for prequalification purposes only and may be superseded in whole or in part by the Invitation to Tender.

4.13.2 Neither the receipt of this Invitation by any person, nor any information contained herein, or supplied with it, or subsequently communicated to any person, constitutes or is to be taken as constituting an intention or a commitment to enter into a contract or agreement with any Participant at this stage of the Tender Process.

4.13.3 Participants and all Members thereof shall not directly or indirectly lobby or contact the Government, the Tender Committee or any other relevant authority or any employee, advisor or representative of any of the foregoing with respect to the Funds or the Tender Process other in the ways described in this Invitation.

4.13.4 Participants and all Members thereof shall not directly or indirectly communicate with other Participants and Members thereof regarding any aspect of the Funds or their respective Invitation for Pre-Qualification. Any such forbidden communication activities may disqualify the Participants and/or Members involved at the sole discretion of the Tender Committee.

## **5. General Provisions Relating to Participants**

5.1 In order to qualify under this Invitation, it is anticipated that persons (individuals or entities) may wish to collaborate to form joint ventures which shall then together submit a Pre-Qualification Submission.

5.2 A "**Participant**" shall mean any person, single entity or an unincorporated association which shall submit a Pre-Qualification Submission, as further defined in Annex A and as evidenced by Pre-Qualification Form II.

5.3 A "**Member**" shall mean any person, single entity or an association of entities which is a shareholder or partner with interests in the Participant or has committed to hold shares or other interests in the Participant, as evidenced by Pre-Qualification Form III.

5.4 In order to, among other things, demonstrate compliance with the requirements specified under Section 5.2, the Participant shall duly complete and sign Pre-Qualification Form II.

5.5 In order to, among other things, demonstrate compliance with the requirements specified under Section 5.3, the Member shall duly complete and sign Pre-Qualification Form III.

### **5.6 Forbidden Participants and Members**

The following persons and their Affiliates are not permitted to participate in the Pre-Qualification Stage either as a Participant or as a Member of a Participant:

5.6.1 Global pharmaceutical companies with more than USD 500,000,000 (five hundred million) of revenues during their latest full financial year, their respective Affiliates, directors, officers and shareholders holding 5% of such companies' equity.

## 5.7 **Formation of Special Purpose Company**

5.7.1 In the event a Tender Participant is selected as a Selected Tender Participant, such Tender Participant must form a new Israeli company, the sole purpose of which shall be the management of a Fund (the "**Single Purpose Company**" or "**SPC**").

5.7.2 The shares of each Tender Participant's SPC must be held by the Members of such Tender Participant in accordance to the same shareholdings (or the holdings of such other interests) by each Member in the Participant as shall be provided in such Selected Tender Participant's Pre-Qualification Submission.

## 6. **Pre-Qualification Requirements**

6.1 Participants may either be:

6.1.1 Participants with Members that are existing management companies that manage a venture capital fund or an investment company through an existing management company that meets certain qualification and minimum holding requirements set forth herein (such Participants, "**MC Associated Teams**", and such management companies, "**Associated Management Companies**"), or

6.1.2 Participants without any Member that qualifies as an Associated Management Company (such Participants, "**Independent Teams**").

6.2 Participants that are MC Associated Teams must include as Members at least two (2) Key Persons (as defined below) (x) one of whom meets the requirements set forth in Section 6.8 below (Alternative Fund/Investment Company Management Experience of Key Persons) and (y) the other of whom meets the requirements set forth in Section 6.7 below (Pharmaceutical Development Experience of Key Persons), or Section 6.8 below (Alternative Fund/Investment Company Management Experience of Key Persons).

6.3 Participants that are Independent Teams must include as Members at least two (2) Key Persons, (x) one of whom meets the requirements set forth in Section 6.6 below (Fund/Investment Company Management Experience of Key Persons), and (y) the other

of whom meets the requirements set forth in either Section 6.7 below (Pharmaceutical Development Experience of Key Persons) or Section 6.8 below (Alternative Fund/Investment Company Management Experience of Key Persons).

6.4 **"Key Person"** means an equity holder of a Participant who holds at least 10% of the Means of Control of such Participant and, together with the other Key Person(s) (and, if applicable, an Associated Management Company), holds a certain minimum of the Means of Control of such Participant, such certain minimum is set forth below under the heading "Minimum Holdings in Participant".

6.5 All experience requirements set forth below are required to have been attained since January 1, 1996. All experience attained prior to such cut-off date is not deemed relevant to this Section 6.

6.6 **Fund/Investment Company Management Experience of Key Persons**

The Key Person is required to have a minimum of seven (7) years of proven managerial experience ("**Experience Period**"), in Israel or abroad, as a manager of at least one venture capital fund or investment company whose activities included the investment in companies that develop bio-pharmaceutical products and which such venture capital firm or investment company satisfies all of the following conditions:

6.6.1 Such venture capital fund or investment company manages/managed assets of at least USD 100 (one hundred) million in the case of an Israeli venture capital fund or investment company, or at least USD 250 (two hundred and fifty) million in the case of a non-Israeli venture capital fund or investment company (for the avoidance of doubt, this requirement applies to a single venture capital fund or investment company and cannot be met by aggregating a number of Affiliated venture capital funds or investment companies).

6.6.2 During such Experience Period, the venture capital fund or investment company, or Affiliated funds or companies thereof, (I) made investments in at least four (4) different companies in the bio-pharmaceutical field which developed bio-pharmaceutical product(s) in different stages of development,

including clinical stages, and reached developmental stages in which such companies requested and obtained approvals from the relevant regulatory authorities such as the FDA (or other equivalent agency) ("**Relevant Regulatory Authority**") and (II) made aggregate investments in bio-pharmaceutical development companies of at least USD 60 (sixty) million (for the avoidance of doubt, this requirement may be met by aggregating a number of Affiliated venture capital funds or investment companies).

6.6.3 In addition, such Key Person's managerial experience must include both of the following:

6.6.3.1 capital raising for such fund or investment company of at least USD 50 (fifty) million (for the avoidance of doubt, this requirement applies to a single venture capital fund or investment company and cannot be met by aggregating a number of Affiliated venture capital funds or investment companies); and

6.6.3.2 membership in the board of directors or the management team of portfolio companies of such fund or investment company and involvement with the business operations of such portfolio companies.

## 6.7 **Pharmaceutical Development Experience of Key Persons**

The Key Person is required to have a minimum of seven (7) years of proven managerial experience in Israel or abroad, as a senior manager (at least at a Vice President level, such as CEO, GM, CTO, CIO etc.) of a company in the pharmaceutical development field, which raised at least USD 20 (twenty) million during the Experience Period. Such Key Person's managerial experience must include involvement in the development of such company's business and pharmaceutical product(s) in different stages of development, including clinical stages, in which such company requested and obtained approvals from the Relevant Regulatory Authorities.

## 6.8 **Alternative Fund / Investment Company Management Experience of Key Persons**

The same experience requirements as set forth in Section 6.6 above are required, subject to the following:

- 6.8.1 instead of the requirement of "Such venture capital fund or investment company manages/managed assets of at least USD 100 (one hundred) million in the case of an Israeli venture capital fund or investment company," the following requirement applies: "Such venture capital fund or investment company manages/managed assets of at least USD 50 (fifty) million in the case of an Israeli venture capital fund or investment company";
- 6.8.2 instead of the requirement of "made investments in at least four different companies in the bio-pharmaceutical field which developed bio-pharmaceutical product(s)" the following requirement applies: "made investments in at least three different companies in the bio-pharmaceutical field which developed bio-pharmaceutical product(s)";
- 6.8.3 instead of the requirement of "aggregate investments in bio-pharmaceutical development companies of at least USD 60 (sixty) million", the following requirement applies: "aggregate investments in bio-pharmaceutical development companies of at least USD 30 (thirty) million"; and
- 6.8.4 instead of the requirement of "capital raising for such fund or investment company (or any Affiliated fund or company thereof) of at least USD 50 (fifty) million" the following requirement applies: "capital raising for such fund or investment company (or any Affiliated fund or company thereof) of at least USD 30 (thirty) million".

## 6.9 **Requirements from Associated Management Companies:**

6.9.1 In order for a management company to qualify as an Associated Management Company for purposes of these pre-qualification requirements, such management company must meet the following requirements:

6.9.1.1 Such management company has at least USD 750,000,000 (seven hundred and fifty million) of assets under management invested in the life science sector including in a substantial number of bio-pharmaceutical companies.

6.9.1.2 At least four (4) of such bio-pharmaceutical companies reached advanced clinical stages in their product development (phase II or III) subject to Relevant Regulatory Authority regulations during the course of such management company's involvement in such bio-pharmaceutical companies.

6.9.1.3 Such management company includes at least seven (7) experienced professionals who collectively have backgrounds in science, medicine and the pharmaceutical industry.

## 6.10 **Minimum Holdings in Participant**

6.10.1 In the case of any Participant that is an MC Associated Team, the Key Persons must hold together with the other Key Persons and such Participant's Associated Management Company, 51% of the Means of Control of such Participant; provided that the Associated Management Company holds at least 10% of the Means of Control of such Participant.

6.10.2 In the case of any Participant that is an Independent Team, the Key Persons must hold in the aggregate at least 51% of the Means of Control of such Participant.

## 7. **Pre-Qualification Submission**

7.1 Pre-Qualification Submissions shall include the following:

### 7.1.1. **Pre Qualification Submission Letter**

Each Participant shall attach to its Pre-Qualification Submission the Pre-Qualification Submission Letter in the form of Pre-Qualification Form I, duly completed and signed (the "**Pre-Qualification Submission Letter**").

### 7.1.2 **The Participant and its Members**

Each Participant shall submit Pre-Qualification Forms II and III duly completed and signed, in order to demonstrate compliance with the provisions of Sections 5.2 and Section 5.3.

### 7.1.3 **Pre-Qualifications Requirements: Qualifications and Experience**

Each Participant shall submit Pre-Qualification Form IV, duly completed and signed, in order to demonstrate compliance with the pre-qualification requirements provisions of Section 6 (Pre-Qualification Requirements).

### 7.1.4 **Receipt of Purchase**

Each Participant shall include in its Pre-Qualification Submission a copy of the receipt for the purchase of this Invitation by the Participant or any one of its Members.

## 7.2 **Identification of Sensitive Information**

Without derogating from the generality of the provisions of the Regulations, Participants may detail, within the Pre-Qualification Submission Letter, in a clear, complete and legible manner, all information contained in their Pre-Qualification Submissions they consider to be of a commercially sensitive or secret nature.

## **8. Method of Submission**

The Pre-Qualification Submission shall be submitted in accordance with the following provisions:

### **8.1 Compliance with the Requirements of the Invitation**

Participants shall prepare their Pre-Qualification Submissions in strict conformity with the requirements of this Invitation. Participants shall answer all parts relevant to the Pre-Qualification Submission in an accurate and detailed manner, disclosing all the information requested, as well as any additional information or data required to clarify, substantiate and, in general, support the Pre-Qualification Submission submitted by the Participant.

### **8.2 No Unauthorized Modification**

Participants shall not modify or supplement the instructions of this Invitation. Unauthorized conditions, limitations, modifications, supplements, reservations, disclaimers or provisions attached to a Pre-Qualification Submission may cause such Pre-Qualification Submission to be deemed non-compliant to this Invitation. For the purposes of this Section, any conditions, limitations, modifications, supplements, reservations, disclaimers or provisions attached to a Pre-Qualification Submission, which were not pre-submitted by the Participant to the Tender Committee in accordance with the provisions of Section 4.8 (Clarification of this Invitation) and approved by the Tender Committee in the form of an Addendum to this Invitation, may be deemed unauthorized.

### **8.3 Signing of the Pre-Qualification Submission**

8.3.1 The Pre-Qualification Submission and all Pre-Qualification Forms submitted by Participants or their Members must be duly signed by the Participant and its Members.

8.3.2 All pages of the Pre-Qualification Submission must be numbered and the Pre-Qualification Submission must include a detailed table of contents.

#### **8.4 Supplementary Information**

8.4.1 Supplementary information from Participants, in the form of brochures, financial reports, fact sheets etc., may be provided in typed format only. Participants are requested to limit the amount of such supplementary information.

8.4.2 If a Participant is unable to supply the required information in full, for any reason whatsoever, it is essential to specify the reason. Absence of information may lead to disqualification of the Participant at the Tender Committee's sole discretion after considering the nature of the missing information and the justification provided for any such omission.

#### **8.5 Authorization of Signatures by an Attorney**

Adjacent to every signature of the Participants (other than Participants that are not legal entities) or their Members, within the Pre-Qualification Submission, there shall be a confirmation by an attorney that the signatory is authorized to commit such Participant or Member in relation to the document on which such signatures appear.

#### **8.6 Number of Pre-Qualification Submission Copies**

8.6.1 Pre-Qualification Submissions must be submitted, and clearly marked so, as an original and four (4) identical copies (five (5) altogether).

8.6.2 In the event of a discrepancy between the original and the other Pre-Qualification Submission documents, the original shall prevail.

#### **8.7 Sealing and Marking of Pre-Qualification Submissions**

8.7.1 Participants must seal the original and each of the five (5) copies of the Pre-Qualification Submissions in separate envelopes. The envelopes must then be

sealed in an outer envelope or a box, marked "PQ for Life Sciences Fund Manager".

8.7.2 Any deviation from the above instructions may lead to disqualification of the Participant at the Tender Committee's sole discretion.

## **8.8 Validity of the Pre-Qualification Submissions**

8.8.1 The Pre-Qualification Submission shall be valid for a period of twelve (12) months, commencing on the Pre-Qualification Submission Date.

8.8.2 The Tender Committee may request Participants to extend the validity of their Pre-Qualification Submission for a specified additional period.

## **8.9 Opening of Pre-Qualification Submissions**

The Tender Committee will leave unopened any Pre-Qualification Submissions received after the deadline for submission of the Pre-Qualification Submissions specified in Section 3.3 (Anticipated Schedule) and return such Pre-Qualification Submissions to the applicable Participants.

## **9. Examination of the Pre-Qualification Submissions**

### **9.1 Examination of the Pre-Qualification Submissions**

9.1.1 The Tender Committee shall examine each Participant's Pre-Qualification Submission in order to determine whether such Participant meets the requirements of this Invitation, including all Pre-Qualifications Requirements.

9.1.2 The Pre-Qualification Submissions will not be graded by the Tender Committee.

### **9.2 Requests for Clarifications**

9.2.1 The Tender Committee may request a Participant to clarify any item contained in its Pre-Qualification Submission and to submit any additional information

necessary, in the opinion of the Tender Committee, for the examination of such Participant's Pre-Qualification Submission.

9.2.2 Participants must comply with the requests of the Tender Committee and must submit all clarification and additional information requested within the time period stipulated by the request.

9.2.3 The Tender Committee shall deliver any such requests for clarifications in writing to the relevant Participants by e-mail, messenger or fax. Such Participants must confirm receipt of such requests by return e-mail, messenger or fax, to the address or fax number or e-mail noted in Section 4.8.2 above, within three (3) days of receipt. Participants' responses to the requests for clarifications will form an integral part of their respective Pre-Qualification Submissions. The said responses will be attached to the Pre-Qualification Submission, along with copies of the requests for clarifications, and will replace or take precedence over corresponding items within the Pre-Qualification Submission documents that are contradictory.

9.2.4 The Tender Committee may exercise its rights under this Section any number of times during the examination of the Pre-Qualification Submissions.

### 9.3 **Deviations**

The Tender Committee reserves the right to allow, at its sole discretion, minor deviations from any of the Pre-Qualification Requirements, if the Tender Committee believes that such deviations are consistent with the goals of the Tender.

### 9.4 **Announcement of Eligible Participants**

9.4.1 Upon the completion of its examination of the Pre-Qualification Submissions, the Tender Committee will announce those Participants which the Tender Committee deemed to have successfully complied with the requirements of this Invitation, and which were not disqualified in accordance with the provisions

of Sections 12 (Rejection of the Pre-Qualification Submissions) and all other relevant Sections in this Invitation.

9.4.2 Without derogating from the generality of the provisions of Section 4.10 (Reservation of Rights), following the publication of the Invitation to Tender, the Tender Committee shall invite the Eligible Participants to the Tender Selection Stage in accordance with the provisions of the Invitation to Tender and as described below in Section 11 (Tender Selection Stage).

## 9.5 **Issuance of the Tender Documents; Update Statement**

9.5.1 Without derogating from the generality of the provisions of Section 4.10 (Reservation of Rights), it is expected that pursuant to the Invitation to Tender, each Tender Participant will be required to include a statement detailing any and all changes with respect to the Participant or its Members, which occur after the Pre-Qualification Submission Date. In the absence of any such changes, a statement to that effect will be required.

9.5.2 Any change in the holdings in any Participants must immediately be notified to the Tender Committee, at any stage in the Tender Process (a "**Composition Change Notice**"). The Tender Committee may, at its sole discretion, disqualify a Participant which has made significant changes in its composition. Such a Composition Change Notice should include all the required information in this Invitation applicable to the relevant change in composition or holdings.

9.5.3 The Tender Committee shall review the information and, without derogating from its rights under Laws and Regulations or under the Tender Documents, shall be entitled to either (a) disqualify any Tender Participant or (b) impose any condition or instruction on its participation in the Tender Selection Stage in the event that such Tender Participant should no longer meet the requirements of this Invitation.

## **10. Legal Framework and the Terms of the Funds**

- 10.1 As set forth in greater detail in the Term Sheet, the Funds shall be formed as limited partnerships under the Israeli Partnership Ordinance [New Version], 1975. Subject to the Term Sheet, the SPC formed by each Selected Tender Participant shall serve as the general partner of the Fund it is selected to manage and shall enter into a standard investment management agreement ("**IMA**") with such Fund and shall serve, under that agreement, as the investment manager of the Fund. The Investors and the Government shall be limited partners in the Fund.
- 10.2 Tender Participants may raise capital commitments from any Investor other than any Investor that intends to fund such capital commitments out of capital that has already been committed or allocated to Israeli bio-pharmaceutical investments prior to the publication of this Invitation.

## **11. Tender Selection Stage**

### **11.1 General and Bonus Government Commitment**

The process by which the Tender Committee shall select the Selected Tender Participants (as defined below) from among the Tender Participants shall be more fully described in the Invitation to Tender that the Tender Committee shall provide to the Tender Participants prior to the commencement of the Tender Selection Stage. The following is a summary of the Tender Selection Stage. The process for selecting the Selected Tender Participants will be different depending on the number of Participants that pass the Pre-Qualification Stage, receive the Invitation to Tender and notify the Tender Committee of their intention to participate in the Tender Selection Stage, in accordance with the instructions detailed herein and in the Invitation to Tender. As set forth in further detail in Sections 11.2 and 11.3 below, in the event there are two or three such Tender Participants, the Government shall automatically grant each of these Tender Participants a conditional mandate to form a Fund with a Conditional Government Commitment (as defined below) of USD 24 (twenty four) million or USD 36 (thirty six) million.

In addition, notwithstanding the type of process used for selecting the Selected Tender Participants, the Government shall make a bonus capital commitment of USD 8 (eight) million to the Relevant Fund (as defined below) with the largest aggregate Investors' Conditional Commitments (as defined below) as of the Initial Closing of such Relevant Fund (the "**Bonus Government Commitment**").

## 11.2 **Two Tender Participants**

11.2.1 If the number of such Tender Participants is two, the Tender Committee shall, subject to the terms and conditions set forth below and the Invitation to Tender, select both Tender Participants as the provisionally selected Tender Participants ("**Provisionally Selected Tender Participants**") (one for each Fund) and the following process shall apply:

11.2.1.1 Government Conditional Commitment. The Government shall make a Conditional Capital Commitment of USD 36 (thirty six) million or USD 24 (twenty four) million (the "**Government Conditional Commitment**") to each Fund to be managed by each Provisionally Selected Participant (the "**Relevant Fund**"), the exact amount of which will be determined based on the aggregate amount of Investors' Conditional Commitments (as defined below) and shall be subject to the conditions detailed below.

11.2.1.2 Investors' Conditional Commitments. Each Provisionally Selected Tender Participant must raise conditional capital commitments from prospective Investors to the Relevant Fund ("**Investors' Conditional Commitments**") during the six (6) month period after the date of selection of such Provisionally Selected Tender Participant. If a Provisionally Selected Tender Participant raises Investors' Conditional Commitments amounting to USD 100 (one hundred) million or more, such Provisionally Selected Tender Participant shall be selected by the Tender Committee as a Selected Tender Participant and the Government Conditional Commitment to the Relevant Fund shall, under its terms, become automatically effective

as of the Initial Closing and shall be set at USD 36 (thirty six) million. If a Provisionally Selected Tender Participant raises Investors' Conditional Commitments amounting to less than USD 100 (one hundred) million and at least USD 76 (seventy six) million, such Provisionally Selected Tender Participant shall be selected by the Tender Committee as a Selected Tender Participant and the Government Conditional Commitment to the Relevant Fund shall, under its terms, become automatically effective as of the Initial Closing and shall be set at USD 24 (twenty four) million. If a Provisionally Selected Tender Participant fails to raise Investors' Conditional Commitments amounting to at least USD 76 (seventy six) million, the Government Conditional Commitment to the Relevant Fund shall, under its terms, become automatically void, such Provisionally Selected Tender Participant shall be deemed to have failed the requirements of the Invitation to Tender and the Relevant Fund shall not be formed.

### 11.3 **Three Tender Participants**

If the number of such Tender Participants is three, the Tender Committee shall, subject to the terms and conditions set forth below and the Invitation to Tender, select all three Tender Participants as Provisionally Selected Tender Participants (one for each Fund) and the following process shall apply:

11.3.1 Government Conditional Commitment. The Government shall make a Conditional Capital Commitment to each Relevant Fund, subject to the conditions detailed below.

11.3.2 Investors' Conditional Commitments. Each Provisionally Selected Tender Participant must raise Investors' Conditional Commitments to the Relevant Fund during the six (6) month period after the date of selection of such Provisionally Selected Tender Participant. If a Provisionally Selected Tender Participant raises Investors' Conditional Commitments amounting to USD 76

(seventy six) million or more, such Provisionally Selected Tender Participant shall be selected by the Tender Committee as a Selected Tender Participant and the Government Conditional Commitment to the Relevant Fund shall, under its terms, become automatically effective as of the Initial Closing and shall be set at USD 24 (twenty four) million. If a Provisionally Selected Tender Participant fails to raise Investors' Conditional Commitments amounting to at least USD 76 (seventy six) million, the Government Conditional Commitment to the Relevant Fund shall, under its terms, become automatically void, such Provisionally Selected Tender Participant shall be deemed to have failed the requirements of the Invitation to Tender and the Relevant Fund shall not be formed.

#### 11.4 **Four or more Tender Participants**

If the number of such Tender Participants is four or more, the Tender Committee shall, subject to the terms and conditions set forth below and the Invitation to Tender, invite all such Tender Participants (the "**Competing Tender Participants**") to participate in the Tender Process and attempt to raise the most Investors' Conditional Commitments during the six month period after the date of the Invitation to Tender and the following process shall apply:

11.4.1 Investors' Conditional Commitments. Each Competing Tender Participant must raise Investors' Conditional Commitments to the Relevant Fund during the six (6) month period after the date of the Invitation to Tender. If a Competing Tender Participant raises Investors' Conditional Commitments amounting to USD 76 (seventy six) million or more and such amount is among the three largest amounts of Investors' Conditional Commitments raised for the Relevant Funds, such Competing Tender Participant shall be selected by the Tender Committee as a Selected Tender Participant and the Government shall make a corresponding capital commitment to the Relevant Fund effective as of the Initial Closing of USD 24 (twenty four) million.

11.4.2 The Tender Committee specifically reserves the right to reevaluate and alter the selection process described in this Section 11.4 and to utilize an alternative selection process to select the Selected Tender Participants from among the Competing Tender Participants.

## **11.5 Termination of Participation**

In the event any such Tender Participant decides to terminate its participation in the Tender Selection Stage, such Tender Participant must immediately notify the Tender Committee in writing of such decision. If such termination of participation results in a reduction of the number of the remaining Tender Participants described in Section 11.1 from (x) three to two, then the provisions of Section 11.2 shall govern the Tender Selection Stage (and Section 11.3 shall cease to apply); or from (y) four to three, then the provisions of Section 11.3 shall govern the Tender Selection Stage (and Section 11.4 shall cease to apply). It is hereby clarified that in the latter case of a reduction of such Tender Participants from four to three, the "capital raising competition" process set forth in Section 11.4 shall terminate and, in accordance with Section 11.3, the Government shall automatically grant each of the three remaining Tender Participants a conditional mandate to form a Fund.

## **12. Rejection of the Pre-Qualification Submissions**

12.1 Without derogating from the Tender Committee's rights under the Laws and Regulations:

12.1.1 The Tender Committee reserves the right to reject any Pre-Qualification Submission in the event that the Tender Committee is of the opinion that such Pre-Qualification Submission or any part thereof does not conform to the requirements of this Invitation.

12.1.2 Without derogating from the Tender Committee's rights under this Invitation and under Laws and Regulations, the Tender Committee reserves the right to waive minor irregularities or errors in any Pre-Qualification Submission if it

appears to the Tender Committee that such irregularities or errors were made inadvertently.

### **13. Disqualifying Conditions and Events**

13.1 Without derogating from the rights of the Tender Committee under the Invitation and under Laws and Regulations, the Tender Committee will be entitled to disqualify any Participant or any Member thereof, or impose any condition or instruction on its participation in the Pre-Qualification Stage and/or the Tender Process in the following events:

13.1.1 The commencement of bankruptcy, receivership, liquidation or reorganization proceedings against such Participant or Member or a similar situation, unless such proceedings are discharged within a reasonable period of time as determined by the Tender Committee at its sole discretion, or if an interim or permanent receiver or liquidator is appointed over such Participant or Member or if such Participant or Member has become insolvent.

13.1.2 The commencement of any voluntary action for the liquidation of such Participant or Member except for the purposes of merger or reconstruction on terms approved by the Tender Committee in writing.

13.1.3 Commencement of any legal proceedings which allegedly relate to an Offence which in the Tender Committee's opinion affects the professional integrity of such Participant or Member.

13.1.4 Commitment of a grave error by such Participant or Member in the performance of its profession.

13.1.5 Involvement of such Participant or Member in criminal activity.

13.1.6 The existence of a material conflict of interest between such Participant or Member on one hand, and the Government or the Funds, on the other hand.

- 13.1.7 The existence of any additional Members of such Participant, except for those set forth in Pre-Qualification Form III to this Invitation.
  - 13.1.8 Any event or change in circumstances in such Participant, which would have adversely affected such Participant's capacity to be approved as an Eligible Participant, had it occurred prior to the commencement of the Tender Process.
  - 13.1.9 Any material breach of the provisions of this Invitation by such Participant or Member, including the submission of any false or incomplete information to the Tender Committee.
  - 13.1.10 Any other event or circumstances which the Tender Committee shall consider, at its sole discretion, as justifying disqualification of any Participant or Member.
- 13.2 In the event that any of the above conditions or events occurs, the Tender Committee reserves the right to condition, at its sole discretion, a Participant's right to participate (or continue to participate) in the Tender Process on any relevant instruction it deems appropriate.

## **Annex "A"**

### **Definitions**

1. In this Invitation, except where the context otherwise requires or as otherwise expressly provided: the masculine includes the feminine; the singular includes the plural and vice versa; the words and expressions defined below shall have the meaning assigned to them. In case of discrepancy between the Definitions and a definition in the main text, the said in the main text shall prevail. All references to Sections numbers are references to Sections of this Invitation, unless otherwise indicated.
2. Any capitalized term used in the Term Sheet that is defined in the Term Sheet shall have the meaning set forth in the Term Sheet notwithstanding any different definition of such capitalized term in this Invitation.

**"Affiliate"**

Affiliate means, with regard to any person, persons that are controlled by such person, or control such person, or who are controlled by a person that controls such person.

**"Annexes"**

Annexes A-D attached to this Invitation.

**"Associated Management Company"**

Shall have the meaning given in Section 6.1.1 of this Invitation.

**"Authorized Representative"**

In respect of each Participant, the individual whose name was provided to the Tender Committee's Coordinator by such Participant upon the purchase of this Invitation.

**"Bonus Government Commitment"**

Shall have the meaning given in Section 11.1.

**"Competing Tender Participants"**

Shall have the meaning given in Section 11.4.

|  |  |
|--|--|
| <b>"Composition Change Notice"</b>         | Shall have the meaning given in Section 9.5.2.   |
| <b>"Eligible Participants"</b>             | Participants which the Tender Committee deemed to have successfully complied with the requirements of this Invitation, including with all Pre-Qualification Requirements and which were not disqualified thereby in accordance with the provisions of Sections 12 (Rejection of the Pre-Qualification Submissions) and 13 (Disqualifying Conditions and Events). |
| <b>"Experience Period"</b>                 | Shall have the meaning given in Section 6.6.   |
| <b>"Fund" or "Funds"</b>                   | Shall have the meaning given in Section 1.1.   |
| <b>"Government"</b>                        | Shall have the meaning given in Section 1.1.   |
| <b>"Government Conditional Commitment"</b> | Shall have the meaning given in Section 11.2.1.1.  |
| <b>"IMA"</b>                               | Shall have the meaning given in Section 10.1.  |
| <b>"Independent Teams"</b>                 | Shall have the meaning given in Section 6.1.2.   |
| <b>"Interested Party"</b>                  | In relation to any entity, any person holding 5% or more of any type of Means of Control in such entity.   |
| <b>"Initial Closing"</b>                   | Shall have the meaning set forth in the Term Sheet.  |
| <b>"Investors"</b>                         | Shall have the meaning given in Section 1.3.   |
| <b>"Investors' Conditional"</b>            | Shall have the meaning given in Section 11.2.1.2.  |

## **Commitments"**

### **"Invitation"**

Shall have the meaning given in Section 1.1.

### **"Invitation to Tender"**

Shall have the meaning given in Section 1.6.2.

### **"Key Person"**

Shall have the meaning given in Section 6.4.

### **"Laws and Regulations"**

All laws, regulations, rules, ordinances, statutes, standards and administrative orders applicable in Israel, as amended from time to time.

### **"MC Associated Teams"**

Shall have the meaning given in Section 6.1.1.

### **"Means of Control"**

Shall have the meaning given to such term in Section 1 of the Banking Law (Licensing), 1981. The following is an informal translation of this term:

**"means of control"** in relation to an entity - any one of the following:

(1) the right to vote at a general assembly of a company or at an equivalent meeting of another entity;

(2) the right to appoint a director of an entity;

for this purpose – (a) the person by whom a director was appointed shall be deemed to have the right to appoint such director;

(b) if an officer of one entity is appointed as a director of another entity, the former entity and any person controlling such former entity shall be presumed to be holding the right to appoint such director on the board of the latter entity;

(3) the right to participate in the entity's profits;

(4) the right to participate in the surplus assets of an entity at liquidation after its liabilities are discharged;

|  |  |
|--|--|
| <b>"Member"</b>                              | Shall have the meaning given in Section 5.3.   |
| <b>"Offence"</b>                             | Shall mean a criminal offense, in Israel or abroad, which constitutes a felony or worse, or another criminal offense which resulted in a prison sentence of at least one (1) year, and which verdict was given during the last seven (7) years).   |
| <b>“Participant”</b>                         | Shall have the meaning given in Section 5.2.   |
| <b>"Pre-Qualification Submission Letter"</b> | Shall have the meaning given in Section 7.1.   |
| <b>“Pre-Qualification Stage”</b>             | Means the stage described in Section 1.6.1.  |
| <b>“Pre-Qualification Requirements”</b>      | Means the requirements set forth in Section 6.   |
| <b>"Pre-Qualification Submissions"</b>       | Means the completed Pre-Qualification Forms and any other documents requested to be submitted by Participants in the Pre-Qualification Stage complying with the terms and conditions contained in this Invitation and including all the information called for pursuant to this Invitation as submitted and duly signed by Participants. |
| <b>"Pre-Qualification Submission Date"</b>   | Means the deadline for submitting the Pre-Qualification Submission specified in Section 3.3.   |
| <b>“Pre-Qualification Forms”</b>             | The forms attached to Annex C of this Invitation, to be completed and submitted by the Participants and/or its Members in the Pre-Qualification Stage.   |

|  |   |
|--|---|
| <b>"Provisionally Selected Tender Participant"</b> | Shall have the meaning given in Section 11.2.1.   |
| <b>"Regulations"</b>                               | Shall have the meaning given in Section 4.1.1.  |
| <b>"Relevant Fund"</b>                             | Shall have the meaning given in Section 11.2.1.1.   |
| <b>"Relevant Regulatory Authority"</b>             | Shall have the meaning given in Section 6.6.2.  |
| <b>"Single Purpose Company" or "SPC"</b>           | Shall have the meaning given in Section 5.7.1.  |
| <b>"State"</b>                                     | The State of Israel.  |
| <b>"Selected Tender Participant"</b>               | The Tender Participant selected in the Tender Selection Stage.  |
| <b>"Tender Committee"</b>                          | The special Tender Committee described in Section 1.2, or any other entity, which shall be duly appointed to act as tender committee for the Tender Process.  |
| <b>"Tender Committee's Coordinator"</b>            | Shall have the meaning given in Section 4.8.2.  |
| <b>"Tender Documents"</b>                          | This Invitation and the Invitation to Tender and any additional material or amendments thereto, which the Tender Committee shall provide Participants during the Pre-Qualification Stage or that it shall provide to the Tender Participants during the Tender Selection Stage. |
| <b>"Tender Process"</b>                            | The Pre-Qualification Stage and the Tender Selection Stage.   |

|                                 |   |
|---------------------------------|---|
| <b>“Tender Participant”</b>     | Shall mean an Eligible Participant that participates in the Tender Selection Stage. |
| <b>“Tender Selection Stage”</b> | Shall mean the stage described in Section 1.6.                                      |
| <b>"Term Sheet"</b>             | Shall have the meaning given in Section 1.3.  |

## Annex "B"

### Summary of Terms of the Israeli Life Sciences Funds

The following is a summary of the binding terms ("**Summary of Terms**") of the limited partnership agreements ("**Partnership Agreements**") of the Life Sciences Funds (together, the "**Funds**" and each, the "**Fund**"). Capitalized terms used herein without definition shall have the meaning set forth in the Invitation to which this Summary of Terms is an annex. For convenience, the terms below refer generally to only one Fund.

|  |   |
|--|---|
| <b>1. The Funds and the Government's Capital Commitment:</b> | Each Israeli Life Sciences Fund Limited Partnership is an Israeli limited partnership. Subject to the Invitation, the Government shall commit in the aggregate USD 80 (eighty) million to two or three Funds.   |
| <b>2. Scope of the Fund and the Proposal:</b>                | The Government shall make a capital commitment to the Fund as a limited partner. The Fund will offer potential investors rights of limited partners in the Fund alongside the Government (the " <b>Private Partners</b> "; together with the Government, the " <b>Limited Partners</b> "; and together with the General Partner, the " <b>Partners</b> ") in return for making capital commitments to the Fund (the " <b>Capital Commitments</b> ").  |
| <b>3. The Strategy of the Fund:</b>                          | The Fund shall focus on investments in the life sciences sector (see below under " <b>Investment Distribution and Diversification</b> " for minimum allocations to bio-pharmaceutical investments), with the goal of advancing companies in this field in Israel. The Government's investment in the Fund will be leveraged by private investors. The Fund will be managed by a professional investment manager to be chosen by the Government in the Tender.   |
| <b>4. Investment Distribution and Diversification:</b>       | The Fund must allocate a certain portion of its aggregate Capital Commitments to investments in companies developing bio-pharmaceutical products; such certain portion must be (a) at least USD 100 (one hundred) million if the Capital Commitment of the Government (other than the Bonus Government Commitment) in the Fund is USD 36 (thirty six) million or (b) at least USD 76 (seventy six) million if the Capital Commitment of the Government (other than the Bonus Government Commitment) in the Fund is USD 24 (twenty four) million. The Fund may invest any surplus Capital Commitments above such certain portion in companies not developing bio-pharmaceutical products so long as such companies operate in the area of medical devices, diagnostics or bio- |

|                                |   |
|--------------------------------|---|
|                                | <p>technology.</p> <p>The Fund will invest only in Israeli companies (i.e., companies incorporated under the laws of the State of Israel). The Fund will ensure that its portfolio companies remain Israeli companies so long as the Fund remains an investor in such portfolio companies.</p>  |
| <b>5. Closings:</b>            | <p>The Fund Manager (as defined below) will establish the Fund six months after the publication of the Invitation to Tender upon raising (the "<b>Initial Closing</b>") the minimum Capital Commitments of the Private Partners set forth as the Tender Documents. From time to time after the Initial Closing (but no later than twelve months thereafter), one or more additional closings (each, including the Initial Closing, a "<b>Closing</b>" and the final closing, the "<b>Final Closing</b>") may be held as necessary to accommodate the admission of additional Limited Partners upon customary terms and conditions.</p>  |
| <b>6. The Fund Manager:</b>    | <p>Pursuant to the requirements of the Tender Documents, the Selected Tender Participant shall incorporate under Israeli law a Special Purpose Company that shall serve as the investment manager of the Fund (the "<b>Fund Manager</b>"). As further required under the Tender Documents, the ownership structure of the Fund Manager shall be identical to the ownership structure of the Selected Tender Participant. The Fund shall enter into a standard management agreement with the Fund Manager pursuant to which the Fund Manager shall provide management, investment and administrative services to the Fund, including undertaking due diligence; analyzing and managing negotiations regarding potential investments; monitoring the performance of the Fund's portfolio companies; and advising the Fund as to the management and realization of the portfolio companies.</p>  |
| <b>7. The General Partner:</b> | <p>The Fund Manager will serve as the General Partner of the Fund. Notwithstanding the foregoing, the Fund Manager may, at its discretion, form the General Partner of the Fund (the "<b>General Partner</b>") as a separate legal entity, such that the General Partner and the Fund Manager will be two separate entities, so long as the structure of the holdings of these two entities will be identical (other than differences in holding structures that are approved by the Government in writing in advance) and all references herein to the holdings in or structure of the Fund Manager refer equally to the holdings in or structure of the General Partner. For the sake of convenience, the Fund Manager, in its role as General Partner, is referred to in this Summary of Terms sometimes as the "<b>General Partner.</b>"</p> <p>The General Partner will be required to make a Capital Commitment of at least one percent (1%) of the aggregate Capital Commitments</p> |

|  |   |
|--|---|
|  | and will be deemed for all purposes of the Partnership Agreement (including the distributions and allocation provisions) to be a Private Partner to the extent of such Capital Commitment; e.g., the General Partner will contribute its portion of each investment to the Fund in accordance with the capital calls that the General Partner will deliver to all Partners.   |
| <b>8. The Investment Committee:</b>                                  | All decisions regarding the Fund’s investments and realization of its portfolio shall be taken by the Fund’s investment committee (the “ <b>Investment Committee</b> ”), which shall be appointed by the General Partner’s board of directors (or similar body) (the “ <b>Board of Directors</b> ”). A representative of the Government shall serve as a member of the Investment Committee as an observer. The Board of Directors will also establish the Fund’s investment policies, subject to the relevant provisions of the Partnership Agreement. |
| <b>9. The Advisory Committee:</b>                                    | The General Partner will appoint an Advisory Committee to be comprised of at least three members being (a) representatives of the Private Partners that are not Affiliated with the Fund Manager and that have made the largest Capital Commitments and (b) a representative of the Government. The Advisory Committee shall convene as required in order to advise the Fund Manager regarding potential conflicts of interest.   |
| <b>10. Decisions by a Certain Majority Amongst Limited Partners:</b> | When a certain majority of Limited Partners is required to approve a certain decision or action, such majority will be calculated pro rata to the Capital Commitments of the Limited Partners. If such majority requirement is mandated by this Summary of Terms or pertains to an amendment of the Partnership Agreement, the Government must be a part of such majority.  |
| <b>11. The Term of the Fund:</b>                                     | The term of the Fund shall be 10 years from the Initial Closing. The Fund Manager may, in its sole discretion, extend the term of the Fund for three consecutive periods consisting of one year each. The Fund Manager may dissolve the Fund prior to the expiration of the period of 10 years with the approval of a two-thirds majority of the Limited Partners. A majority of two thirds of the Limited Partners may resolve to dissolve the Fund at any time.   |
| <b>12. Investment Period:</b>  | From the Initial Closing to the fifth anniversary thereof (the “ <b>Investment Period</b> ”), the Fund Manager may issue a call to Limited Partners for capital contributions (“ <b>Capital Calls</b> ”) out of the remaining Capital Commitments. After the Investment Period, the Limited Partners will not be committed to contribute their remaining Capital Commitments, except for Capital Calls necessary for financing follow-on investments in the Fund’s portfolio companies or for financing Management Fees and other expenses of           |

|                                      |   |
|--------------------------------------|---|
|                                      | the Fund.   |
| <b>13. Key Persons:</b>              | <p>During the term of the Fund, at least two key persons who were designated as such in the relevant Selected Tender Participant's Pre-Qualification Submission (and/or such persons' substitutes, who were approved as substitute key persons after the Fund was established by a two-thirds majority of the Limited Partners) ("<b>Key Persons</b>") must devote a substantial majority of their time to the management of the Fund and be physically present in Israel for a significant portion of their time. At any time after the termination of the Investment Period, the extent of such time commitment of one Key Person may be reduced by a simple majority of the Limited Partners.</p> <p>Any change to the structure of the Fund Manager that would cause the Key Persons (or, if applicable, the relevant Associated Management Company) to hold less than the minimum holding requirements set forth in the Invitation, must first be approved by a two-thirds majority of the Limited Partners.</p> <p>In the event that certain events transpire, including the failure to devote the required time set forth above, or a change to the structure of the Fund Manager without the required approval, the following mechanism shall be activated:</p> <ul style="list-style-type: none"> <li>A. The Fund Manager shall notify the Limited Partners immediately that such event has occurred.</li> <li>B. A simple majority of the Limited Partners may, within six months of receipt of such notice, resolve to suspend the Investment Period and suspend the Fund's investments.</li> <li>C. Subject to the subsequent Sub-Section "D", a simple majority of the Limited Partners may renew the Investment Period and the Fund's investments activities of the Fund at any time</li> <li>D. If such majority does not renew the Investment Period within a year of the suspension of the Investment Period, such majority may bring about the dissolution of the Fund. If the relevant event occurs after the expiration of the Investment Period, such majority may bring about the dissolution of the Fund one year after the occurrence of the relevant event.</li> </ul> |
| <b>14. Investment Opportunities:</b> | During the Investment Period, the Fund Manager shall submit to the Fund all the investment opportunities which it is handling and which are compatible with the Fund's investment strategy.   |

|                                   |  |
|-----------------------------------|--|
| <b>15. Conflicts of Interest:</b> | Any investment decision of the Fund pertaining to an investment in a portfolio company that is Affiliated with the Fund Manager or that is otherwise tainted by a conflict of interests concern, shall require the prior approval of the Advisory Committee.   |
| <b>16. Additional Funds:</b>      | The Fund Manager shall not establish any additional fund with investment policies similar to those of the Fund until the earlier of (i) the end of the Investment Period or (ii) the date on which at least 75% of the Fund's Capital Commitments have been contributed to the Fund or committed to be invested (including amounts reserved to make follow-on investments in existing portfolio companies or to provide for Fund expenses).  |
| <b>17. Management Fees:</b>       | Throughout the Investment Period, the Fund Manager shall receive annual management fees from the Fund (the " <b>Management Fees</b> ") of 2.0% (plus VAT, if applicable) of the total Capital Commitments of the Fund. After the Investment Period, the annual Management Fees shall be reduced in the manner set forth in the Partnership Agreement. The Management Fees shall be paid on a quarterly basis, in advance, out of amounts that the Limited Partners will contribute to the Fund or out of the Fund's Investment Proceeds (as defined below).  |
| <b>18. Distributions:</b>         | <p>Amounts received by the Fund ("<b>Investment Proceeds</b>") shall be distributed among the Partners as follows (the "<b>Distribution Waterfall</b>"):</p> <p>(I) First, 100% to the Private Partners, their respective Pro Rata Basis (as defined below) plus the Government Benefit (as defined below) of this stage of the Distribution Waterfall, and to the Government, its Pro Rata Basis minus such Government Benefit, until the Private Partners receive (taking into account any previous distributions made to the Private Partners), as of the date of such distribution, a total amount equivalent to (a) their capital contributions to the Fund plus (b) a return at an annual rate of 5% (five percent) (calculated based on simple interest) upon their capital contributions to the Fund (the "<b>Preferred Return</b>");</p> <p>(II) Second, 100% to the Government until the Government receives (taking into account any previous distributions made to the Government), as of the date of such distribution, a total amount equivalent to (a) its capital contributions to the Fund plus (b) its Preferred Return;</p> <p>(III) Third, 100% to the General Partner until the General Partner receives an amount equal to 20% of the sum of the amounts distributed to (a) the Limited Partners as a Preferred Return pursuant to paragraph (I)(b) and (II) and (b) the General Partner</p> |

|                                      |  |
|--------------------------------------|--|
|                                      | <p>pursuant to this paragraph (III);</p> <p>(IV) Thereafter, (a) 20% to the General Partner (the distribution to the General Partner outlined above in paragraph (III) and in this paragraph (IV) is referred to below as the "<b>Carried Interest</b>"), and (b) 80% to the Limited Partners, of which the Private Partners shall receive their Pro Rata Basis plus the Government Benefit and the Government shall receive its pro Rata Basis minus the Government Benefit.</p> <p>The distributions to the Limited Partners described above shall be made pro rata to their interests in the Fund's investments ("<b>Pro Rata Basis</b>") except that the Government shall forgo a certain proportion of the distributions the Government would have otherwise received and the Private Partners shall receive additional amounts they would otherwise have not received (such amounts, the "<b>Government Benefit</b>") as detailed in the subsequent paragraph titled "Government Benefit". The Fund shall distribute the Government Benefit directly to the Private Partners on a Pro Rata Basis.</p>  |
| <p><b>19. Government Benefit</b></p> | <p>In order to improve the terms of the Fund for Private Partners, in the event the Limited Partners are entitled to distributions pursuant to paragraphs (I) or (IV) of the Distribution Waterfall, the Government shall forgo the Government Benefit and the Private Partners shall receive the Government Benefit. The Government Benefit is calculated in a manner designed to incentivize the Private Partners to increase the size of the Fund. The Government Benefit is calculated as set forth in the following formula:</p> <p>Government Benefit = GovPR Amount * Benefit Fraction<br/>where:</p> <p>"<b>GovPR Amount</b>" means, in relation to each stage of the Distribution Waterfall, the amount the Government would have received as distributions if these distributions were made on a Pro Rata Basis at such stage of the Distribution Waterfall (it being understood that in paragraph I of the Distribution Waterfall, the GovPR is calculated assuming the Government would have been entitled to the full amount set forth in paragraph II of the Distribution Waterfall);</p> <p>"<b>Benefit Fraction</b>" means a fraction equal to the product of the Leverage Ratio multiplied by 0.2 provided such fraction may not be greater than 0.8<br/>(i.e., Benefit Fraction = (Leverage Ratio * 0.2) ≤ 0.8).</p> <p>"<b>Leverage Ratio</b>" means the ratio between the Government's Capital Commitment in the Fund (not including any Bonus</p> |

|  |   |
|--|---|
|  | Government Commitment) and the aggregate Private Partners' Capital Commitment to the Fund.  |
| <b>20. Clawback:</b>                   | <p>If, after the Fund makes its last distribution as part of the dissolution of the Fund, it is found that the Fund paid Carried Interest to the General Partner, while the Limited Partners did not receive the entire distributions to which they are entitled under paragraphs (I) and (II) of the distribution waterfall, or if it is found that the General Partner received Carried Interest that was in excess of 20% of the accrued profits of the Partners, the General Partner shall return to the Fund the Carried Interest that it received from the Fund, or shall return the amount of the said excess, respectively. The amount of such refund is limited to the amount of the Carried Interest received by the General Partner after deduction of payment of taxes paid by the General Partner with respect to the Carried Interest.</p> <p>The Partnership Agreement shall contain customary provisions designed to ensure that the General Partner meets its obligations under this clawback provision.</p> |
| <b>21. Organizational Expenses:</b>    | The Fund will bear all legal and other expenses incurred in the formation of the Fund, up to an amount not to exceed USD 500,000. For the avoidance of doubt, the Fund shall not bear any placement fees or similar fees.   |
| <b>22. Taxation:</b>                   | Each potential investor is urged to consult with its own tax advisors in order to determine the specific tax consequences of acquisition, ownership, receipt of a distribution, and a sale of interests in the Fund.  |
| <b>23. Governing Law; Jurisdiction</b> | The Partnership Agreements shall be governed by the laws of the State of Israel. Any action or proceeding brought by the parties relating to the Partnership Agreement may be brought and enforced exclusively in the courts of the State of Israel.  |
| <b>24. Legal Representation:</b>       | The law firm of Gross, Kleinhendler, Hodak, Halevy, Greenberg & Co. handled the formation of the Fund and represents the Government as a Limited Partner in the Fund. This law firm does not represent the Fund Manager or the other Limited Partners, and these entities should consult with their own legal advisors and tax advisors in connection with the Fund.  |
| <b>25. Side Letters:</b>               | It is hereby clarified that no differences will be permitted among the various Limited Partners with regard to their respective economic rights in the Fund, including in relation to payment of Management Fees and Carried Interest. For the avoidance of doubt, all the Limited Partners shall bear the same Management Fees and Carried   |

|                              |  |
|------------------------------|--|
|                              | Interest.  |
| <b>26. Additional Terms:</b> | The Partnership Agreement will contain additional customary terms, as negotiated among the parties thereto, such as diversification requirements, drawdown mechanics, co-investments, reinvestments, allocations, operational expenses, transaction and other fees, transfer of interests, reports, exemption and indemnification and default. |

## **Annex "C"**

### **Form I**

#### **The Pre-Qualification Submission Letter**

(To be completed by the Participant and all Members)

To:

Mr. Arik Bronshtein

Coordinator of the Tender Committee

Accountant General Division

Ministry of Finance

Jerusalem

Dear Sir,

**Re: Invitation for Pre-Qualification for Participation in a Tender for the Formation of Israeli Life Sciences Funds**

In response to the Invitation issued on November 10, 2009, extending an invitation to submit a Pre-Qualification Submission;

1. We, the undersigned, \_\_\_\_\_ (name of Participant to be completed), and all the Members thereof, \_\_\_\_\_; \_\_\_\_\_; \_\_\_\_\_; (name of Members to be completed) have thoroughly and carefully read the Invitation, and are pleased to submit our Pre-Qualification Submission.
2. We agree to all of the provisions in this Invitation and we submit our Pre-Qualification Submission in accordance with the terms and provisions contained therein.
3. We warrant that the Pre-Qualification Submission is accurate, complete and up-to-date as of the time of the Pre-Qualification Submission Date, in accordance with the requirements of this Invitation.
4. We acknowledge and accept the provisions of Section 4.10 (Reservation of Rights) of the Invitation, and without derogating from the generality of the foregoing, understand that the

submission of our Pre-Qualification Submission shall not be deemed in any way to create an obligation on the part of the Tender Committee to announce our compliance with the Pre-Qualification Requirements; that the Tender Committee has the right to reject, as it deems appropriate, the Pre-Qualification Submission submitted by the Participant; and that the Tender Committee has the right, as it deems appropriate, to annul the Pre-Qualification Stage and to reject all Pre-Qualification Submissions at any time, all, in accordance with the provisions of this Invitation.

5. Incorporated hereto, and made an integral part of the Pre-Qualification Submission, are all Pre-Qualification Forms, attachments and Annexes thereto, and other Annexes attached to the Pre-Qualification Submission as described herein:

- Pre-Qualification Form I - The Pre-Qualification Submission Letter
- Pre-Qualification Form II - The Participant
- Pre-Qualification Form III - The Member
- Pre-Qualification Form IV - Qualifications and Experience

6. Attached herein is a  copy  original [check applicable] of the receipt of purchase of the Invitation.

7. Detailed herein is information which the Participant considers to be of a commercially sensitive or secret nature concerning the Pre-Qualification Submission [to be completed in accordance with the provisions of Section 7.2 (Identification of Sensitive Information) of the Invitation]:

---

---

---

---

---

8. The undersigned acknowledges receipt, understanding and full consideration of the following Addenda to the Invitation, issued prior to the Pre-Qualification Submission Date:

|                      |                   |
|----------------------|-------------------|
| Date Received: _____ | Addenda No. _____ |
| Date Received: _____ | Addenda No. _____ |
| Date Received: _____ | Addenda No. _____ |
| Date Received: _____ | Addenda No. _____ |
| Date Received: _____ | Addenda No. _____ |
| Date Received: _____ | Addenda No. _____ |

9. The validity of the Pre-Qualification Submission and all associated documents and Pre-Qualification Forms is twelve (12) months as of Pre-Qualification Submission Date.

Faithfully yours,

|                 | <u>Stamp and Signature</u> | <u>Date</u> | <u>Confirmation of<br/>signatory rights</u> <sup>(*)</sup> | <u>Date</u> |
|-----------------|----------------------------|-------------|--|-------------|
| The Participant | _____                      | _____       | _____  | _____       |
| Member          | _____                      | _____       | _____  | _____       |
| Member          | _____                      | _____       | _____  | _____       |
| Member          | _____                      | _____       | _____  | _____       |

(\*) In his signature the attorney attests and confirms that the signatory(ies) on behalf of the Participant or the Member (as the case may be) are authorized to sign on behalf of the Participant or the Member (as the case may be) and to commit such Entity for purposes of the above stated Pre-Qualification Form, for all purposes and intents. If the Participant has not yet been formed as a separate legal entity, this attestation is not required.

**Form II**  
**The Participant**

(To be completed by the Participant)

**1. Name:**

Business Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

**2. Authorized Representative  
and contact details:**

\_\_\_\_\_

|  | <u>Name</u> | <u>Profession</u> | <u>Title</u> |
|--|-------------|-------------------|--------------|
| <b>3. Position Holders in the Participant:</b> | _____       | _____             | _____        |
|  | _____       | _____             | _____        |
|  | _____       | _____             | _____        |

**4. Members' Anticipated Holdings in the Participant:**

| <u>Member</u> | <u>Anticipated Holdings in the Participant</u> |
|---------------|--|
|               | ___ %  |
|               | ___ %  |
|               | ___ %  |

**5. Each Member hereby warrants and declares as follows:**

- The Pre-Qualification Submission is not made in the interest of, or on behalf of, any undisclosed person, corporation, company, voluntary association, partnership, trust, or unincorporated association;

- The Pre-Qualification Submission is genuine and not collusive or sham;
- The Participant has not, directly or indirectly, induced or solicited any other Participant or Member(s) of a Participant to put in a false or sham Pre-Qualification Submission, and has not by itself, or directly or indirectly, colluded, arranged or agreed with any Participant or Member(s) of a Participant to secure any advantage against any other Participant, or to secure any advantage against the Tender Committee or the Government of anyone interested in the Funds; and

Should the Participant be announced as an Eligible Participant in accordance with the provisions of the Invitation, and will be invited by the Tender Committee to submit a bid pursuant to the provisions of the Tender Documents, if selected as a Selected Tender Participant, it is the intention of all Members to enter into a detailed agreement between them and to form a new company, incorporated under the Israeli Law as required pursuant to the provisions of the Invitation and in accordance thereof, and as shall be further required pursuant to the provisions of the Tender Documents. The anticipated holdings by each and all Members in the SPC shall be as listed above.

**6. The Participant hereby warrants and represents the following (these representations and warranties are to be made only if the Participant is an existing legal entity; if the Participant has not yet been incorporated or formed, please disregard):**

6.1 The Participant is duly incorporated or formed, organized and validly existing under the laws of the jurisdiction in which it was organized;

**6.2 Criminal Proceedings with Respect to Offences** [check applicable]

6.2.1 The  Participant and/or  any directors or managers thereof and/or  Interested Parties in the Participant [check applicable], have not been convicted in an offence.

6.2.2 There are no criminal proceedings with respect to an Offence being conducted against either the  Participant and/or  any directors or managers thereof and/or  Interested Parties in the Participant [check applicable].

6.2.3 The  Participant and/or  any directors or managers thereof and/or  Interested Parties in the Participant [check applicable] who have been convicted in the following Offences:

---



---



---

6.2.4 The following criminal proceedings are being conducted against the  Participant and/or  any directors or managers thereof and/or  Interested Parties in the Participant, with respect to the following Offences [check applicable]:

---



---



---

|                 | <u>Stamp and Signature</u> | <u>Date</u> | <u>Confirmation of<br/>signatory rights<sup>(*)</sup></u> | <u>Date</u> |
|-----------------|----------------------------|-------------|---|-------------|
| The Participant | _____                      | _____       | _____   | _____       |
| Member          | _____                      | _____       | _____   | _____       |
| Member          | _____                      | _____       | _____   | _____       |
| Member          | _____                      | _____       | _____   | _____       |

(\*) In his signature the attorney attests and confirms that the signatory(ies) on behalf of the Participant or the Member (as the case may be) are authorized to sign on behalf of the Participant or the Member (as the case may be) and to commit such Entity for purposes of the above stated Pre-Qualification Form, for all purposes and intents. If the Participant has not yet been formed as a separate legal entity, this attestation is not required.

**Form III**  
**The Member**

(To be completed by each Member)

**1. Name:**

Business Address:

Phone:

Fax:

E-mail:

---

---

---

---

---

**2. Directors and Officers of  
the Member:**

Name

Profession

Title

| _____ | _____ | _____ |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

**3. Role of Member in the  
Participant (if applicable)**

Name

Title

Address, Tel &  
Fax No.'s

**4. Representative:**

| _____ | _____ | _____ |
|-------|-------|-------|
| _____ | _____ | _____ |

**5. Legal Status:**

- (check applicable)
- Individual
  - Partnership
  - Limited Liability
  - Joint Venture
  - Other (*explain*)

---

---

**6. Registration Number:**

Place of Registration: \_\_\_\_\_

Date of Registration: \_\_\_\_\_

**7. Authorized Share Capital:**

Issued and Fully Paid Up Capital : \_\_\_\_\_

**8. Interested Parties in the Member:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**9. Does the Member have an Israeli subsidiary or affiliate company?**

If yes – identify and provide details:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Member accepts the role which has been assigned to it by the Participant as described in this Pre-Qualification Form (as applicable), and should the Participant be announced as an Eligible Participant, and will be invited by the Tender Committee to participate in the Tender pursuant to the provisions of the Invitation to Tender, it is the intention of the Member to enter into a detailed agreement with the Participant for purposes of performing the role assigned to it by the Participant.

**10. The Member hereby warrants and represents the following:**

10.1 If applicable, the Member is duly incorporated, organized and validly existing under the laws of the jurisdiction in which it was organized;

**10.2 Criminal Proceedings with Respect to Offences [check applicable]**

10.2.1 The  Member and/or  any directors or managers thereof and/or  Interested Parties in the Participant (which are connected to the Member, based on the anticipated holdings in the Participant) [check applicable], have not been convicted in an offence.

10.2.2 There are no criminal proceedings with respect to an Offence being conducted against either the  Member and/or  any directors or managers thereof and/or  Interested Parties in the Participant (which are connected to the Member, based on the anticipated holdings in the Participant) [check applicable].

10.2.3 The  Member and/or  any directors or managers thereof and/or  Interested Parties in the Participant (which are connected to the Member, based on the anticipated holdings in the Participant) [check applicable] have been convicted in the following Offences [to be completed by the Member]:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10.2.4 The following criminal proceedings are being conducted against the  Member and/or  any directors or managers thereof and/or  Interested Parties in the Participant (which are connected to the Member, based on the anticipated holdings in the Participant), with respect to the following Offences [check applicable]:

- 
- 
- 
- 10.3 Neither the Member nor any Interested Party therein or directors or managers thereof are domiciled in a country considered an enemy of the State under Israeli law;
- 10.4 The Member has all requisite corporate power and authority for the ownership and operation of its properties and for the carrying on of its business as currently conducted (including the participation in this Pre-Qualification Stage);
- 10.5 There are no actions or proceedings pending nor, to the best knowledge of the Member and after due investigation, actions or proceedings which might result in any material or adverse change in the Member's business, operations, affairs, condition, assets, prospects, cash flow or any of its properties or assets;
- 10.6 The Member has not, directly or indirectly, induced or solicited any other Participant or Member(s) of a Participant to put in a false or sham Pre-Qualification Submission, and has not by itself, or directly or indirectly, colluded, arranged or agreed with any Participant or Member(s) of a Participant to secure any advantage against any other Participant, or to secure any advantage against the Tender Committee or the Government of anyone interested in the Funds;
- 10.7 The Member does not employ or engage any of the advisors to the Tender Committee detailed in Annex D of the Invitation, for the purposes of the Pre-Qualification Stage or the Funds;
- 10.8 The Member is participating in the Pre-Qualification Stage only within this Pre-Qualification Submission; and
- 10.9 No Affiliate of such Member is participating in the Pre-Qualification Stage except within this Pre-Qualification Submission.

I, \_\_\_\_\_, attorney-at-law, hereby do attest and confirm that \_\_\_\_\_ is authorized to sign on behalf of \_\_\_\_\_, and to commit it for purposes of the above stated Pre-Qualification Form, for all purposes and intents.

---

Attorney-at-Law

**Form IV**  
**Qualifications and Experience**

(To be completed by the Participant to demonstrate compliance with the Pre-Qualification Requirements specified in the Invitation)

**1. The Experience of the Participant’s Key Persons**

A. Please attach a detailed curriculum vitae of each Key Person.

B. In the case of Key Persons of Participants who are MC Associated Teams, please check the box next to the Section number and heading set forth below which is relevant to each Key Person, indicate the number of Key Persons that meet the experience requirements set forth in such Section and specify how such Key Person meets such experience requirements:

Section 6.7 (Pharmaceutical Development Experience of Key Persons)

1. Number of Key Persons: \_\_\_\_\_
2. Relevant experience of each Key Person:

---

---

---

---

Section 6.8 (Alternative Fund / Investment Company Management Experience of Key Persons)

1. Number of Key Persons: \_\_\_\_\_
2. Relevant experience of each Key Person:

---

---

---

---

C. In the Case of Key Persons of Participants who are Independent Teams, please check the box next to the Section number and heading set forth below which is relevant to each Key Person, indicate the number of Key Persons that meet the experience requirements set forth in such Section and specify how such Key Person meets such experience requirements:

Section 6.6 (Fund/Investment Company Management Experience of Key Persons)

1. Number of Key Persons: \_\_\_\_\_
2. Relevant experience of each Key Person:

---

---

---

---

Section 6.7 (Pharmaceutical Development Experience of Key Persons)

1. Number of Key Persons: \_\_\_\_\_
2. Relevant experience of each Key Person:

---

---

---

Section 6.8 (Alternative Fund / Investment Company Management Experience of Key Persons)

1. Number of Key Persons: \_\_\_\_\_
2. Relevant experience of each Key Person:

---

---

---

---

2. **MC Associated Team**

In the case of a Participant that is an MC Associated Team, please specify how your Associated Management Company meets the threshold requirements set forth in Section 6.9 (Threshold Requirements from Associated Management Companies):

**Section 6.9.1.1 Relevant Data:**

---

---

---

---

**Section 6.9.1.2 Relevant Data:**

---

---

---

---

**Section 6.9.1.3 Relevant Data:**

---

---

---

---

**3. Additional Relevant Information**

(Please specify additional relevant information and/or attach to this Pre-Qualification Form relevant documentation)

---

---

Faithfully yours,

\_\_\_\_\_

\_\_\_\_\_

Date

Stamp and Signature

I, \_\_\_\_\_, attorney-at-law, hereby do attest and confirm that \_\_\_\_\_ is authorized to sign on behalf of \_\_\_\_\_, and to commit it for purposes of the above stated Pre-Qualification Form, for all purposes and intents.

\_\_\_\_\_

Attorney-at-Law

If the Participant has not yet been formed as a separate legal entity, this attestation is not required and all the Members of the Participants must sign this Form.

## **Annex "D"**

### **List of Advisors to the Tender Committee**

1. **GKH Law Offices**: Legal Consultation/ Advisors to the Tender Committee, Amir Halevy, Adv., Roy Engel, Adv., Billy Gurevich, Adv. and Abed Nashef, Adv.
2. **Dr. Ora Dar**: Life Sciences Consultant