

Agreement No. _____ (this "Agreement")

Entered and signed this _____ day of _____, 2026
(hereinafter the "**Effective Date**")

Between,

Israel Railways Ltd.
Company No. 52-004361-3
1 Yoseftal St., Lod, Israel
(hereinafter "**ISR**")

Of the First Part

and

(hereinafter "**Supplier**")

Of the Second Part

Each of ISR and Supplier shall be referred to hereinafter as a "**Party**" and collectively as the "**Parties**".

- WHEREAS** ISR is interested in acquiring Track Motor Vehicles with Crane, as described in the Technical Specifications attached hereto as **Appendix A** (the "**TMVC**" and/or the "**Vehicles**"), all in accordance with and subject to the terms and conditions of this Agreement; and
- WHEREAS** ISR has published Tender No. 42237 requesting proposals for the manufacture and supply of several TMVCs in accordance with the terms and conditions of this Agreement (the "**Tender**"); and
- WHEREAS** the proposal submitted by Supplier in the Tender was selected by ISR as the winning proposal; and
- WHEREAS** Supplier represents and warrants that it has the know-how, ability, expertise, facilities, financial and all other resources, experience, Intellectual Property Rights, and all rights and permits necessary to undertake the obligations set forth in the Tender and as described in this Agreement herein; and
- WHEREAS** the Supplier represents that on _____, it entered into an agreement with the Israeli Ministry of Industry and Trade, represented by the Industrial Cooperation Authority ("**ICA**"), with regard to partial offset procurement which is to be carried out in connection with the design, manufacture and supply of the Vehicles; and

WHEREAS the Parties desire to set forth a contractual framework to determine the Parties' relationship and obligations with regards to the manufacture and supply of the Vehicles all as detailed below.

NOW THEREFORE, IT IS DECLARED, COVENANTED AND AGREED BETWEEN THE PARTIES AS FOLLOWS:

1. Preamble, Appendices and Headings

- 1.1 The preamble to this Agreement constitutes an inseparable part hereof.
- 1.2 The following Appendices, which are attached to this Agreement, constitute inseparable parts hereof:
 - a) **Appendix A** – Technical Specifications;
 - b) **Appendix B** – Consideration;
 - c) **Appendix C** – Supplier's Bank Account Form;
 - d) **Appendix D** – Certificate of Completion of Foreign Tests;
 - e) **Appendix E** – Final Acceptance Certificate;
 - f) **Appendix F** – Spare Parts for Preventive Maintenance;
 - g) **Appendix G** - Form of Bank Guarantee;
 - h) **Appendix H** - Change Order Form;
 - i) **Appendix I** - Training Plan;
 - j) **Appendix J** - Detailed Design Plan;
 - k) **Appendix K** - Quality Assurance Plan;
 - l) **Appendix L** – Inspection and Test Plan;
 - m) **Appendix M** - General Spare Parts Price List, Prices and Delivery Terms;
 - n) **Appendix N** -Safety and Security Regulations.
- 1.3 The headings in this Agreement are for reference purposes only, and are not a material part hereof and shall not be used for purposes of interpretation.

2. Priority of Documents

- 2.1 Unless otherwise provided in this Agreement, the several documents forming this Agreement, are to be taken as mutually explanatory of one another and shall be deemed to form one agreement, and should, therefore, be read and construed together.
- 2.2 In the event of any contradiction, discrepancy, conflict, inconsistency, ambiguity and/or uncertainty between the provisions of this Agreement, the attachments hereto and/or the Tender, the following order of precedence shall apply:
 - This Agreement, including **Appendix B - Consideration**, but excluding the other attachments hereto;
 - The other Appendices to this Agreement including the Technical Specifications;
 - The other Tender documents (excluding **Appendix B** to the Tender);
 - Supplier's Proposal to the Tender.
- 2.3 In case of any contradiction, discrepancy, conflict, inconsistency, ambiguity and/or uncertainty as to the interpretation of any provision contained in the documents set

forth in Section 2.2 above and/or the order of precedence between the various provisions contained in these documents, which discrepancy, ambiguity, conflict, inconsistency or uncertainty is not resolved by applying the above order of precedence, those provisions that provide ISR with the maximum rights and which best serve the interest of ISR under the circumstances, as ISR shall determine at its sole and absolute discretion, shall apply.

- 2.4 Except as otherwise specifically indicated, all references to Sections refer to Sections of this Agreement, and all references to Appendices refer to Appendices of this Agreement. Appendices to be attached hereto after the Effective Date shall be deemed an integral part of this Agreement. The words "herein," "hereof," "hereinafter," and similar words and phrases, shall refer to this Agreement as a whole and not to any particular Section. The word "days" shall mean a calendar day and the term "Business Days" shall have the meaning ascribed to it in Section 3.6. Whenever required by the context of this Agreement, the singular shall include the plural, the masculine shall include the feminine and vice versa.

3. Definitions

The following definitions shall apply to this Agreement:

- 3.1 **"Acceptance" or "Acceptance Certificate"** – shall mean ISR's issuance of a signed Final Acceptance Certificate in the form attached hereto as **Appendix D**, following the Foreign Acceptance Tests and the Final Acceptance Test subsequent the delivery of the TMVC to the Site in accordance with the Delivery Terms, the performance of all tasks required to bring the TMVC to full operational condition and the successful performance of the Acceptance Tests in accordance with the ITP, the completion of the Training as well as the fulfillment of all required obligations pursuant to in accordance with this Agreement;
- 3.2 **"Agreement"** – shall mean this framework agreement including all Appendices attached hereto;
- 3.3 **"Agreement Period"** – shall have the meaning ascribed to it in Section 4.2;
- 3.4 **"Annual optional Support Visit"** – as defined in Section 14;
- 3.5 **"Applicable Law"** – shall mean any Israeli statute, law, ordinance, rule, regulation, order, writ, injunction, judgment, decree, and all other requirement of any governmental entity existing as of the date hereof or at any time during the term of this Agreement and applicable to ISR and/or Supplier and/or the Vehicles;
- 3.6 **"Business Day"** – shall mean any day of the week other than Friday and Saturday and excluding official holidays and bank holidays in Israel;
- 3.7 **"DAP"** – The term of delivery for the Vehicles shall be "Delivered at Place" at ISR's Site (DAP) according to "INCOTERMS 2020" - International Rules for the Interpretation of Trade Terms (ICC Pub. No. 723), subject to the terms and conditions set forth in Sections 8 (Purchase Order), 9 (Consideration) and 11 (Terms of Delivery and Delivery Times) below;
- 3.8 **"DDP"** – the Detailed Design Plan as defined in Section 6.13.1;

- 3.9 **"Delivery Terms"** – as defined in Section 11.1;
- 3.10 **"Delivery Time"** – as defined in Section 11.2;
- 3.11 **"Effective Date"** – shall have the meaning ascribed to it in the Preamble to this Agreement;
- 3.12 **"Final Acceptance Tests"** – successful completion of all procedures detailed, *inter alia*, in Section 20.7 of the Technical Specifications to the full satisfaction of ISR;
- 3.13 **"Foreign Acceptance Tests"**– successful completion of all procedures detailed, *inter alia*, in Section 20.6 of the Technical Specifications to the full compliance with the Technical Specification and full satisfaction of ISR;
- 3.14 **"General Spare Parts"** – all software, materials, equipment, machinery, tools, spare parts, accessories, components and other elements of every kind required to perform all preventive and corrective maintenance, calibration, trouble shooting and any other repair as detailed in **Appendix M** to this Agreement;
- 3.15 **"IPM"** – ISR's Project Manager for this Agreement, as set forth in Section 8.4 hereunder and as may be changed from time to time at ISR's sole discretion by notification in writing to Supplier;
- 3.16 **"ISA"** – the Independent Safety Assessor as specified in Section 12.1;
- 3.17 **"ITP"** – the Inspection and Test Plan as specified in Section 12.2;
- 3.18 **"Liquidated Damages"** – shall have the meaning ascribed to it in Section 16;
- 3.19 **"Performance and Warranty Guarantee"**– shall have the meaning ascribed to it in Section 18.2;
- 3.20 **"POD"** – Purchase Order Date;
- 3.21 **"Purchase Order"** – as defined in Section 8.1;
- 3.22 **"QAP"** – the Quality Assurance Plan as defined in Section 6.13.2;
- 3.23 **"Resolution Time"** - the time from the report of a malfunction by ISR and until it was rectified by Supplier;
- 3.24 **"Response Time"** - the time within which Supplier begins to handle a reported malfunction;
- 3.25 **"Service Support Visit"** – as defined in Section 13.613.7;
- 3.26 **"Severe Malfunction"** - an event whereby (i) the Vehicle is not useable for any purpose and/or (ii) the Vehicle does not drive and/or stop properly and/or (iii) the air-conditioning and/or cooling and/or operating systems do not operate properly and/or (iv) any other system in the Vehicle does not work properly for 2 days and/or (v) an important work or service of the Vehicle is not running;

- 3.27 "**Site**" - ISR's facilities located at Lod or any other place in Israel designated by ISR;
- 3.28 "**Spare Parts for Preventive Maintenance**" – all software, materials, equipment, machinery, tools, spare parts, accessories, components and other elements of every kind required to perform all preventive maintenance during the Warranty Period as detailed in **Appendix F** to this Agreement;
- 3.29 "**SPM**" - Supplier's Project Manager for this Agreement, as set forth in Section 8.4 hereunder and as may be changed from time to time at ISR's sole discretion by notification in writing to the Supplier;
- 3.30 "**Subcontractor**" – as defined in Section 23;
- 3.31 "**Technical Specifications**" – the technical specifications for the Vehicles, are as detailed in **Appendix A**;
- 3.32 "**Training**" – as defined in Section 6.9;
- 3.33 "**TMVC Price**" – as defined in Section 9 (Consideration);
- 3.34 "**Warranty**" or "**Warranty Period**" – shall have the meaning ascribed to it in Section 13;
- 3.35 "**Works**" – shall mean all works, components, materials and equipment to be executed or supplied by Supplier, directly or indirectly, in connection with the design, manufacture, supply, assembling, tests, trial running, commissioning, training, and/or warranty of the Vehicles pursuant to this Agreement including supply of all Spare Parts for Preventive Maintenance. Works shall include but shall not be limited to, works to be implied therefrom or incidental thereto and including all temporary works of every kind required in or for carrying out and completion of the Works, provision of all labor, provision and use of software, materials, equipment, machinery, tools, spare parts, accessories, components loading, unloading, stuffing and other elements of every kind and description (including Intellectual Property Rights) including as detailed in the Technical Specifications and this Agreement.

4. Agreement Period

- 4.1 This Agreement shall commence on the Effective Date and shall continue in full force and effect for a period of ten (10) years and/or the end of the Warranty Period, whichever is longer (the "**Initial Agreement Period**").
- 4.2 The Supplier hereby grants ISR an option, to be executed upon ISR's sole discretion, to extend the term of this Agreement for additional periods of up to five (5) years following the termination of the Initial Agreement Period (the "**Option Period**").

The Initial Agreement Period and all additional Option Periods (if exercised) are thereafter referred to collectively as the "**Agreement Period**".

- 4.3 All terms and conditions of this Agreement shall continue to apply *mutatis mutandis* to the Option Period. In the event that ISR wishes to exercise its option, it shall notify

Supplier in writing at least sixty (60) days prior to the end of the Initial Agreement Period or the relevant Option Period.

5. Supplier's Declarations, Representations and Warranties

Supplier hereby declares, represents and warrants to ISR as follows:

- 5.1 **Ability to Execute this Agreement.** Supplier has the know-how, ability, expertise, facilities, resources, financial resources, licenses, permits and all that is required and necessary to undertake the obligations set forth in this Agreement, including, *inter alia*, the provision of the Works and supply of the Vehicles in accordance with the terms set forth herein.
- 5.2 **Authority Relative to this Agreement.** Supplier has all necessary corporate power and authority to execute and deliver this Agreement, to perform its obligations under this Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action of Supplier, and no other corporate proceedings on the part of Supplier are necessary to authorize this Agreement, or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Supplier and constitutes a valid, legal and binding agreement of Supplier, enforceable against Supplier in accordance with its terms.
- 5.3 **No Conflict.** No actual or potential conflict of interest or unfair competitive advantage as to ISR exists with respect to Supplier's acting hereunder, and Supplier shall not engage in any contractual relationship that may cause such conflict of interest or unfair competitive advantage to exist. Supplier shall notify ISR of any contractual engagement or performance of services which causes or may cause such a conflict of interest or unfair competitive advantage to exist.

Furthermore, Supplier hereby represents and warrants that it (nor anyone on his behalf) has no personal, professional or any other relationship with any member of ISR's management, nor any member of the ISR's Board.

- 5.4 **No Litigation or Impediment.** There is no (i) litigation that is currently in effect or threatened, against Supplier, which would challenge the authority of Supplier to enter into this Agreement or to carry out its obligations under this Agreement, or (ii) impediment, whether legal or stemming from a prior or simultaneous commitment made by Supplier, or any other impediment of whatever nature, which might prevent Supplier from entering into this Agreement or hinder the performance of any or all of its obligations hereunder.
- 5.5 **Supplier Examination and Evaluation:**
- 5.5.1 Supplier has examined all documents pertaining to the Tender, this Agreement, in particular, the Technical Specifications, as well as all other documents comprising this Agreement, and is satisfied with regard to the data, specifications, terms and conditions under which the Works shall be designed, manufactured, assembled, integrated, tested, supplied and delivered to ISR, and the execution of the Works required for the provision of the Vehicles as

well for the fulfillment of any and all obligations under this Agreement;

- 5.5.2 Supplier has evaluated (independent of, and without relying on, any information or data provided by ISR) any and all other factors that may be deemed to affect the carrying out of its obligations under this Agreement, including but without limitation technical risks and environmental influences, and any other risk involved therewith, and such other conditions that may be expected to affect the progress or completion of the Works in accordance with this Agreement, and has reasonable grounds to believe and does believe that such performance is feasible and practicable under the terms and conditions stated herein;
- 5.5.3 Supplier has examined and is fully satisfied with all of the information provided to it by ISR, including ISR's rules and procedures;
- 5.5.4 Supplier shall not be entitled to any payment or compensation other than as set forth herein and shall not make any claim for additional payment from ISR on any grounds whatsoever, including, without limitation, on the grounds of any misunderstanding or misapprehension in respect of any matter which a reasonable and expert supplier of Vehicles knew or should have known or on the grounds of any allegation or fact that incorrect information was given to Supplier by any person (subcontractors included), firm or any legal entity which it knew or should have known to be incorrect as a reasonable and expert supplier of Vehicles, whether the person, firm or legal entity was employed by ISR or not, or on the grounds of the failure on its part to obtain correct information with regard to this Agreement and/or to the Works.
- 5.6 **Compliance with Applicable Law.** Supplier is aware and has knowledge of all legal requirements prevailing in the State of Israel that must be followed for the execution of the Works. Without derogating from any provision herein, Supplier shall abide by any Applicable Law, as shall be in effect from time to time, and shall perform and execute the Works in strict compliance therewith (including but without limitation in compliance with regulations and orders relating to the employment of its employees).
- 5.7 **Environmental Standards.** The Vehicles and/or the Works shall meet the applicable environmental standards in accordance with Israeli law and regulations and in the absence of an applicable Israeli law the relevant EU standard shall apply. However, in any event of discrepancy between the provisions of Israeli law and any E.U. standard, the provisions of the Israeli law shall prevail.
- 5.8 **Quality Management System.** Supplier hereby undertakes, warrants and confirms to remain Notified in accordance with ISO 9001 as may be updated from time to time and/or equivalent standards, and Supplier shall at any time during the term of Agreement be willing to prove such claim to be true. In any event, Supplier must notify ISR, in writing, if the said qualification is suspended and/or canceled and/or not continued. For the avoidance of doubt, the aforementioned in this Section shall apply to Supplier and/or any of its Subcontractors.
- 5.9 **Discrepancies and Omissions**
 - 5.9.1 Supplier represents that wherever there is a discrepancy between the Technical Specifications, drawings or other documents constituting a part of this Agreement, its prices reflect the type of materials, construction, works or other relevant element, item or unit best suited (to ISR) and consistent with the

Technical Specifications. No inaccuracies, errors, misstatements, omissions, discrepancies, defective or incomplete descriptions, contradictions or ambiguities in or between any of the provisions of this Agreement, or any information or instructions communicated or given by ISR to Supplier from time to time, shall constitute grounds for stoppage of the Works, for relieving or releasing Supplier of any of its responsibilities, duties, obligations or liabilities pursuant to this Agreement, for cancellation or termination of this Agreement by Supplier or for withdrawal from the Works.

5.9.2 Should any works, matters or things required for the proper execution and completion of the Works be omitted from this Agreement by ISR, the IPM shall – upon notice from Supplier to that effect or on its own initiative – give necessary explanations and instructions and decide what works, matters or things are to be done by Supplier and in what manner and order. Supplier shall thereupon be bound to do such works, matters and things as instructed.

5.9.3 Supplier shall advise ISR in writing, immediately and in any case within no more than five (5) days, upon becoming aware of any suspected or actual contradiction or discrepancies between the provisions of, or any omission in, any of the various documents forming this Agreement.

5.10 **Review and Approval.** The Supplier confirms and agrees that it shall apply to receive ISR's written consent, wherever ISR's consent, explicitly or implied, is required according to this Agreement. This requirement and the provision of ISR consent, shall not derogate in any way from Supplier's responsibilities and liabilities under this Agreement, and ISR shall bear no responsibility or liability whatsoever in connection with the review (whether or not there are objections) and/or with any approval given to, or denied from, Supplier, with respect to any matter and/or document, including but without limitation, drawings, designs (at all phases), plans, tests or otherwise.

5.11 **Independent Contractor.** Supplier is an independent contractor acting at its own risk and account and solely responsible for its own financial obligations, and nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or principal and agent relationship between the Parties, nor will it be construed as creating any relationship whatsoever between ISR and any employees, Subcontractors, representatives or agents of Supplier. Supplier will not have the authority nor will it represent that it has the authority to assume or create any obligation, express or implied, on behalf of ISR.

6. Supplier's Obligations

6.1 **Purchase and Sale.** Supplier hereby agrees to execute any and all Works required for the provision of the Vehicles in accordance with the terms and the conditions of this Agreement, including, *inter alia*, the design, manufacture, integration, testing, supply, commissioning, Training, Warranty as well as the fulfillment of Supplier's obligations in accordance with the Technical Specifications and in compliance with the guidelines and procedures set out in this Agreement. In any conflict or inconsistency between the instructions or any data contained in the Technical Specifications and Supplier's proposal to the Tender the terms and conditions more favorable to ISR shall take priority. In case of controversy, ISR shall have the final decision what is favorable to ISR.

- 6.2 The Supplier shall supply the Vehicles in accordance with the standards set forth by ISR in the Technical Specifications and/or this Agreement. All Vehicles shall be new, of high standard and quality, free of, and not reported by third parties to suffer from, defects in design, material or workmanship, and shall perform in accordance with all the requirements of this Agreement. All calculations, designs, integration and drawings related to the Vehicles shall assure the reliability, efficiency and competency to ISR's fullest satisfaction.
- 6.3 **"Turn Key Basis"**. The Vehicles shall be supplied on a "turn key" basis such that Supplier shall perform at its own expense and risk any and all Works in accordance with the provisions of this Agreement. Without limiting the generality of the foregoing, Supplier shall be solely responsible, at its own expense and risk, to carry out any and all Works, import and supply of any and all components, equipment and materials, perform any and all activities and pay and bear all costs and expenses pertaining to the performance of the Works and supply of the Vehicles; this shall include, without limitation, the training, testing, running in, demonstration and commissioning of the Vehicles and any other tasks or duties relating to the above – all as shall be required in order to timely deliver operable, safe, efficient and reliable Vehicles, and putting same into full operation in accordance with all of the requirements of this Agreement, while applying state-of-the-art technology.
- 6.4 **Conformity of the Vehicles**. The provision of the Vehicles and the execution of the Works shall be made in strict conformity with the terms and conditions of this Agreement and the Technical Specifications, attached to it as **Appendix A**. Any deviation from the terms and the conditions of this Agreement and/or the Technical Specifications must be approved in writing in advance by ISR.
- 6.5 **Standards**. The Works and the Vehicles shall meet the standards set forth by ISR in this Agreement, and if no standard is expressly mentioned, Supplier shall comply with the standards which shall ensure the highest quality of workmanship, material and equipment required by the common railway practices and any applicable standards, applicable law and/or as instructed by ISR in accordance with ISR's sole discretion. All calculations, designs, integration and drawings related to the Vehicles, or any part thereof shall assure the reliability, efficiency, competency as well as the functionality of the Vehicles to ISR's full satisfaction.
- 6.6 **No Lock**. The Vehicles and/or any part thereof shall not incorporate any lock, clock, timer, counter, copy protection feature, CPU serial number reference, or any other device which is intended to (i) disable or erase all or any part or software of the Vehicles; (ii) prevent ISR from fully utilizing all or any part or software of the Vehicles; or (iii) require action or intervention by Supplier or any other person or entity, to allow ISR to utilize all or any part of the Vehicles.
- 6.7 **Permits**. Supplier shall, at its sole expense, obtain, maintain, comply with and keep in effect all approvals, permits and licenses required for the execution of this Agreement, the supply of the Vehicles and the provision of all ancillary services, pursuant to this Agreement and the Technical Specifications.
- 6.8 **ICA**. The Supplier undertakes to comply with and fulfil the obligations specified in the Foreign Supplier's Industrial Cooperation Undertaking with regard to offset procurement which is to be carried out in connection with the execution of this Agreement. Without derogating from the generality of the above, the Supplier warrants

that it has fulfilled the aforesaid obligations in accordance with the Mandatory Tenders Regulations (Mandatory Industrial Cooperation) 5767-2007, including submitting a plan for the execution of industrial cooperation in Israel, all in accordance with the Israeli Mandatory Tenders Regulations (Mandatory Industrial Cooperation) 5767 – 2007, and without limitation Section 8 of such regulations with respect to the period for fulfilment of the aforesaid obligations.

6.9 **Training.**

- 6.9.1 No later than 14 days after POD, the Supplier shall provide ISR with a proposed training plan, in accordance with the relevant requirements as set under the Technical Specifications (hereinafter the "**Training**" and/or the "**Training Plan**").
- 6.9.2 The Training Plan shall be approved by ISR, subject to ISR's sole discretion, and thereafter it shall be annexed to this Agreement as **Appendix I - Training Plan**. The Training Plan shall ensure the highest level of operation and maintenance of the Vehicles and/or any part thereof by ISR.
- 6.9.3 Without derogating from the generality of the above, and from the specific requirements set forth in the Technical Specifications, the Training Plan shall include the following courses (the "**Courses**"):
- Operators Course
 - Maintenance Course
- 6.9.4 Each of the Courses shall be performed, at an ISR's Site, by at least two (2) experienced instructors that holds appropriate skills and knowledge in the above areas of practice.
- 6.9.5 The Courses shall comprise of a minimum of 10 training days of 8 hours of training each, and shall be conducted in three (3) rounds by the Supplier, in times to be scheduled with ISR.
- 6.9.6 The number of participants/trainees to be nominated by ISR at its sole discretion, in the Courses shall be as follows:
- Operators Course – up to 8 trainees in each round, and 18 trainees in total.
 - Maintenance Course – up to 10 trainees in each round, and 30 trainees in total.
- 6.9.7 Three (3) months prior to the commencement of the Training/ Courses, Supplier shall provide ISR with a Training Package, in full compliance with the requirements detailed, *inter alia*, under Section 23.1.6 of the Technical Specifications.
- 6.9.8 In addition to the abovementioned Courses, Supplier shall provide ISR with two (2) experienced instructors; one for operators' instruction and the other for maintenance instruction, to instruct ISR's representatives in Supplier's sites during ISR's representatives arrival, as described under Section 12.4 below.
- 6.9.9 It is agreed that all costs related to the Training according to the Training Plan are included in the Vehicles Price (including but not limited to travelling, accommodation and lodging expenses), and Supplier shall not be entitled to any additional consideration for the provision of any Training specified herein and in the Technical Specifications.
- 6.9.10 Without derogating from any other right conferred to ISR, ISR shall be entitled

to copy and/or record (including by video camera or other digital means) the Training sessions and/or any part of the Training program and to use such recordings for ISR's study, operation and maintenance purposes.

- 6.10 **Safety and Security.** Supplier and any Subcontractor shall strictly comply with the Safety and Security Regulations as detailed in **Appendix N** and any amendment to such regulations, as shall be decided by ISR from time to time upon its sole discretion.
- 6.11 **Cooperation.** Supplier undertakes to reasonably cooperate with any other supplier and/or contractor and/or consultant engaged by ISR, and to furnish ISR with any and all relevant information reasonably required for the interface between the Vehicles and any other equipment and/or infrastructure of ISR.
- 6.12 **Personnel.**
- 6.12.1 Supplier shall employ trained skilled employees and consultants as shall be necessary or appropriate to enable Supplier to supply the Vehicles and the Warranty included in the execution of the Works.
- 6.12.2 Supplier's personnel, employees and consultants and any Subcontractor's personnel, employees and consultants (the "**Supplier Personnel**" and "**Subcontractor Personnel**", and together, the "**Personnel**") shall not be deemed under any circumstances whatsoever, to be the employees of ISR, and Supplier shall indemnify and defend ISR from and against all claims made by the Personnel against ISR. The foregoing indemnity shall survive the expiration or termination of this Agreement. All matters pertaining to the employment, training, conduct, supervision, compensation, promotion and discharge of the Personnel shall be the sole and exclusive responsibility of Supplier and Supplier shall comply with all applicable laws and regulations relating to worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions and safety and similar matters with respect to such Personnel. Supplier acknowledges and agrees that Supplier is obligated to report as income all compensation received by Supplier pursuant to this Agreement, and Supplier agrees to and acknowledges the obligation to pay all self-employment and other taxes thereon. Supplier agrees to indemnify and hold harmless ISR and its directors, officers, and employees from and against all taxes, losses, damages, liabilities, costs and expenses, including attorney's fees and other legal expenses, arising directly or indirectly from (i) any negligent, reckless or intentionally wrongful act of Personnel, (ii) a determination by a court or agency that Supplier and/or any of the Personnel is not an independent contractor, or (iii) any breach by the Personnel of any of the covenants contained in this Agreement.
- 6.12.3 Without derogating from the above, Supplier shall bear any cost and/or expense relating to the Personnel (including but not limited to travelling, accommodation and lodging expenses). Supplier shall be responsible and bear all expenses associated to visas, work permits etc. associated to any service to be provided by Supplier through personnel in Israel.
- 6.12.4 ISR shall be entitled to request the replacement of any of the Personnel in Israel at any time, and Supplier undertakes to appoint or to instruct any Subcontractors to appoint, as the case may be, a skilled employee in its stead within thirty (30) days of ISR's such request. For the avoidance of doubt, and without anything herein to the contrary, Supplier shall be responsible for any

labor costs arising in connection with the replacement of any of its Personnel pursuant to this Agreement.

- 6.12.5 No later than 60 days before the arrival of Personnel to any of ISR's sites, Supplier shall provide ISR with a list of such Personnel, including ID/Passport numbers and such other details as shall be reasonably requested by ISR, prior to any involvement of such Personnel in the implementation of the Vehicles or in the Training.

6.13 Detailed Design and Quality Assurance Plan

- 6.13.1 Without derogating from the Technical Specifications, within thirty (30) days from the POD, Supplier shall prepare and submit to ISR for approval a Detailed Design Plan ("**DDP**") defining the main activities to take place during the performance of this Agreement including a detailed design. The DDP shall consist of such activities as development and design, manufacture, assembly, integration, inspection, testing, acceptance of the TMVC, detailed design and any other obligation in accordance with the terms and the conditions of this Agreement and/or the Technical Specifications. Without derogating from the above, the DDP shall include Ready for Operation Plan defining the operation of TMVC following DDP onwards. The DDP shall be based on the requirements of the Technical Specifications and the relevant obligations set forth in this Agreement. In order to approve the DDP by ISR, the SPM and his relevant deputies shall meet in Israel with the IPM within 14 days after Supplier submitted the DDP to ISR for approval. Supplier shall bear all expenses related to such visit. The time of visit shall be coordinated between the Parties. After the DDP shall be approved in writing by ISR it shall be annexed as **Appendix J** to this Agreement.
- 6.13.2 Without derogating from the Technical Specifications, within thirty (30) days from the POD, Supplier shall prepare and submit to ISR for approval a Quality Assurance Plan ("**QAP**") covering all quality assurance activities to be performed under this Agreement and/or the Technical Specifications, including a time schedule for each activity. The QAP shall be based on the requirements of the Technical Specifications. Such list after approved by ISR shall be annexed as **Appendix K** to this Agreement.

6.14 Reports & Documentation. Without derogating from the Technical Specifications, Supplier shall submit to the IPM, in accordance with the DDP, progress reports, for the planning, construction, assembly, final adjustments, testing and maintenance of the Works, or as specifically set out in this Agreement and shall detail at least the following:

- 6.14.1 An updated schedule detailing the specific deviations (if occurred) from the initial planned schedule as set out in the DDP and an explanation for such deviation. The report shall include the anticipated impact of any delay and a plan for returning to the initial schedule. All changes to the schedule since the last report shall be identified;
- 6.14.2 A summary of the activities performed by Supplier and/or its Subcontractors since the previous report;
- 6.14.3 An updated list of Supplier and ISR's action items, open issues and their status;
- 6.14.4 A description of current and anticipated project problems/complications and

the steps that have to be taken in order to resolve such problems;

- 6.14.5 Copies of quality assurance documents, test results and certificates of materials and systems, answers to deviation reports, intended to form or forming part of the Works;
- 6.14.6 Supplier shall submit to IPM's review existing drawings, summaries, special studies and reports as may be requested by the IPM from time to time, as well as provide access to detailed drawings and calculations;
- 6.14.7 Supplier shall provide all assembly and other drawings, technical documentation and catalogues necessary to perform proper maintenance operations;
- 6.14.8 Supplier shall timely provide any and all documents required in the Technical Specifications and as specified therein;
- 6.14.9 Supplier shall submit all documentation, reports, design, drawings and other documents specified in the Technical Specifications for ISR's approval. In addition, ISR shall be entitled to require from Supplier to submit to ISR any other drawings including all dimensions in softcopy, 3D files or AutoCAD files and/or documents and/or design in connection with the Vehicles and/or the Works reasonably required by ISR; Such documents and drawings shall be for ISR internal use only and shall be kept confidential.
- 6.14.10 For the removal of doubt, Supplier shall not be entitled to any compensation or payment from ISR and/or from any third party with respect to any documentation and/or drawings and/or reports to be provided to ISR under this Agreement;
- 6.14.11 In the event of any discrepancy, conflict, ambiguity, uncertainty and/or inconsistency between any of the above documentation and the provisions of this Agreement including its Appendices, the provisions of this Agreement shall prevail. Supplier hereby undertakes to specifically notify the ISR in writing in the event of such uncertainty;
- 6.14.12 ISR, at its sole discretion, may record or copy any information, provided by Supplier under this Agreement, regardless of form or media.

7. Supervision; Access to Places of Production; Inspections

- 7.1 **Supervision by ISR.** ISR shall be entitled (but not obligated) to monitor and supervise the performance of the Works with regards to the provision of the Vehicles and the Warranty, by itself or through any third party in Israel and/or abroad, and Supplier undertakes to cooperate as required with respect thereto including submitting all information required by ISR and/or any third party on its behalf. Such supervision, if applicable, shall not derogate from any provision of this Agreement and/or from Supplier's liability and responsibility to perform the Works in accordance with the provisions of this Agreement and to supply the Vehicles and/or fulfill the obligations set out in this Agreement, nor shall it impose any responsibility on ISR which is not otherwise expressly set forth in this Agreement.
- 7.2 **ISR's Access.** Without derogating from the generality of Section 7.1 above, ISR, by means of any person acting for or on its behalf, shall at all times, have free access to all places of production, including but without limitation the factories, sites, offices, workshops, and other places where the Works (including any material or component

being part of the Works) are being produced, assembled or completed, either in Israel or abroad. Such right to free access shall include, without limitation, the right to inspect the Works (including any material or component being part of the Works) at any stage of design, production, assembly, testing and commissioning. In the event of a request to inspect the Works at times other than normal working hours, the Parties shall mutually agree as to the time(s) at which such inspection shall be carried out and shall be granted free access to any information required by ISR and/or any third party on its behalf. Nothing herei"n shall be construed as restricting or limiting in any manner ISR's access to the Supplier sites where the Works are being performed, and ISR shall at all times have free and unrestricted access to such sites.

- 7.3 **Places of Production and Tests.** Supplier hereby undertakes that the place of production (assembly and integration plant) of the TMVC shall be [redacted] [Note: to be approved by ISR] ("Supplier's Factory"). Any change in Supplier's Factory is subject to prior written approval of ISR at its sole discretion. Supplier alone shall bear and pay any and all costs and expenses incurred by ISR in connection with the review of a new place of production proposed by Supplier and ISR and shall be entitled to approve or to reject any such proposed place of production and tests at its sole discretion. Without derogating from the generality of the above, the standards in any new place of production and tests proposed by Supplier shall not be inferior to the standards in the place of production and tests previously approved by ISR and shall comply with any and all requirements of the Technical Specifications. For the removal of doubt, request by Supplier to change a place of production and tests and review by ISR as per the above shall not give grounds to any delay or extension in the timetables set forth in the Delivery Time.
- 7.4 **Assistance by Supplier.** Without derogating from the above, Supplier shall afford free of charge any assistance and access reasonably requested by ISR's inspectors and duly authorized representatives in order to enable them to carry out inspection, checking and tests in connection with this Agreement and provide them with any information requested.
- 7.5 **Access to Subcontractors Locations.** Without derogating from the above, work for or in connection with the Works is being carried out at a Subcontractor's premises, Supplier shall, by a term in the Subcontractor agreement, secure similar rights of access by ISR or by means of any person acting for or on its behalf as set out in this Section, and shall take all action necessary to make such rights effective.
- 7.6 **Rejection of the Works, Materials and Components.** If any of the Works, materials or components, whether completed or in process, is rejected on inspection, the same shall be marked in a manner satisfactory to the IPM, so as to ensure its subsequent identification as a rejected article. If no other solution is provided by Supplier that is acceptable by ISR, Supplier shall within seven (7) days or within such other reasonable time, pull down, take out, separate and sort out any such marked Works, materials or components so rejected. Materials or components of the Works or the entire Works rejected under this Section shall not be considered as having been delivered under this Agreement and Supplier shall, without delay, replace and deliver satisfactory materials, components or Works at Supplier's sole cost and expense. No such rejection shall give grounds to any delay or extension in the Delivery Time.
- 7.7 **Inspection not to Relieve Supplier's Obligations.** Inspection, examination, rejection or approval with no objections by ISR of finished or unfinished Works or of materials

or components shall neither relieve nor derogate from Supplier's obligation to execute and complete the Works in strict accordance with the requirements of this Agreement, or impose any liability or responsibility on ISR.

8. Purchase Order

- 8.1 Subject to the Supplier's fulfillment of all of its obligations pursuant to this Agreement, ISR intends to purchase from time to time the Vehicles by issuing a written Purchase Order dully signed by ISR all on a non-exclusive basis ("**Purchase Order**").

Within sixty (60) days of the Effective Date ISR intends to issue a duly signed Purchase Order for up to 5 TMVCs (the "**Initial Order**").

- 8.2 In addition to the Initial Order, and within twelve (12) months of the Effective Date, ISR shall have the right to purchase additional Vehicles at the same price as the Initial Order (the "**Additional Order**").

Following the first year of the Agreement, and for the rest of the Agreement Period, ISR shall have the option (but shall not be obligated) to purchase from the Supplier some additional TMVCs (the "**Optional Purchase Order**").

The terms and conditions of this Agreement, Appendices included, shall apply, *mutatis mutandis*, to the Additional Order and/or to the Optional Purchase Order subject to Section 9.6 hereunder. For the prevention of any doubt, it is hereby expressly emphasized that ISR is under no obligation whatsoever to place certain or any Additional Order and/or Optional Purchase Order.

- 8.3 Upon receipt of a Purchase Order by email, Supplier shall confirm via email receipt of the Purchase Order to ISR's contact person. An original document of such confirmation shall be sent to ISR via air mail.
- 8.4 The Parties' contact persons are as follows, or any replacement contact persons as notified in writing by one Party to the other:

For ISR:

Israel Railways Ltd.

Address:

Telephone:

E-mail:

("IPM")

For the Supplier: _____

("SPM")

Each Party shall, in writing without undue delay, notify the other Party of changes in contact persons or addresses.

- 8.5 The Supplier will endeavor to furnish a secured E-mail service or other equivalent means, in accordance with ISR safety requirements, which will be used by both Parties for the purpose of ordering procedure, requests, queries, reports etc.
- 8.6 The following original documents will be supplied by Supplier to ISR:
- 8.6.1 Commercial invoices. The invoice/s shall include a clear reference to this Agreement, the amount, part number (inclusive of serial number), if any, quantity, delivery note number, shipping date, Supplier's company registration number, harmonized system (HS) classification number of the Vehicles and ISR's order number for the Vehicles;
 - 8.6.2 Original Certificate of Origin and Non-Manipulation Certificate, if required;
 - 8.6.3 Bill of Lading - issued in ISR's name;
 - 8.6.4 Packing Lists;
 - 8.6.5 Any and all other documentation necessary to release the Vehicles and/or any part thereof from customs in an expeditious manner and to facilitate payment, e.g. the documents that will enable ISR to clear the Vehicles and/or any part thereof through customs and which will enable ISR to make payment in foreign currency in accordance with the applicable Israeli law.
- 8.7 Original copies of all of the above-mentioned documents **must arrive** at ISR's designated Site at least **five (5) calendar days before** the arrival of the ship delivering the Vehicles or any part thereof to Israel. In addition, copies of all of the above-mentioned documents shall be sent to ISR by E-mail simultaneously with the delivery of the originals. The above-mentioned documents **must** be forwarded solely in ISR's name and shall state ISR's exact name.

9. Consideration

- 9.1 The consideration payable for the Works including design, integration, manufacture, supply, Training, Warranty, support, testing and examination of the requested Vehicles as well as for all ancillary services and materials, equipment, licenses to software, hardware, spare parts and all undertakings of Supplier under this Agreement required for the execution and completion of the Works and for the fulfillment of all of the Supplier's obligations in accordance with the terms and conditions of this Agreement, to be paid by ISR to Supplier, shall be the consideration set forth in **Appendix B** (the "TMVC Price" and/or the "Vehicles Price").
- 9.2 ISR shall be entitled to deduct from any and all sums payable pursuant to this Agreement the amounts ISR is legally required to withhold at source, unless an appropriate exemption has been provided by Supplier, as applicable, prior to the date of such payment, and any amount so deducted shall be deemed for any and all purpose to have been paid in full by ISR under this Agreement. The Supplier shall be responsible to obtain any appropriate exemption.
- 9.3 The TMVC Price shall be the final, complete and inclusive price for the manufacture, supply and delivery of the Vehicle and for the performance of the Works and ancillary services related thereto. There will be no adjustment whatsoever for the Vehicle Price specified in the Consideration Appendix, and it shall only be linked to the index as detailed in **Appendix B - Consideration**.

- 9.4 To preclude any doubt, it is hereby clarified that all taxes, fees, duties, licenses, costs or other payments that are to be paid in connection with the exportation, supply and delivery of the Vehicles, including but not limited to all types of importation and custom duties and services, such as transportation costs, customs agents' fees, purchase tax (in Hebrew "Mas Kniya" or "מס קנייה"), wharfage fees (in Hebrew "Dmei Ratzif" or "דמי רציף"), cleaning of the containers, unstuffing and unloading at the Site, Israeli customs duties, port handling fees (in Hebrew "Dmei Nitul" or "דמי ניטול"), port infrastructure fees (in Hebrew "Dmei Tashtit" or "דמי תשתית"), cam locks for discharging the TMVC at port, supervision while discharging at port, discharging terms at port, etc. shall be considered as part of the Vehicle Price and shall be borne solely by Supplier.
- 9.5 Notwithstanding the above, ISR shall be required to pay, if applicable, the VAT (and only the VAT) imposed by the Israeli Tax Authorities on the TMVC, as applicable.
- 9.6 In the event that ISR shall issue purchase orders in the form described under Section 8.2 above, the additional and/or optional TMVCs' Price shall be in accordance with the prices specified under **Appendix B**, *inter alia*, as specified under Sections 9 and 10 to the abovementioned Appendix.

10. Terms of Payment

Payment by ISR to Supplier shall be made as follows:

- 10.1 A down payment of thirty percent (30%) of the purchased TMVC Price shall be paid to Supplier within forty-five (45) calendar days after the end of the month following POD ("**Down Payment**"), provided that Supplier has provided ISR at least thirty (30) calendar days prior to the payment with all of the following:
- 10.1.1 an invoice in the amount of the Down Payment; and
 - 10.1.2 a Down Payment Guarantee issued in accordance with the terms and conditions set forth in Section 18 below;
 - 10.1.3 the Performance and Warranty Guarantee as defined in Section 18 below.
 - 10.1.4 The DDP, ITP, QAP, ISA and Training Plan and all other documents detailed under Section 20 of the Technical Specifications.
- 10.2 A second payment of fifty (50%) percent of the purchased Vehicle Price shall be paid to Supplier within forty-five (45) calendar days after the end of the month following the provision of the Certification of Completion of Foreign Acceptance Tests (the "**Second Payment**"), provided however that Supplier has provided ISR at least forty five (45) calendar days prior to the payment with all the following:
- 10.2.1 an invoice in the amount of the Second Payment; and
 - 10.2.2 a Payment Guarantee issued in accordance with the terms and conditions set out in Section 18.318 below, in the amount of the Second Payment (the "**Payment Guarantee**").
 - 10.2.3 a Form of Certificate of Completion of Foreign Acceptance Tests, issued and signed by Supplier in the form attached hereto as **Appendix D** and countersigned by IPM to be sent to Supplier within 14 days after receipt of said Certificate.
- 10.3 The remaining balance of twenty (20%) percent of the purchased Vehicle Price shall be paid to Supplier within forty-five (45) calendar days following the issuance of the

Final Acceptance Certificate (the "**Balance Payment**"), provided that Supplier has provided ISR at least forty-five (45) calendar days prior to the payment with all the following:

- 10.3.1 an invoice in the amount of the Balance Payment;
 - 10.3.2 the Final Acceptance Certificate, in the form attached hereto as **Appendix E**, signed by ISR, and sent to Supplier within 14 days after signing, as set forth in Section 012 (ISA, Testing, Notified Body and Acceptance Tests) below.
- 10.4 Payments under this Agreement shall be made to Supplier by means of bank transfer to Supplier's bank account as specified in the form attached hereto as **Appendix C**.

11. Terms of Delivery and Delivery Times

- 11.1 The terms of supply and delivery of the Vehicles shall be DAP at ISR's Site, and subject to the expressed terms and conditions defined herein in this Agreement (the "**Delivery Terms**").
- 11.2 The time for delivery of the ordered Vehicles shall not exceed twenty-four (24) months following the issuance of a Purchase Order ("**Delivery Time**").
- 11.3 As an integral part of the delivery of the ordered Vehicles and concurrently with the supply of the Vehicles, Supplier shall supply to ISR on DAP terms to ISR Site the complete and full set of all Spare Parts for Preventive Maintenance for all ordered TMVCs for the Preventive Maintenance to be carried out during the entire Warranty Period.
For the avoidance of any doubts, and since any and all Spare Parts for Preventive Maintenance shall be delivered with the Vehicle, The Delivery Terms and Delivery Time of the Vehicles shall apply *mutatis mutandis* to the Spare Parts for Preventive Maintenance.
- 11.4 At least 60 days prior to Delivery Time, Supplier shall submit to ISR the documentation detailed in Section 23 of the Technical Specifications.
- 11.5 It is hereby stated by Supplier and mutually understood by the Parties, that notwithstanding the Delivery Time, Supplier shall make its best efforts, in order to shorten the Delivery Time, as much as possible.
- 11.6 **Passage of Title**
 - 11.6.1 The ownership and title to the Vehicles and any part thereof shall fully pass to ISR free and clear of all security interests, liens, attachment, encumbrances and any other rights or claims of any kind of any third party, upon the date of issuance by ISR of the Final Acceptance Certificate. The passing of title to ISR and the vesting of ownership rights shall be without prejudice to any right that may accrue to ISR under this Agreement.
 - 11.6.2 ISR shall bear no responsibility for any Works performed or materials, components or equipment used by Supplier or deposited with any Subcontractor, including such materials, equipment or Vehicles being stored or that have been placed at any site and which are lost, stolen, damaged, destroyed or otherwise fail prior to Final Acceptance Certificate. Supplier shall

be solely responsible to protect completely and preserve entirely the Vehicles and any related Works, components, material and equipment until the Final Acceptance thereof.

12. ISA, Testing, Notified Body and Acceptance Tests

- 12.1 Upon the entry of this Agreement into force, Supplier shall employ, at its own cost, an Independent Safety Assessor ("**ISA**"), to be prior approved by ISR in writing, that shall meet the requirements set under Section 20.2 of the Technical Specifications. ISA shall assess and manage the risks of the Works and monitor that the safety level and safety requirements of the Vehicles are maintained. ISA shall report to IPM from time to time, at the completion and delivery of the Vehicles, and be subject to IPM's requests.

Supplier engages to perform Works in accordance with ISA's instructions

- 12.2 Within thirty (30) days following the POD, Supplier shall submit to ISR, for its approval, an Inspection and Test Plan for the TMVC (the "**ITP**"). The ITP shall include a description of all inspections and tests to be carried out during the production and assembly of the relevant Vehicle or parts thereof and all inspections and tests to be carried out prior to and during the actual acceptance tests and their respective minimum acceptance criteria. ITP shall further include all tests, inspections, checks, examinations, etc., required by pertinent and internationally accepted standards, rules or codes.
- 12.3 The approved ITP shall be attached to this Agreement as **Appendix L**.
- 12.4 ISR shall be entitled to participate in all the Foreign Acceptance Tests and have any or all of the Vehicles inspected in order to ensure compliance with the Technical Specifications and the terms of this Agreement. ISR shall be given advance notice of at least 30 business days prior to the conduction of the test. Supplier shall be responsible for all equipment and resources and shall bear any and all expenses with regards to the Foreign Acceptance Tests, excluding flights, room and board for up to 3 different visits of ISR's representative in Supplier's sites.
- 12.5 Upon the completion of the assembly of the purchased Vehicles, Supplier shall: (1) conduct all the relevant tests and inspections of the purchased Vehicles in accordance with the ITP and the Technical Specifications. ISR shall be notified of completion of assembly of the TMVC prior to commencement of the tests; (2) submit to ISR a certificate issued by a Notified Body (as defined below) assuring that the purchased TMVC have been approved by such Notified Body for operational use in accordance with EN14033 ("**Notified Body Certificate**"). Such Notified Body Certificate (in the English or a certified translation into English) shall detail all standards according to which the approvals were made. All costs and expenses required in order to receive the Notified Body Certificate shall be solely borne by Supplier. The Notified Body Certificate shall relate to any and all purchased Vehicles.

For the purpose of this section "**Notified Body**" means a body accredited by a national railway authority/regulator or an international railway authority authorized to provide the applicable accreditation, as approved by ISR in writing and in advance. Supplier shall furnish ISR upon request with information regarding the experience and accreditation of a Notified Body including documents relating to its accreditation. All

documents produced by Notified Body as a result of the inspection of the TMVC shall be provided by Supplier to ISR for inspection.

- 12.6 Upon completion of said acceptance tests and the receiving of a Notified Body Certificate by ISR, to the full satisfaction of ISR, Supplier shall prepare for ISR's signature Foreign Tests Acceptance Certificate in the form attached as **Appendix D** attesting that the purchased Vehicles are: (1) in full compliance with all of the terms and requirements of this Agreement including the Technical Specifications and the ITP; and (2) the purchased Vehicles are without any discoverable damage, fault or defect.
- 12.7 It shall be clarified that if the Foreign Acceptance Tests reveal that any item of Vehicles does not comply with the Technical Specifications or if any of the materials or components is discovered to be defective or inferior in quality, **ISR may reject the said Vehicles**. Therefore, the purchased Vehicles or any part thereof, shall not be shipped to Israel prior to ISR issuance of the signed Foreign Tests Acceptance Certificate.
- 12.8 Upon delivery DAP of the purchased Vehicles or any part thereof to the Site, Supplier shall perform all Works required to bring the TMVC to a full operational condition in accordance with the applicable terms and conditions defined herein in this Agreement and in the Technical Specifications. the completion of the Works, including the testing, commissioning, ITP, Training, and the tests specified in the ITP on Site shall be made to ISR's full satisfaction, Supplier shall complete and sign a Final Acceptance Certificate, in the form Attached hereto as **Appendix E** (a "**Final Acceptance Certificate**"), declaring that Supplier has fulfilled any and all of its obligations in accordance with the Agreement and that the TMVC and/or any part thereof confirms to the standards, requirements and specifications set out in the Agreement. For the avoidance of any doubt, unless Training is completed to the full satisfaction of ISR and ISR received all Spare Parts for Preventive Maintenance, a Final Acceptance Certificate shall not be issued.
- 12.9 Without derogating from the above in order to receive a Final Acceptance Certificate, the SPM or a qualified technical representative shall be present in Israel during the Final Acceptance Tests and procedures detailed in the ITP and this Section. Supplier shall bear all expenses related to such visit.
- 12.10 Supplier shall be responsible for the supply of any equipment, resources, ancillary services and expenses with regards to the ITP and all costs related to the testing and acceptance procedures specified in this Agreement shall be included in the Vehicles Price and Supplier shall not be entitled to any additional consideration for the provision of the testing and acceptance procedures specified herein. Notwithstanding the above, ISR shall bear all flights, room and board for expenses of ISR's personal and/or ISR's representative present in the testing and acceptance procedures.

13. Warranty

- 13.1 Supplier confirms and warrants to ISR that commencing on the issuance date of the Final Acceptance Certificate and for a period of twenty four (24) months thereafter, the Vehicles, and any part thereof (including software and hardware components as well as any materials, system embedded in the Vehicles), shall operate and perform to

the maximum extent of its capabilities and in all respects in strict accordance with the terms and the conditions of this Agreement, including the Technical Specifications, and be free of any faults, defects and/or deficiencies, including but not limited to any faults, defects and/or deficiencies in design, material, workmanship, dismantling for sea and land conveyance, assembly, materials, components, software, hardware, etc.). (the warranty under this Section shall be referred to as the "**Warranty Period**" or "**Warranty**")

- 13.2 Warranty shall include, among others, any and all equipment, spare parts, hardware, software (including software updates and upgrades), and maintenance tools required for the maintenance and operation of the Vehicles.
- 13.3 Supplier confirms and warrants that, as an integral part of the Warranty Period, the Supplier shall provide ISR, without any additional charge or cost, with training corrective maintenance, replacement of spare parts resulting from the corrective maintenance, and troubleshooting.
- 13.4 For the avoidance of any doubt, ISR shall perform at its own cost and expense all preventive maintenance using the Spare Parts for Preventive Maintenance supplied by Supplier in accordance with the Training. Suppliers shall be responsible for correcting at its own cost and expense any defect and/or deficiencies in the preventive maintenance provided that such defect and/or deficiencies are a result of lack of equipment and/or Spare Parts and/or materials in the Spare Parts for Preventive Maintenance supplied by Supplier and/or insufficient Training to ISR.
- 13.5 As an integral part of the Warranty during the Warranty Period, Supplier shall supply and install updates of all Software and of changes (including Minor Releases and New Editions) for applications and system components to what is available on the market. Installing any New Edition or Minor Release shall be subject to ISR's prior written approval. Supplier shall notify ISR of the existence of any update or new version release and will detail the implications of the installation and hardware and software requirements associated with it, if at all. For the avoidance of doubt, it is hereby clarified that the aforesaid shall not require ISR to order from the Supplier the updates, New Editions and Minor Releases mentioned above, and ISR shall have the sole discretion whether to install the same. Supplier will provide the full documentation and training required and acceptable for the changes and for the updated editions and versions, so that ISR is in possession of documentation compatible with the latest updates made to the system at any given time.

"Minor release"– update to the latest release of the Software, released by Supplier and/or third party relating to the Software from time to time, with the repair as the main purpose.

"New Edition" -A Major Release, a new and updated version of the Software, released by Supplier and/or third party relating to the Software from time to time in order to improve functionality vis a vis the previous edition.

- 13.6 The Supplier shall keep complete records of all repairs and replacements made to each Vehicle, its parts, components and systems, and shall provide it to ISR upon request.
- 13.7 The Warranty Period shall also include, as an inseparable part thereof, without any additional charge or cost, every six months, support visit in Israel for at least three (3)

Business Days ("**Service Support Visit**"). The Service Support Visit shall be conducted by an adequately staffed qualified and expert at hands team. Without derogating from the above, Supplier shall bear all costs of such visit, including flights, Visa, room and board of its personnel and/or representatives. The schedule of the Service Support Visit shall be coordinated with ISR in advance.

ISR shall have the right to instruct the Supplier to conduct additional visits ("**Additional Service Support Visits**"), subject to ISR's discretion and in accordance with ISR's needs. The costs of such Additional Service Support Visit will be borne by ISR, including flights, Visa, room and board of Supplier's personnel that shall be prior approved by ISR.

- 13.8 ISR shall promptly inform the Supplier of a Work defect it is aware of after discovery of such defect. Supplier shall not bear responsibility for defects if such defect is a result of gross negligence and/or vandalism on the part of ISR to the Vehicles.
- 13.9 Without derogating from any rights or remedies available to ISR according to this Agreement and/or under applicable law, upon receipt by Supplier of a written notice from ISR, Supplier, at its sole cost and expense and within the time set out in this Section below and in accordance with the severity of the defect, shall: (i) promptly investigate and examine the Vehicle or any part thereof; (ii) remedy, cure, repair, replace (including the supply and installation of the new components), fix and take any action necessary to remedy any defect, deficiency, damage or loss, due to any failure, fault, shortcoming or non-conformity, such as faulty or negligent design (including errors and omissions in design), workmanship, materials or components, assembly or software, all in order to bring the Vehicle back to functionality in full compliance with this Agreement and the Technical Specifications.
- 13.10 Without derogating from its other obligations under this Section, Supplier further certifies and confirms that during the Warranty Period it shall provide ISR without any additional charge or cost the following:
 - 13.10.1 Malfunction report service that shall be available during Business Days from 7:00 until 17:00 through human staffed stations
 - 13.10.2 In case of a Severe Malfunction, the Response Time shall not exceed twenty-four hours and the Resolution Time shall not exceed 10 (ten) Business Days from the report of the problem. In such time ISR may demand upon its sole discretion the personal and uninterrupted presence of professional representatives of the Supplier in the Site, having the appropriate skills and in the relevant number as the case may be, at no additional charge ("**Presence on Site**"), and Supplier shall immediately comply with such demand.
 - 13.10.3 In case of any other malfunctions, the Response Time shall not exceed twenty-four hours and the Resolution Time shall not exceed 15 (fifteen) Business Days from the report of the problem. In such time ISR may demand Presence on Site and Supplier shall immediately comply with such demand.
 - 13.10.4 If Resolution Time has elapsed without a solution having been found, Supplier shall supply to ISR a new Vehicle conforming without all requirements of this Agreement and/or new equipment and/or Software to be replaced and/or install, and Supplier shall immediately comply with such demand.

- 13.10.5 Without derogating from the above and in addition, in the event that Supplier fails to remedy a Severe Malfunction within the timeframe specified therein, ISR shall be entitled to charge the Supplier with liquidated damages amounting to 1,000 € for each day during which the Severe Malfunction was not resolved (from the fourth day and onwards) ("**Sever Malfunction Liquidated Damages**").
- 13.10.6 Without derogating from the above and in addition, in the event that Supplier fails to remedy a malfunction which is not a Severe Malfunction within the timeframe specified therein, ISR shall be entitled to charge Supplier with liquidated damages amounting to 500 € for each day during which the Vehicle is not fully available for operation ("**Malfunction Liquidated Damages**").
- 13.10.7 Treatment of any malfunction shall be continuous until the solution is found, i.e. until the malfunction is repaired or until a reasonable way is found to circumvent it. The report by ISR's representative as to the malfunction shall include the categorization of the malfunction (whether severe or not) according to his discretion. A solution which is circumvented shall not absolve the Supplier of its duty to repair the malfunction or be considered a solution to the malfunction for any respect.
- 13.10.8 For the removal of doubt, the Sever Malfunction Liquidated Damages and/or the Malfunction Liquidated Damages as herein provided shall not derogate from any other rights or remedies available to ISR under any applicable law or under this Agreement.
- 13.10.9 For the removal of doubt, ISR may recover any sums due to ISR with regard to such Sever Malfunction Liquidated Damages and/or the Malfunction Liquidated Damages from the guarantee provided by Supplier or by set off from any consideration under this Agreement.
- 13.11 For the avoidance of doubt, the Warranty requirements specified herein are irrespective of whether the defect, deficiency, malfunction or deviation from this Agreement was already present upon the issuance by ISR of any Acceptance Certificate.
- 13.12 Additionally, it is hereby clarified that Supplier shall not be entitled, directly or indirectly, to receive any additional reimbursement, consideration, cost, fee and/or payment for the provision of the Warranty and/or any Service Support Visit and the Vehicles Price is deemed as the final complete and inclusive price for the provision of the Warranty and all obligations and undertakings pertaining thereto as well as for all ancillary services and Works required for the provision of the Warranty (including the Service Support Visit).

14. Annual Optional Service Support

- 14.1 ISR shall have an option, exercisable at its sole discretion, to require Supplier to provide Service Support Visits for the Vehicles commencing upon the completion of the Warranty Period (the "**Annual Optional Service Support Visit**"). ISR may decide, at its sole discretion, whether to purchase from Supplier the Annual Optional

Service Support Visit, ISR shall notify Supplier in writing of the exercise of its rights pursuant to this Section no fewer than 30 days prior to the end of the Warranty Period and/or at the end of each year it has purchased the Annual Optional Service Support Visit, as applicable. The maximum number of years in which ISR may purchase Annual Optional Service Support Visits shall not exceed 2 years starting from the end of the Warranty Period.

- 14.2 All Supplier's undertakings during Warranty Period regarding the Annual Optional Service Support Visits shall apply mutatis mutandis during the Annual Optional. Subject to Supplier's successful completion of the each Annual Optional Service Support Visit, ISR shall pay Supplier Fifty Percent (50%) of the Annual Optional Service Support Visit Price within 60 days after an invoice in the amount of Fifty Percent (50%) of the Annual Optional Service Support Visit Price for the relevant visit has been issued to ISR. The Annual Optional Service Support Visit Price shall be linked in accordance with the linkage mechanism set forth in the Consideration Appendix.

15. Spare Parts

- 15.1 During the Warranty Period, Supplier shall provide any required Spare Parts for Preventive Maintenance, at no extra cost. The above mentioned Spare Parts shall be provided in accordance with Section 11.3 above.
- 15.2 Without derogating from Supplier's undertaking to provide the Warranty, Supplier undertakes that during a period of twenty (20) years commencing on the date of issuance of the Final Acceptance Certificate, it will supply ISR with all spare parts and tools and updates necessary and/or recommended pursuant to (i) the Technical Specifications, (ii) the applicable manufacturer specifications, and (iii) the best professional practice, required for maintenance and for the repair of the Vehicles or any part thereof, while assuring that the relevant Vehicle and all systems therein shall operate and perform to the maximum extent of its capabilities and in all respects in strict accordance with the terms and the conditions of this Agreement, including the Technical Specifications (the "**General Spare Parts**").
- 15.3 Without derogating from the generality of Section 15.1, Supplier shall furnish a detailed Spare Parts list of all necessary and recommended Spare Parts and their prices, in the form attached hereto as **Appendix M** (the "**General Spare Parts List**"). The General Spare Parts List shall be in English or Hebrew and shall quote the delivery time, description, original manufacturer's name, part number of original manufacturer and the prices DAP ISR's Site for each Spare Part, and subject to the terms specified in Section 11 (Terms of Delivery and Delivery Times), but excluding terms referring to Delivery Time as specified in Section 11.2, as each spare part may have a different supply time, all as specified under **Appendix M**. The General Spare Parts List shall be linked in accordance with the linkage mechanism set forth in **Appendix B - Consideration**.
- 15.4 Notwithstanding the above, should any of the General Spare Part become unavailable for any reason whatsoever, Supplier undertakes: (1) to inform ISR of such in writing, as soon as possible; and (2) to provide an adequate substitute at a comparable price.
- 15.5 Without derogating from Supplier's obligation under Sections 15.2 - 15.4 above, it shall be clarified that ISR shall not be bound to purchase any General Spare Parts, or

its substitute, from the Supplier. Supplier shall, however, support ISR in such acquisition of General Spare Parts and provide, *inter alia*, technical information and advice.

16. Liquidated Damages

- 16.1 Without prejudice to any other relief and/or remedy available to ISR under this Agreement, the Technical Specifications or under Applicable Law, in the event that the delivery of the Vehicles or any part thereof is delayed beyond the specified Delivery Time and/or in the event of any other delay in fulfilling any undertaking of the Supplier pursuant to this Agreement, the Supplier shall pay ISR Liquidated Damages in the sum equal to one-half percent (0.5%) of the value of the Vehicles for each calendar week of delay, or any part thereof ("**Liquidated Damages**"). The Liquidated Damages under this Section shall not exceed a total of seven and half percent (7.5%) of the value of the relevant Purchase Order.
- 16.2 The liquidated damages in this Agreement have been determined after due consideration of the damages the Parties anticipate that ISR will suffer under the specific circumstances to which each specific type of liquidated damage will apply, and therefore they shall not be regarded as a penalty. Payment of any type of liquidated damages under this Agreement shall not be conditioned on ISR having to present evidence of any loss.

17. Alternation of Technical Specifications

- 17.1 ISR reserves the right to alter the Technical Specifications ("**Changes**"). Supplier shall be notified of the alterations in writing by the IPM ("**Change Order**") in a Change Order Form (attached hereto as **Appendix H**). Any Change Order shall specify a date following which the Vehicle and/or any part thereof shall be designed, manufactured and supplied in accordance with the amended specifications.
- 17.2 Within ten (10) Business Days following the receipt of a Change Order, Supplier shall provide ISR with a written confirmation and if applicable, shall state on the Change Order Form requested changes to the Vehicle and/or any part thereof, Vehicle Price, Delivery Time, and any other terms relevant to the provision thereof.
- 17.3 The price for any Changes included in the Change Order which is a supplement or an addition of parts or systems used elsewhere in the Vehicle and/or any part thereof or which are included in the General Spare Parts List, shall be no higher than the price applied to such systems or General Spare Part therein.
- 17.4 Following receipt of Supplier's request for changes as detailed above, the Parties shall, in good faith, review the changes and any changes to the TMVC Price and Delivery Time requested by Supplier.
- 17.5 The Changes will be incorporated in the Vehicle, only after and to the extent that the Parties have agreed as to their impact on the Vehicle Price and Delivery Time. Such agreement shall be set out in writing in the Change Order Form and shall be signed by both parties. For the avoidance of doubt, ISR maintains sole discretion regarding the Changes themselves.

- 17.6 In the event that Supplier objects to any Change Order or any part thereof, due to safety or structural soundness reasons, Supplier shall have a right not to pursue the Change Order and the Parties shall discuss said objections and shall seek a solution to ISR's request for Changes.
- 17.7 Should Supplier find at any time during the design or manufacture of the Vehicles that, in its judgment, existing conditions demand or make desirable or beneficial a modification in the requirements covering any particular item, it shall promptly report in writing, any such matter to ISR for its' decision and instruction.

18. Bank Guarantees

- 18.1 To secure the punctual, complete and entire performance of all of Supplier's obligations under this Agreement, including any Works to be performed by any Subcontractor, Supplier will furnish Performance and Warranty Guarantee, Down Payment Guarantee and Payment Guarantee (collectively, the "**Bank Guarantees**" or "**Guarantees**"), all as specified in this Section below. All Guarantees shall be issued by a first-class bank in Israel, approved in advance (in writing) by ISR.
- 18.2 **Performance and Warranty Guarantee.** No later than seven (7) Business Days following the Effective Date the Supplier shall furnish ISR with an unconditional, irrevocable and autonomous bank guarantee, issued by a first-class bank in Israel, approved in advance (in writing) by ISR, at its sole and absolute discretion, and issued in the form attached hereto as **Appendix G** in the amount equal to seven and half percent (7.5%) of the Vehicles Price to be purchased by ISR subject to Section 8 (Purchase Order). The Performance and Warranty Guarantee shall be valid until two (2) months following the end of the Warranty Period, however, two (2) months following the issuance of an Acceptance Certificate by ISR it sum may be reduced to 5% of the abovementioned sum (the "**Performance and Warranty Guarantee**").
- 18.3 **Down Payment Guarantee.** Before payment by ISR of the Down Payment specified in Section 1010.1 above, and as a condition thereto, the Supplier shall furnish ISR with an irrevocable autonomous bank guarantee in the full amount of such Down Payment (the "**Down Payment Guarantee**").
- 18.4 **Payment Guarantee.** Before ISR effects the Second Payment (as defined in the payment schedule in Section 10.2 above), and as a condition thereto, the Supplier shall furnish ISR with a bank guarantee in the full amount of the payment then due (the "**Payment Guarantee**").
- 18.5 The Down Payment Guarantee and the Payment Guarantee will be in force until, and will be returned to Supplier within sixty (60) days after, and subject to the issuance of an Acceptance Certificate by ISR.
- 18.6 Supplier shall produce and furnish ISR with all Bank Guarantees under this Agreement at the relevant time for furnishing such Guarantees as stipulated in this Section 18.
- 18.7 All Bank Guarantees shall be in the form set forth under **Appendix G** and shall be denominated in Euros only. All such Guarantees shall be unconditional and irrevocable bank guarantees, issued by a first-class bank in Israel acceptable to ISR at its sole and absolute discretion (which acceptance must be recorded in advance and in writing), to

be paid upon first written demand without the need to prove or substantiate the demand.

- 18.8 Except as otherwise specified in this Agreement, the timely submission of any and all Guarantees to be furnished by Supplier to ISR under this Agreement is considered pre-requisites for ISR's execution of any payment due to Supplier under this Agreement.
- 18.9 Supplier shall maintain the Bank Guarantees valid through their respective times as stipulated in this Section 18. If sixty (60) days prior to the expiration of any Bank Guarantee, Supplier has not completed all of the respective obligations to be performed during the time period secured by such Guarantee, or if such period has been extended, Supplier shall provide, at its own expense, a substitute Guarantee meeting the requirements of this Section 18, or extend the term of the relevant Bank Guarantee and notify ISR of such extension, failing which ISR shall be entitled, without derogating from any other remedy that may be available to it under the circumstances, to collect the relevant Guarantee.
- 18.10 Prior to the collection of the Bank Guarantee, ISR shall give the Supplier a seven (7) day notice in which the Supplier shall have the opportunity to rectify the breach.
- 18.11 Collection of the Bank Guarantee or any part thereof by ISR shall not derogate from the right of ISR to terminate this Agreement, nor from its right to any remedy that may be available to it under any Applicable Law and/or agreement or relieve Supplier of any of its liabilities and undertakings under this Agreement, including its liability to indemnify ISR.

19. Insurance

- 19.1 Without derogating from any of the Supplier's responsibilities and liabilities under this Agreement and/or under the Applicable Law, the Supplier shall maintain, at its own expense through a reputable and legally licensed insurer, at all times for as long as any liability under this Agreement may exist, insurance policies as following (hereinafter: **"Supplier's Insurance Policies"**):
 - 19.1.1 **Property Insurance** covering any loss or damage arising out of, or caused by any risk in respect of the manufacturing and/or supply of the Vehicles. The sum insured under the said policy shall reflect the full replacement value of the completed manufactured Vehicles. The policy shall contain a clause stating that the right to receive indemnity payments, equal to the amount of advances already paid by ISR to the Supplier, is reserved solely to ISR and this by irrevocable designation.
 - 19.1.2 **Marine "All Risk" Insurance** against any loss or damage to the Vehicles, arising out of, in course of, or caused by any risk in respect of the transport of the Vehicles.

The policy shall apply from the time of moving the Vehicles from the Supplier' warehouses / premises until arrival within the Site, including loading and unloading, temporary and extended storage and all domestic inland and/or intermediate transits everywhere in the world (including within Israel) irrespective of the terms of sale.

Settlement of claims will be made at 110% of the Vehicles DAP value.

The policy shall contain a clause stating that the right to receive indemnity

payments, equal of the amount of advances already paid by ISR to the Supplier, is reserved solely to ISR and this by irrevocable designation. The policy shall include a waiver of subrogation towards ISR and/or the Israeli Government and/or anyone acting on their behalf, provided that the waiver of subrogation shall not apply in favor of a person who has maliciously caused the damage.

- 19.1.3 **A worldwide Third Party Liability Insurance** with a limit of liability not less than € _____ per occurrence and in the aggregate, covering any liability (including Product Liability) of the Supplier for any bodily injury and/or property damage derived from the execution of this Agreement.
- 19.2 The Supplier shall not cancel any of the Supplier's Insurance Policies nor reduce the scope of coverage thereunder. The Supplier further undertakes to provide ISR with at least sixty (60) days' prior written notice of any cancellation, non-renewal, or reduction in the scope of coverage of any such Insurance Policies
- 19.3 The Supplier waives and shall have no claims or demands of any kind against ISR and/or anyone on its behalf, with respect to the content and/or extent and/or coverage of the Supplier's Insurance Policies.
- 19.4 The Supplier undertakes to indemnify ISR and/or the Israeli Government for any amount incurred by ISR and/or the Israeli Government as a result of a violation by the Supplier and/or any person or entity acting on its behalf of any of the conditions of the Supplier's Insurance Policies.
- 19.5 The Supplier shall be solely responsible for the payment of all premiums and deductibles under the Supplier's Insurance Policies.
- 19.6 The Supplier shall promptly notify ISR of any event that is likely to give rise to a claim under the Supplier's Insurance Policies and shall fully cooperate with ISR, as reasonably required, for the purpose of pursuing and obtaining settlement of any claim under such Insurance Policies.
- 19.7 It is hereby clarified and agreed that any insurance payments shall not derogate from, limit, or otherwise affect the Supplier's liability under this Agreement and/or under Applicable Law.
- 19.8 If, during the Supplier's Insurance Policies period, any changes occur to the value of the Vehicles, for any reason, the Contractor is required to immediately update the sum insured under the Property Insurance and Marine "All Risk" Insurance as stated in clauses 19.1.1 and 19.1.2 above.
- 19.9 Within fourteen (14) days of ISR's initial request, the Supplier shall provide ISR with a duly executed insurance certificate, signed by the Supplier's insurers, confirming the Supplier's compliance with its obligations under this Section 19.

20. Intellectual Property Rights

- 20.1 **Intellectual Property Rights Warranty.** Supplier represents and warrants that it is the owner of all rights and title (including but without limitation Intellectual Property

Rights, as defined below) in and to the Vehicle, as well as in any Works and any component thereof (including, without limitation, systems, parts, software incorporated in the Vehicles or integrated with them), and documentation provided to ISR under this Agreement and the Technical Specification and/or Software, and/or that it has obtained sufficient rights and is authorized to give rights to ISR any such Vehicle, Works or documentation and/or any part thereof and/or Software, by the relevant third parties who developed and/or own and/or hold the Intellectual Property Rights thereof, and that ISR may use any part of said Vehicle, Works and documentation and/or Software in accordance with the terms and conditions of this Agreement, including the operation and maintenance of the Vehicle and for the purpose of interface with other ISR's equipment (whether existing now or in the future).

- 20.2 **Non Infringement Warranty.** Supplier warrants that the Vehicles, Works and/or Software and documentation, and their use by ISR in accordance with this Agreement (i) do not and will not infringe any patents, copyrights, whether or not registered, trade names, registered and unregistered trademarks, service marks, trade dress, domain name registrations and other source indicators; computer software, including databases; trade secrets, commercial secrets, inventions (whether or not patentable and whether or not reduced to practice), know-how, methodologies, or other intellectual property right of any person ("**Intellectual Property Rights**"), and (ii) no claim, action or suit for the misappropriation or infringement of any Intellectual Property Right has been brought or is pending or, to the best of its knowledge, threatened against Supplier and/or any third party from which Supplier has obtained such Intellectual Property Rights in connection with the Vehicle, Works or documentation provided under this Agreement.
- 20.3 **Responsibility of Supplier.** Supplier shall be solely and fully liable and responsible for the use of, and shall fully and timely pay all royalties, fees and other payments with respect to, all Intellectual Property Rights, licenses and rights of whatever type, manufactured, used, implemented or employed in the design, production, completion, use or operation of the Vehicles and Works and/or Software by Supplier or ISR.
- 20.4 **Ownership of Designs, Drawings etc.**
- 20.4.1 The title in and to the designs, drawings, documentation and other technical documents that may and/or shall be submitted by Supplier to ISR according to this Agreement shall pass to ISR. The Intellectual Property rights shall be deemed to be the sole and exclusive property of the Supplier. ISR has the royalty free, non-exclusive right to use these drawing, documentation and other documents to the extent necessary for the use of maintenance of the Vehicles according to this Agreement.
- 20.4.2 All right and title in and to the designs, drawings and other technical documents and information provided by ISR or on its behalf to Supplier as well as all of the documents comprising this Agreement and the contents thereof, shall be deemed to be the sole and exclusive property of ISR.
- 20.5 **Grant of License.** Supplier hereby grants to ISR a perpetual, royalty-free license and right to install, use, have used, reproduce and have reproduced and copy (including for backup archival purposes) all software provided in connection with this Agreement,

and all supporting documentation, as necessary solely to support the use of such software on any hardware for the purpose of operation of the Vehicle.

The foregoing license and right is provided at no extra charge to ISR and is included in the Vehicle Price shall remain in full force and effect after the termination and/or cancellation and/or expiration of this Agreement for any reason whatsoever.

- 20.6 Rights to Use upon Enjoinment - In case any part of the Works is held to constitute an infringement of any Intellectual Property Right of any third party or its use is enjoined, Supplier shall, within a reasonable time and at its sole cost and expense, and without derogating from any other right or remedy available to ISR under such circumstances, either:
- 20.6.1 Secure for ISR the perpetual right to continue the use of such part of the Works by procuring for ISR a royalty-free license or such other free permission as will enable Supplier to secure the removal of any injunction or other relief that was granted; or
 - 20.6.2 Replace such part of the Works with an adequate non-infringing part or modify it so that it becomes non-infringing, without affecting the performance and other qualities of the part in question, all to the IPM's satisfaction.

21. Termination

- 21.1 This Agreement may be terminated by ISR at its sole and absolute discretion at any time, whether before or after commencement of the Works, by giving Supplier prior written notice of at least fourteen (14) days, if any of the following occurs:
- 21.1.1 Supplier transfers the whole or any part of its undertakings pursuant to this Agreement or substantial properties or assets, by a single transaction or by a number of transactions, without obtaining prior written approval of ISR.
 - 21.1.2 Supplier becomes bankrupt, insolvent, or does not pay its debts as they become due, or admits in writing its inability to pay its debts or makes assignment for the benefit of creditors, or liquidation, receiverships, or reorganization proceedings (whether temporary or not) have been commenced against Supplier and have not been removed within twenty-one (21) days.
 - 21.1.3 An attachment order has been imposed and/or any other execution process has been taken with respect to all or a material part of Supplier's assets, or a part thereof which is material for the performance of any of its obligations hereunder and has not been removed within thirty (30) days.
 - 21.1.4 Supplier has stopped managing its business (or substantial portion thereof) or execution of the Works, for a consecutive period of thirty (30) days.
 - 21.1.5 Any representation or warranty made by Supplier in this Agreement and/or any certificate, schedule or other document delivered by Supplier pursuant to this Agreement has been false or materially misleading when made.

- 21.1.6 Supplier breaches any material provision of this Agreement and fails to cure such breach within seven (7) days from the date of ISR's notice.
- 21.1.7 Supplier breaches any provision of this Agreement and fails to cure such breach within twenty (20) days from the date of ISR's notice.
- 21.2 **Restitution of Payments.** Without prejudice to any other remedies available to ISR under any agreement and/or under any Applicable Law, in the event that ISR exercises its right to terminate this Agreement for any of the reasons set forth in Section 21.1, then within thirty (30) days from notification by ISR that it has rescinded or terminated this Agreement, prior to the issuance of Final Acceptance Certificate, Supplier shall return to ISR all payments it has received from ISR in respect of all terminated Works.
- 21.3 **Termination for Convenience.** In addition to, and without derogating from any other right that ISR may have to terminate this Agreement, including but without limitation pursuant to any other provision of this Section and/or to any applicable law, ISR shall have the right to terminate this Agreement at will, without cause and at ISR's sole and absolute discretion by giving the Supplier a 45 (forty five) days prior written notice.
- 21.4 Supplier hereby waives the right to termination under this Agreement and/or under law, for any reason. The sole and only remedy available to Supplier under this Agreement is compensation for breach subject to the terms of this Agreement.
- 21.5 **Effect of Termination**
- 21.5.1 Subject to Sections 21.5.5 and 21.5.6 below, termination of this Agreement will not limit either Party from pursuing any other remedies available to it under any agreement and/or applicable law, and termination or expiration of this Agreement, from whatever cause arising, shall be without prejudice to the rights of the Parties accrued under this Agreement up to the time of termination.
- 21.5.2 The provisions of this Agreement which expressly or by their nature are required to survive termination of this Agreement (including but without limitation provisions regarding Warranty, Intellectual Property and Liability) shall survive the expiration or termination of this Agreement.
- 21.5.3 Upon receipt of any termination notice, Supplier shall, take all required steps and actions to:
- (i) Cease all Works according to the IPM's instructions; and
 - (ii) Transfer to ISR all its rights under all warranties extended by its suppliers.
- 21.5.4 In the event that ISR decides to terminate the Agreement due to its own convenience, Supplier shall be entitled to receive from ISR reimbursement only for orders placed by Supplier prior to the termination notice, and that cannot be canceled by the Supplier.
- 21.5.5 Payment to Supplier (if and to the extent that Supplier shall be entitled thereto) shall constitute the sole and exclusive remedy (monetary or otherwise) to Supplier in connection with the Agreement and/or the cancellation and/or the termination thereof, and Supplier shall not be entitled to any other payment or recourse for loss of profits or to any other remedy that might be available to it under applicable law and/or agreement (including but without limitation

specific performance and/or injunctive relief) in the event of termination of this Agreement pursuant to this Section.

- 21.5.6 No damages or other recourses whatsoever (including but without limitation enforcement of this Agreement) shall be due to Supplier, by reason of any termination of this Agreement in accordance with its terms. In particular, but without limitation, Supplier shall not be entitled to any compensation, reimbursement or damage of any kind for any unjust enrichment or tort claim, if any, resulting from the termination of this Agreement as aforesaid and/or on account of loss of prospective profits or investments and/or loss of goodwill or any other causes.

22. Risks and Liabilities

- 22.1 General. Supplier shall be solely responsible for, and shall defend, indemnify, and hold ISR, including its shareholders, officers, directors, employees and consultants harmless from and against any and all claims, liabilities, demands, suits, proceedings (whether civil or criminal, other than criminal acts of ISR), orders, judgments, penalties, settlements, fines and all associated costs, losses and expenses (including reasonable attorneys' and other professionals' fees) or any other direct damages (collectively, "**Damages**"), which ISR and/or any of the above persons and entities may incur arising out of, incidental to, or connected with any of the following (all without derogating from any other remedy that ISR and/or any of the above persons and entities may be entitled to under the circumstances, pursuant to this Agreement or under any applicable law):
- 22.1.1 the Works, including but without limitation, their design, assembly, integration, adjustment, tests and trials of the Vehicles (and/or any part thereof), as well as the Warranty;
 - 22.1.2 the use of the Vehicles and/or any part thereof, when the Damages arise from faulty design (including errors and omissions in design) or workmanship;
 - 22.1.3 any damage to property, death or injury to persons, arising out of, or in connection with, the Vehicles or the Works;
 - 22.1.4 Supplier's breach of any term or provision of this Agreement or any applicable law;
 - 22.1.5 any claims against ISR made by any Subcontractor arising from, or in connection with, the Works to be performed by the Subcontractor, including but without limitation any payments related to the Works or any part thereof to any Subcontractor;
 - 22.1.6 any negligent or willful act, error or omission by Supplier, its employees, agents, representatives and Subcontractors, in the performance of this Agreement (including, for the removal of doubt, the execution of the Works);
 - 22.1.7 any actual or alleged infringement of Intellectual Property Rights of whatever type arising out of, in connection with, or otherwise resulting from the use of the Works by Supplier, its Subcontractors or ISR.

- 22.2 Payment of Indemnification Amounts. Any amount for which ISR claims for indemnification hereunder shall be paid to it within the time specified in the notice requiring indemnification.
- 22.3 Defense against Proceedings. If any legal action or any other proceeding (collectively "**Proceedings**") are commenced against ISR, in respect of which Supplier may be liable to indemnify ISR under this Section, then the following provisions shall apply:
- 22.3.1 Notice of such Proceedings shall be promptly given to Supplier.
- 22.3.2 Supplier shall, at its sole cost and expense, defend any litigation that may arise from such Proceedings and conduct all negotiations for the settlement of same, provided that any settlement of such Proceedings will be subject to ISR's prior written consent and provided further that Supplier shall not, in connection with such defense and/or settlement (i) injure ISR's reputation; (ii) purport to take any action expressly or implicitly on behalf of ISR; or (iii) purport to make any representation and/or admission regarding and/or concerning ISR or ISR's activities. ISR's written consent shall not be unreasonably withheld.
- 22.3.3 At the request and expense of Supplier, ISR shall afford reasonable assistance to Supplier in the defense of such Proceedings.
- 22.3.4 So long that Supplier timely takes over and properly conducts the negotiations or litigation, Supplier shall not be required to reimburse ISR the fees for services of attorneys retained by ISR (if and to the extent so retained). If ISR finds, however, that Supplier is not coordinating its defense with ISR in a proper manner or fails to defend ISR diligently or if ISR determines, at its sole and absolute discretion, that representation should be by ISR, then ISR may retain the services of attorneys on its behalf and at Supplier's expense, which attorneys will represent ISR in the said Proceedings and may settle such Proceedings, provided that Supplier gives its consent to such settlement in advance and in writing (which consent shall not be unreasonably withheld). For the removal of doubt, the settling of such Proceedings by ISR shall not relieve Supplier of the obligation to indemnify ISR as provided in this Agreement (including without limitation, for reasonable legal fees and expenses incurred by ISR in connection with the enforcement of Supplier's indemnification obligations hereunder).
- 22.3.5 In addition to the above, if ISR is a defendant in any Proceedings, ISR may at its sole discretion participate and retain the services of attorneys on its behalf at its own expense.
- 22.4 Subject to the provisions of Section 22.1, Supplier's total monetary liability towards ISR arising out of or in connection with this Agreement (whether from provisions of the Agreement or of any Applicable Law) shall be limited to 100% of the Consideration according to this Agreement. In the event that the Supplier's total liability sum as per the above has been fully recovered (whether in one or several events), ISR, at its sole discretion, shall have the right (in addition to and without derogating from its rights pursuant to the provisions of this Agreement) to terminate this Agreement subject to a thirty (30) days advance written notice to Supplier.

- 22.5 Exceptions. The provisions of Section 22.4 above shall not apply with respect to:
- 22.5.1 Any Damages to ISR incurred in connection with endemic failures, including but without limitation such damages to ISR as: replacement of components, publication of advertisements and/or manpower specifically assigned to rectification of such faults and damages;
 - 22.5.2 Alleged or actual infringement of Intellectual Property Rights by the Works or any part thereof;
 - 22.5.3 Death or injury;
 - 22.5.4 Claim for payment by any Subcontractor; and/or
 - 22.5.5 liability of the Supplier, its employees, agents, representatives and/or Subcontractors arising out of fraud, or willful misconduct or gross negligence.
- 22.6 Withholding of Payments and Collection on Guarantees. Without derogating from any other rights of ISR under any applicable law and/or agreement, in the event that any claim is made against ISR, or any lien or attachment is affixed against any of its properties, which claim, lien or attachment relates to or is based on circumstances and/or events which fall within the responsibilities and/or indemnification obligations of Supplier as per Section 22.1 above, then unless Supplier provides adequate security, to ISR's satisfaction, that the claim will be covered, ISR may (i) withhold all payments then due or thereafter becoming due to Supplier, until such claim is satisfied and such liens or attachments released, and (ii) settle the matter by paying any such claim or removing such lien or attachment, and recover any amounts required in order to do so by collecting upon any of the applicable Guarantees.

23. Subcontractors

- 23.1 The Supplier shall not engage any subcontractor for the performance of any of its obligations under this Agreement without ISR's prior written approval ("**Subcontractor**").
- 23.2 Supplier shall nominate the Subcontractors detailed in this Section and shall seek ISR's approval on the identity of such Subcontractors in writing and in advance.
- 23.3 Suppliers hereby warrant that all Subcontractors meet and shall continue to meet all conditions detailed in the Technical Specifications.
- 23.4 Suppliers hereby warrant that it shall monitor and supervise the Subcontractors and shall be fully responsible towards ISR and/or any third party to any act and/or omission of such Subcontractors and/or any third party on their behalf.
- 23.5 Without derogating from the above, the approval, non-rejection, recommendation, instructions, directives or determinations made by ISR with regard to the employment of, and/or to the placement any Subcontractors, shall not relieve Supplier of its responsibility to ISR in connection with the execution of the Works, the supply of the Vehicles and the fulfillment of the obligations under this Agreement or from any liability assumed by or imposed upon Supplier under this Agreement and under

applicable law, nor shall it impose any liability or responsibility upon ISR in connection with the Subcontractor, including but without limitation for any acts and omissions done and/or works executed by Subcontractors, and Supplier shall be fully responsible towards ISR for the acts and omissions of the Subcontractors

24. Force Majeure

- 24.1 Neither Party shall be liable for any delay in the performance of this Agreement, if such delay is, directly caused by, or arises from, an impediment beyond the control and without fault or negligence of the Party effected, including a global pandemic but not including the following occurrences: fires, floods, accidents, civil unrest, acts of God, war, governmental interference or embargoes, strikes, or transportation delays of the Vehicles ("**Force Majeure**").
- 24.2 A Party affected by an event of Force Majeure shall (a) promptly notify the other Party in writing of any such event, the expected duration thereof, and its anticipated effect on the Party affected in terms of the performance required hereunder; and (b) make reasonable efforts to promptly remedy any such event of Force Majeure. Any supply delayed due to an event of Force Majeure shall be extended for such time as the event shall continue.

25. Language

- 25.1 This Agreement and any correspondence with regards to this Agreement shall be in English. All correspondence, orders, documentation, drawings, specifications, instructions, manuals etc. made by the Parties in performance of this Agreement will be in English and/or Hebrew.

26. Applicable Law and Settlement of Disputes

- 26.1 This Agreement shall, in all respects, be governed by and construed in accordance with the laws in force from time to time in the State of Israel.
- 26.2 The Uniform Law on International Sales (1964) and the United Nations (Vienna) Convention Contracts for the International Sale of Goods of April 11, 1980 shall not be applicable to this Agreement.
- 26.3 Any dispute in connection with this Agreement including its validity or interpretation shall be exclusively referred to the competent court located in the Central District, Israel, and the competent Israeli courts shall have exclusive jurisdiction in all matters arising therefrom unless otherwise mutually and expressly agreed, in writing, by the Parties.
- 26.4 Dispute not Effecting Delivery. Supplier agrees and undertakes that no dispute shall entitle Supplier to delay or withhold (i) the continuation of the Works so as to meet the Delivery Times or any other times or schedules agreed between the parties, and/or (ii) the performance of the Warranty, subject to ISR paying to Supplier any undisputed amounts.

27. Miscellaneous

- 27.1 Nothing in this Agreement shall derogate from any of the rights, options or remedies of ISR under any law.
- 27.2 **Non-Exclusive**. This Agreement is non-exclusive and ISR, in its sole discretion, may acquire similar or identical Vehicles from any third party at any time, in addition to or in place of, the Vehicles it acquires from Supplier. Without derogating from the Supplier's obligations hereunder, ISR shall be entitled at any time to purchase the Vehicles either directly from Supplier or from any third party.
- 27.3 **Waiver of Lien**. Supplier hereby waives any possessory lien, mechanic's lien or similar possessory or retention right (in Hebrew: "זכות עיכבון") and preservation of ownership (in Hebrew: "שימור בעלות") (collectively, "**Retention Rights**") against ISR with regard to the Vehicles, including, but not limited to, the items of the Works that are in the possession of Supplier in Supplier's workshops and/or facilities or which are in the possession of Subcontractors. Supplier represents and warrants that the consideration to be paid by ISR under this Agreement includes ample financial provisions concerning the waiver by Supplier of all retention rights with regard to the Works, and the payments to be made by Supplier to its Subcontractors contain ample financial provisions for the insertion of a clause requiring a similar waiver by said Subcontractor in connection with the Works.
- 27.4 **ISR's Set-Off Right**. Without derogating from any right of set-off conferred upon ISR elsewhere in this Agreement or under applicable law, subject to a 7 days prior notice to the Supplier, ISR shall have the right to set-off against any amounts that may be owed to Supplier (or to any Subcontractor, as the case may be) pursuant to this Agreement and/or to any other Agreement between ISR and Supplier, any amount, debt or payment owed by Supplier (or by any Subcontractor) to ISR pursuant to this Agreement (including but without limitation in the form of indemnification or compensation for damages, regardless if their sum is liquidated or not).
- 27.5 **Exercise or non-exercise of rights by the Parties**. Consent by a Party to deviate from any of the provisions of this Agreement in a particular case shall not constitute a precedent, and no inference by analogy shall be drawn from it in respect of any other case. If a Party does not exercise any of the rights conferred upon it by this Agreement or any Guarantee arising hereunder in a particular instance, such fact shall not be regarded as a waiver of those rights in any other instance and shall not be considered as implying or indicating a waiver of any right under this Agreement.
- 27.6 **Entire Agreement; Amendments**. This Agreement constitutes the entire agreement between the Parties concerning the subject matter hereof, superseding all prior and contemporaneous drafts (including drafts of the agreement that formed part of the Tender), proposals, negotiations, communications, documents, understandings and agreements, written or oral, with respect to the subject matter of this Agreement, unless specifically incorporated herein by reference. Any such superseded documents shall not be used in any manner for the interpretation of this Agreement and shall not constitute admissible evidence in any proceedings between the Parties. This Agreement may only be amended by a written document signed by both Parties.
- 27.7 **No Third Party Beneficiaries**. All rights and obligations of the Parties hereunder are personal to them. This Agreement is not intended to benefit, nor shall it be deemed to give rise to, any rights to any third party (including, without limitation any Subcontractor).

- 27.8 **Assignment.** This Agreement, including the rights and obligations herein, may not be transferred by the Supplier to any third Party without receiving ISR's prior written consent. ISR may at any time, upon its absolute discretion, assign and/or transfer any and/or all of its rights and/or obligations under this Agreement to the State of Israel and/or any other entity controlled and/or affiliated to the State of Israel ("**State of Israel**") by providing written notice to Supplier ("**Notice of Assignment**").

Upon receipt of Notice of Assignment by the Supplier, the assignment and/or the transfer shall be binding and the Supplier may not object such assignment and/or transfer and shall fulfill any and all obligations resulting from such assignment and/or the transfer as directed by ISR and/or the State of Israel.

Without derogating from the above, the State of Israel may reassign and/or retransfer, upon its absolute discretion and at any time, all of its rights and obligations back to ISR by providing written notice to the Supplier and such reassign and/or retransfer shall be binding and the Supplier may not object such reassignment and/or the retransfer and shall fulfill all obligations resulting from such reassignment and/or the retransfer as directed by ISR and/or the State of Israel. The Supplier hereby waives any and all claims and/or demand against ISR and/or State of Israel resulting from the implementation of this Section by ISR and/or the State of Israel.

- 27.9 **Severability.** If any provision of this Agreement is held or made invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect the remainder of this Agreement, and the invalid or unenforceable provisions shall be replaced by a mutually acceptable provision, which, being valid, legal and enforceable, comes closest to the original intentions of the Parties hereto and has like economic effect.

- 27.10 **Notices.** All notices, unless otherwise expressly provided in this Agreement, shall be in writing and shall be sent by either of the Parties to the other Party by registered mail, personal delivery to the addresses set forth at the head of this Agreement, or by e-mail to the Parties' contact persons to the email address detailed in section 8.3 above, and shall be deemed to have been given seven (7) Business Days after the date on which the notice was posted, or in the case of notice by e-mail, in the Business Day following the day of its delivery, or in the case of personal delivery, at the time of delivery.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT BY THEIR DULY AUTHORIZED REPRESENTATIVES AS OF THE EFFECTIVE DATE.

ISRAEL RAILWAYS LTD.

Signature:

Title:

Printed Name:

Signature:

Title:

Printed Name:

Signature:

Title:

Printed Name:

Signature:

Title:

Printed Name:

Appendix A
Technical Specifications

Appendix B **Consideration**

Appendix C
Supplier's Bank Account Form

PART A – Supplier's Bank Details

[to be completed by the Supplier's authorized signatories]:

On behalf of the Supplier, _____-[Supplier name], we the undersigned,
_____[authorized signatories on behalf of the Supplier],
hereby request that all payments to be paid to the Supplier by Israel Railways Ltd. under this
Agreement shall be made by means of bank transfer to the Supplier's bank account according to the
following details:

Bank Account No.: _____

Swift Code: _____

IBAN Code: _____

Branch Number: _____

Bank Name: _____

Bank Address: _____

Signature: _____

Name: _____

Title: _____

Date: _____

PART B - Certificate of Authorization

[to be completed by an ADVOCATE / C.P.A.]:

I, _____ [Advocate/C.P.A.] of _____, hereby certify that
_____ and _____ are fully empowered by _____
[Supplier] to sign the Bank Account Form, and hereby certify that their signatures upon the Supplier's
Bank Account Form are fully binding upon the Supplier in accordance with the Supplier's articles of
association.

Signature and stamp: _____

PART B - Certificate of Authorization

[alternative authorization: to be completed by the SUPPLIER'S BANK]:

We, the undersigned _____ [Bank] hereby declare that as of _____ [date of Supplier's signature on Part A above] the _____ [Supplier] is the registered owner of the above mentioned account and certify that Part A above has been signed by the Supplier's authorized signatories. We undertake to promptly inform Israel Railways Ltd. regarding any change in the ownership of the account or the authorized signatories.

Signature: _____

Name: _____

Title: _____

Stamp: _____

Appendix D

Certificate of Completion of Foreign Tests

To:

Israel Railways Ltd.
1 Yoseftal St., Lod,
7136801, Israel

From:

[Name of Supplier]
[Street]
[City]
[Country of origin]

Agreement No. _____ (hereafter: "the Agreement")

We hereby certify that all Foreign Tests regarding the TMVC, as defined in the Agreement have been successfully completed at the Supplier's facilities at _____ in compliance with the Technical Specifications and in accordance with the ITP.

We hereby warrant that the TMVC shall not be sent to any port of loading for shipment to Israel and shall not be shipped to Israel before ISR countersigns this signed Certificate of Completion of Foreign Tests.

THIS CERTIFICATE IS ISSUED WITHOUT PREJUDICE TO THE RIGHTS AND POWERS OF
ISR UNDER THE AFORESAID AGREEMENT

Supplier:

Date: _____

Acknowledged and agreed by ISR:

Date: _____

Appendix E

Final Acceptance Certificate

To:

[Name of Supplier]

[Street]

[City]

[Country of origin]

From:

Israel Railways Ltd.

Yoseftal 1, Lod,

7136801, Israel

We hereby certify that the TMVC as defined in Agreement No. _____ (the "**Agreement**"), which was ordered by Israel Railways Ltd. ("**ISR**") according to the Agreement have been received by ISR after the performance of all the tests successfully completed, and trials and training required under the Agreement, Technical specification and ITP were completed.

It is hereby confirmed between the Parties that the granting of this certificate shall not (i) derogate from the Supplier's liability under the Agreement; (ii) create any liability on the part of ISR; or (iii) constitute a waiver of any of ISR's rights under the Agreement.

THIS CERTIFICATE IS ISSUED WITHOUT PREJUDICE TO THE RIGHTS AND
POWERS OF ISR UNDER THE AFORESAID CONTRACT.

Signed: _____ Israel Railways Ltd.

Name

Date

Confirmed:

Signed: _____ for *[Name Of The Supplier]*

Name

Date

Appendix F

Spare Parts for Preventive Maintenance

Appendix G

Form of Bank Guarantee

To: Israel Railways Ltd. ("ISR")
1 Yoseftal St. Lod, 7136801
Israel

Bank Guarantee

Whereas ISR and _____ ("Supplier") entered into Agreement No. _____ on _____ (the "Agreement");

Now, we Bank hereby irrevocably guarantee to ISR due, punctual, true, faithful and satisfactory performance by Supplier of all of the obligations on its part contained in said Agreement, including for the removal of doubt Warranty and ancillary services (as set out in the Agreement), and undertake to be responsible and indemnify ISR for payment by Supplier of all sums of money, losses, damages, costs, charges and expenses that may become due or payable to ISR, by or from Supplier by reason or in consequence of the default of Supplier in performance, execution or perseverance of its said obligations, all in accordance with the provisions therein (the "**Guarantee**").

Nevertheless, the total amount to be collected by ISR from us under this Guarantee, shall not exceed the sum of _____ € (in words) _____ EURO.

This Guarantee is unconditional and shall not be revocable by notice or otherwise and our liability hereunder shall not be impaired or discharged by any extensions of time or variation or alterations made, given, conceded or agreed (with or without our knowledge or consent) under the said Agreement.

This Guarantee shall remain in full force and effect until and including the [day] of [month] [year] and after such date it shall expire.

For collecting any amount under this Guarantee, ISR shall not have to refer first to Supplier, nor shall it have to produce any judgment or any other judicial document, nor shall it have to prove any breach, failure or non-compliance on the part of Supplier or on the part of any person acting for Supplier or on its behalf or in its name, and a written demand or facsimile notice to Guarantor from an authorized representative of ISR shall be sufficient for all purposes of this Guarantee, and specifically shall be sufficient to collect any sum(s) under this Guarantee from the Guarantor immediately upon the demand of ISR.

This Guarantee, and our obligations hereunder, shall be governed by and constructed solely in accordance with the substantive laws of the State of Israel (irrespective of its choice of law principles) and the competent courts in Tel Aviv, Israel, shall have sole and exclusive jurisdiction over every dispute arising from, or in connection with, this Guarantee.

Date

Signature

Appendix H
Change Order Form

Part 1

FROM: _____

ISR Project Manager

CHANGE ORDER NUMBER: _____

DATE OF CHANGE ORDER: _____

TO: _____

Supplier

IN ACCORDANCE WITH OUR AGREEMENT MADE EFFECTIVE AS OF _____, 20__, YOU ARE HEREBY NOTIFIED OF THE FOLLOWING ALTERATIONS TO THE TECHNICAL SPECIFICATIONS, DETAILED BELOW. AS OF _____, 20__, THE TMVC SHALL EFFECTIVELY BE CONSTRUCTED IN ACCORDANCE WITH THE AMENDED TECHNICAL SPECIFICATIONS.

WITHIN TEN (10) BUSINESS DAYS FROM YOUR RECEIPT OF THIS CHANGE ORDER, YOU SHALL PROVIDE US WITH A WRITTEN CONFIRMATION AND, IF APPLICABLE, SHALL STATE REQUESTED CHANGES TO THE TMVC AND/OR ANY PART THEREOF, TMVC PRICE, DELIVERY TIME, AND ANY OTHER TERMS RELEVANT TO THE PROVISION THEREOF. SUCH REQUESTED CHANGES, IF ANY, SHALL BE TREATED IN ACCORDANCE WITH THE AGREEMENT.

(attach additional documentation if necessary)

Description of Alteration to Technical Specifications: _____

Signature: _____

IPM, on behalf of ISR

Date:

Part 2

Supplier's requests for changes

Appendix I
Training Plan

Appendix J
Detailed Design Plan

Appendix K
Quality Assurance Plan

Appendix L
Inspection and Test Plan

Appendix M

General Spare Parts Price List, Prices and Delivery Terms

Appendix N
Safety and Security Regulations