

AGREEMENT No. _____

entered into this _____ day of _____, 2025
(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

ISR and Supplier each referred to hereinafter as a "**Party**" and collectively as the "**Parties**".

- WHEREAS** ISR wishes to purchase various types of Mono-Block Wheels (the "**Mono Block Wheels**" and/or the "**Wheels**") as further specified in this framework Agreement along with its Appendixes; and
- WHEREAS** ISR has published Tender No. 42232 requesting proposals for the manufacture and supply of Mono Block Wheels (the "**Tender**"); and
- WHEREAS** the proposal submitted by Supplier in the Tender was selected 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 Wagons; 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 Wheels as aforesaid.

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** – Acceptance Certificate;
 - e) **Appendix E** – Form of Bank Guarantee;
- 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 to 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 3.5. 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 Factory Acceptance Tests and the Final Acceptance Test subsequent the delivery of the Wheels to the Site in accordance with the Delivery Terms, 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 6.
- 3.4 **"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 Wheels and the Works.
- 3.5 **"Business Day"** – shall mean any day of the week other than Friday and Saturday and excluding official holidays and bank holidays in Israel.
- 3.6 **"DAP"** – The term of delivery for the Wheels 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 7 (Purchase Requirements), 8, 9, 11 below.
- 3.7 **"Effective Date"** – shall have the meaning ascribed to it in the Preamble to this Agreement.
- 3.8 **"Factory Acceptance Tests"** – successful completion of all procedures detailed, *inter alia*, in Section 4 of the Technical Specifications to the full compliance with the Technical Specification and full satisfaction of ISR.

- 3.9 **"Final Acceptance Tests"** – successful completion of all procedures detailed, *inter alia*, in Section 4 and 5 of the Technical Specifications to the full satisfaction of ISR.
- 3.10 **"Purchase Order"** – as defined in Section **שגיאה! מקור ההפניה לא נמצא.** below.
- 3.11 **"Site"** – ISR's site at the following address: Israel Railways- main storage Kishon, 1 Nahum Armen St., Haifa Bay, Israel.
- 3.12 **"Technical Manuals"** – as detailed in Section 9.3 below.
- 3.13 **"Technical Specifications"** – the technical specifications for the Wheels, are as detailed in **Appendix A**.
- 3.14 **"Liquidated Damages"** – shall have the meaning ascribed to it in Section 15 below.
- 3.15 **"Warranty"** or **"Warranty Period"** – shall have the meaning ascribed to it in Section 16.
- 3.16 **"Warranty Guarantee"**– shall have the meaning ascribed to it in Section 13.
- 3.17 **"Wheels"** - shall mean Mono-Block Wheels which complies with the Technical Specifications, attached herein as **Appendix A**.
- 3.18 **"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, commissioning and/or warranty of the Wheels pursuant to this Agreement. 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. Declarations, Representations and Warranties of the Supplier

- 4.1 Supplier specifically declares, represents and warrants that it 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 Wheels in accordance with the terms set forth herein.
- 4.2 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.

- 4.3 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.

- 4.4 No Litigation or Impediment. There are 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.

4.5 Supplier's Examination and Evaluation:

- 4.5.1 Supplier has examined all documents pertaining to the Tender, this Agreement, in particular the Technical Specifications, as well as all other documents comprising the Agreement, and is satisfied with regard to the data, specifications, terms and conditions under which the Works shall be designed, manufactured, assembled, integrated, tested, stored, supplied and delivered to ISR, the execution of the Works required for the provision of the Wheels as well for the fulfillment for any and all obligations under this Agreement;
- 4.5.2 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;
- 4.5.3 Supplier has examined and is fully satisfied with all of the information provided to it by ISR, including ISR's rules and procedures;
- 4.5.4 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 Wheels 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 Wheels, 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.

- 4.6 Supplier accepts that it bears the risk in relation to any information provided (or not provided) by ISR or on its behalf to Supplier (notwithstanding that Supplier was unable to verify the accuracy of such information). Supplier confirms that any attachments to this Agreement and any documents provided to it by ISR are provided strictly on an "AS IS" basis.
- 4.7 Standards - The Works and the Wheels 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 applicable law and/or as instructed by ISR in accordance with ISR's sole discretion. All calculations, designs, integration and drawings related to the Wheels, or any part thereof shall assure the reliability, efficiency, competency as well as the functionality of the Wheels to ISR's full satisfaction.
- 4.8 Compliance with Applicable Law - Supplier is aware and has knowledge of all legal requirements prevailing in the state of Israel that are to 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).
- 4.9 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, expressed or implied, on behalf of ISR.
- 4.10 All Works of Supplier shall be performed in strict compliance with ISR's safety regulations and any other applicable law pertaining to safety at work, as may be in force from time to time. Supplier shall immediately report to the ISR's Representative the occurrence of any accident in connection with the execution of the Works. Supplier shall also report any such accident to the relevant competent authority whenever such report is required, and in any case, register same in the Works log.

- 4.11 Supplier undertakes to reasonably cooperate with any other supplier and/or contractor and/or consultant engaged by ISR and to furnish ISR with all relevant information reasonably required for the interface between the Works and any other equipment and/or infrastructure of ISR.
- 4.12 The Works shall meet the applicable environmental standards in accordance with Israeli law.
- 4.13 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.

5. Supplier's Obligations

- 5.1 Without derogating from any of the Supplier's obligations in accordance with this Agreement and the Works to be conducted in accordance with its terms, the Supplier hereby undertakes, inter alia, to manufacture and supply, during the Agreement Period, all Wheels according to the Technical Specifications, common railway practices and any applicable standards, in accordance with the terms and conditions detailed herein.
- 5.2 The Supplier shall supply the Wheels in accordance with the standards set forth by ISR in the Technical Specifications and/or this Agreement. All Wheels 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 Wheels shall assure the reliability, efficiency, competency as well as the functionality of the Wheels (once installed) to ISR's fullest satisfaction.
- 5.3 During the Agreement Period, Supplier must remain certified in accordance with ISO 9001 as may be updated from time to time and/or equivalent standards and shall provide ISR with evidence thereof. Supplier shall immediately notify ISR in any event that the said certification is suspended and/or canceled and/or not continued, and it shall do so as soon as practicable and in any event within no more than seven days from such event.
- 5.4 This Agreement is non-exclusive and ISR, in its sole discretion, may acquire similar or identical Wheels from any third party at any time, in addition to or in place of, the Wheels it acquires from Supplier. Without derogating from the Supplier's obligations hereunder, ISR shall be entitled at any time to purchase the Wheels either directly from Supplier or from any third party.
- 5.5 **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.

- 5.6 Nothing in this Agreement shall derogate from any of the rights, options or remedies of ISR under any law.

6. Term of Agreement

- 6.1 This Agreement shall commence on the Effective Date and shall continue in full force and effect for a period of thirty-six (36) months and/or the end of the Warranty Period for the last Mono Block Wheel, purchased under this Agreement, whichever is longer (the "**Initial Agreement Period**").
- 6.2 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 thirty-six (36) months following the 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**".

- 6.3 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.

7. Purchase Requirements

- 7.1 Subject to the Supplier's fulfillment of all of its obligations pursuant to this Agreement, ISR intends to purchase from time to time the following Mono-Block Wheels by issuing a written Purchase Order duly signed by ISR all on a non-exclusive basis ("**Purchase Order**"):

N.	Rolling Stock Type	Wheel diameter mm	Drawing N.
2	Alstom DD	920	ME428.00.3
3	Siemens SD	920	ME437.00.3
4	22.5Ton	920	ME399.00.3(B)
5	20 Ton	920	ME355.00.3(B)
6	JT42BW	1016	ME418.00.3(A)

7	EU4000	1067	ME456.001
8	JT42CW/G M/NRE	1016	DG548.00.3C
9	EU3200	1117	ME459.00.1
10	TRAXX	1250	3EGS675111A01 02
11	TRAXX	1250	3EGS675111A21 03
12	DDEMU	920	A6Z99000931735
13	DDEMU	920	A6Z99000935370

- 7.2 Following the Effective Date and prior to the first Purchase Order, ISR shall have the right to instruct the Supplier to send a representative to Site in order to instruct Supplier as to any special delivery requirements required by ISR with regards to the Wheels deliveries. It is agreed that the costs related to such inspections will be borne by the Supplier.
- 7.3 The time of issuance of Purchase Orders, the number of Purchase Orders issued and the quantity and type of the Wheels in each Purchase Order shall be subject to ISR's discretion and Supplier hereby waives any claim and/or demand against ISR including for loss of income and/or profits.
- 7.4 Additionally, during the Agreement Period, ISR, in its sole discretion, shall have the option (but shall not be obligated) to purchase from the Supplier Wheels not specified in the Technical Specifications ("**Optional Wheels**"). The relevant terms and conditions detailed in this Agreement, including its Appendices, shall apply, *mutatis mutandis*, to the Optional Wheels. The Price of the Optional Wheels shall be negotiated in good faith between the Parties based on the Wheels Price.

8. Purchase Orders

- 8.1 Each Purchase Order for the Wheels shall be sent by E-mail to the Supplier Representative (as defined hereunder) and shall include the following information:
- a) ISR's Order number;
 - b) The quantity and description of the Wheels ordered;
 - c) The place of delivery of the Wheels (which shall be at the Site unless specified otherwise in the Order).
- 8.2 Upon receipt of an Order placed by ISR, the Supplier shall acknowledge receipt of such Order by E-mail to ISR, to ISR's Representative (as further defined), within three (3) Business Days.

- 8.3 ISR's Order number shall be noted in all correspondence between the parties regarding such Order.

9. Terms of Delivery and Delivery Times

- 9.1 The terms of supply and delivery of the Wheels shall be DAP at ISR's Site, and subject to the expressed terms and conditions defined herein in this Agreement (the "**Delivery Terms**").
- 9.2 The Delivery Time of the Wheels purchased under the first Purchase Order shall be no later than one hundred and eighty (180) days from the issuance of the first Purchase Order, and the Delivery Time of the Wheels purchased under the second Purchase Order and onward shall be no later than one hundred and twenty (120) days from the issuance of a Purchase Order (the "**Delivery Time**").
- 9.3 **Operation and Installation Manuals.** Further, Supplier shall provide upon Delivery the operation, installation and maintenance manuals, drawings and schedules in English or Hebrew (four (4) sets in hard copy and two (2) sets in magnetic media (hereinafter: "**Technical Manuals**"). The cost of the Technical Manuals shall be borne and paid solely by Supplier, and be considered as part of the Mono-Block Wheels Price.
- 9.4 Upon receipt of a Purchase Order by email, Supplier shall confirm via email receipt of the Purchase Order to ISR's contact person.
- 9.5 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:
(**"ISR's Representative"**)

For the Supplier: _____

(**"Supplier's Representative"**)

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

- 9.6 The Supplier will endeavor to furnish a secure 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.
- 9.7 The following original documents will be supplied by Supplier to ISR:

- 9.7.1 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 Wheels and ISR's order number for the Wheels;
- 9.7.2 Original Certificate of Origin and Non-Manipulation Certificate, if required;
- 9.7.3 Bill of Lading - issued in ISR's name;
- 9.7.4 Packing Lists;
- 9.7.5 Any and all other documentation necessary to release the Wheels 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 Wheels 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.
- 9.8 Original copies of all of the above-mentioned documents **must arrive** at ISR's Rolling Stock Division at least **five (5) calendar days before** the arrival of the ship delivering the Wheels 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.
- 9.9 Passage of Title
 - 9.9.1 The ownership and title to the Wheels 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 Acceptance Certificate for each of the Wheels at ISR Site. 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.
 - 9.9.2 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 Wheels being stored or that have been placed at any Site and which are lost, stolen, damaged, destroyed or otherwise fail prior to Acceptance Certificate. Supplier shall be solely responsible to protect completely and preserve entirely the Wheels and any related Works, components, material and equipment until the Acceptance thereof.

10. Inspection and Acceptance of the Wheels

- 10.1 ISR, in its sole discretion, shall have the right (but not the obligation) to have Factory Acceptance Tests and have any or all of the Wheels inspected in order to ensure that such Wheels are satisfactory and in compliance with the Technical Specifications and the terms of this Agreement.
- 10.2 ISR, in its sole discretion, may elect to have such Factory Acceptance Tests carried out by ISR's inspectors or by any third party including but not limited to Supplier's facilities and/or any of its Subcontractors' manufacturing plant and/or at Subcontractors' laboratories, provided however that the costs related to such inspections will be borne by ISR.
- 10.3 If the Factory Acceptance Tests reveals that any item of Wheels 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 Wheels.
- 10.4 Once the Wheels have arrived to Site in accordance with the Delivery Terms, ISR shall pursue Final Acceptance Tests to inspect the supplied Wheels and verify that they are satisfactory and comply with the relevant requirements established in the Technical Specifications, if all is met ISR will either produce an Acceptance Certificate as detailed in **Appendix D**, or, in case of failure of such Final Acceptance Tests, ISR, in its sole discretion, may reject the supplied Wheels within a period of one month from the day of arrival of the supplied Wheels to ISR's Site.
- 10.5 For the avoidance of any doubt, and without derogating from the above, Acceptance Certificate shall not be granted unless Supplier has provided ISR with respect to each Purchase Order all documents and certificates detailed in the Technical Specifications and in this Agreement.
- 10.6 Wheels shall only be considered delivered once ISR has issued their Acceptance Certificate.

11. Consideration

- 11.1 The consideration payable for the manufacture and supply of the Wheels including all ancillary Works, warranty and equipment as required for the delivery, loading, unloading, stuffing or as otherwise required for fulfillment of the Supplier's obligations under this Agreement in accordance with the terms and conditions thereof, to be paid by ISR to Supplier, shall be as set forth in **Appendix B** (the "Wheels Price" and/or the "Consideration").
- 11.2 The Wheels Price shall be the final, complete and inclusive price for all works and services related to the Wheels in accordance with this Agreement. Without derogating from the above, Wheels Price shall be linked to the index as detailed in **Appendix B**.
- 11.3 Without derogating from Section 11.1, it is hereby clarified that Supplier shall bear and pay (by way of reimbursement to ISR where applicable) all taxes, fees, customs, duties, levies, charges (including bank charges and commissions), and all other expenses relating to, or in connection with the design, manufacture,

exportation, supply and delivery of the Wheels, including but not limited to all types of importation and custom duties and Works, such as transportation costs, customs agents' fees, purchase tax (in Hebrew "Mas Kniya" or "מס קניה"), Israeli customs duties, port handling fees (in Hebrew "Dmei Nitul" or "דמי ניטול"), port infrastructure fees (in Hebrew "Dmei Tashtit" or "דמי תשתית"), cleaning of the containers, unstuffing and unloading of the containers, etc. Any portage and local forwarding agent fees and Israeli customs duties, if applicable, shall be considered as part of the Wheels Prices and shall be borne solely by Supplier.

- 11.4 Notwithstanding any other provision herein, Israeli Value Added Tax, if applicable to the provision of any of the Wheels, shall be borne by ISR.
- 11.5 In the event that ISR shall be required to pay any of the payments related to import and release from customs, ISR shall charge the Supplier accordingly (excluding Israeli Value Added Tax).
- 11.6 The Wheels Prices shall include any sum which the Israeli Tax Authorities require to be withheld at source. The amounts required by the applicable law to be withheld at source by the Israeli Tax Authorities shall be deducted from the Wheels Prices, and shall be paid directly to the Israeli Tax Authorities.

It shall be clarified that 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.

12. Terms of Payment

Payment by ISR to Supplier shall be made on a *per-order* basis, and as follows:

- 12.1 One hundred percent (100%) of the Wheels' Price shall be paid to Supplier within forty-five (45) calendar days following the issuance of an Acceptance Certificate for all Wheels under the relevant Purchase Order, provided that Supplier has provided ISR at least thirty (30) calendar days prior to the payment with all the following:
 - 12.1.1 An invoice in the amount of the Wheels' Price paid;
 - 12.1.2 The Acceptance Certificate, duly signed by ISR for all Wheels under the relevant Purchase Order; and
 - 12.1.3 A warranty guarantees in the terms and conditions as set under Section 13 below and in the form set forth in **Appendix E** (the "**Warranty Guarantee**").
- 12.2 Payments under this Agreement shall be made to the Supplier by means of a bank transfer to the Supplier's bank account as specified in the Supplier's Bank Account Form attached hereto as **Appendix C**.

13. Warranty Guarantee

- 13.1 To secure the punctual, complete and entire performance of all of Supplier's obligations under this Agreement, including without limitation to the Supplier's warranty obligations and Supplier's obligations to pay ISR any Liquidated Damages if applicable, Supplier shall a Warranty Guarantee, all as specified in this Section below. Guarantee shall be issued by a first class bank in Israel, approved in advance by ISR.
- 13.2 No later than fourteen (14) Business Days following the date of the relevant Purchase Order, Supplier shall furnish ISR with an unconditional, irrevocable and autonomous Guarantee, issued by a first-class bank approved in advance (in writing) by ISR, at its sole and absolute discretion, and issued in the form attached hereto as **Appendix E** in the amount equal to two hundred thousand (200,000) Euro and valid until sixty (60) days following the end of the Warranty Period for the last Mono-Block Wheels supplied under the relevant Purchase Order.
- 13.3 Except as otherwise specified in this Agreement, the timely submission of Guarantee 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.
- 13.4 Supplier shall maintain the Guarantee valid through their respective times as stipulated in this Section. If sixty (60) days prior to the expiration of 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, or extend the term of the relevant 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 from any of the Guarantees, the amount of that Guarantee.
- 13.5 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.
- 13.6 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.

14. Maintenance, Maintenance Plan

- 14.1 Maintenance of the Wheels shall include any and all actions required for the full functionality of the Wheels, including, but not limited to, corrective and preventive maintenance ("**Maintenance**").

- 14.2 At all times during the Agreement Period, Supplier shall provide ISR with any Maintenance instructions and/or support as required for the full functionality of the Wheels.
- 14.3 Each year, ISR shall have the right to provide the Supplier with an anticipated annual maintenance plan, detailing ISR's predicted quarterly maintenance working plan for the coming year, including the estimated number of Wheels units required (the "**Maintenance Plan**").
- 14.4 The Maintenance Plan is for estimation purposes only. ISR shall not be bound by the anticipated Maintenance Plan and may change it at any time in accordance with ISR's needs and subject to its sole discretion. The Supplier shall confirm with ISR, on a quarterly basis, the validity of the Maintenance Plan.
- 14.5 ISR shall have no obligation to order any quantity estimated under the Maintenance Plan and shall be bound solely upon the issuance of a Purchase Order. The Supplier hereby waives any claim and/or demand against ISR with relation to the Maintenance Plan, including claims for loss of income and/or profits.

15. Liquidated Damages

- 15.1 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 Wheels 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 percent (1%) of the value of the Wheels for each calendar week of delay, or any part thereof ("**Liquidated Damages**"). The Liquidated Damages under this Section shall not exceed a total of ten percent (10%) of the value of the relevant Purchase Order.
In case of any contradiction between this Section and the Technical Specification's instructions, the provision that is in favor of ISR shall prevail.
- 15.2 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 the Liquidated Damage will apply, and therefore they shall not be regarded as a penalty. Payment of the Liquidated Damages shall not be conditioned on ISR having to present evidence of any loss.

16. Warranty Period

- 16.1 Supplier confirms and warrants to ISR that commencing on the issuance of an Acceptance Certificate by ISR for each of the relevant Mono-Block Wheel and for a period of sixty (60) months thereof all Wheels and any part thereof (as well as any materials, system embedded in the Wheels), 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, assembly, materials, components etc.).

(the warranty under this Section shall be referred to as the "**Warranty Period**" or "**Warranty**")

- 16.2 Warranty shall include, among others, any and all equipment, parts, hardware, software (including software updates and upgrades), and maintenance tools required for the maintenance and operation of the Mono-Block Wheels. Warranty shall also include updates to the Technical Manuals, if required.
- 16.3 Without derogating from the aforesaid, the Supplier is obliged to remedy the fault and/or defect and/or damage to the Mono-Block Wheels within sixty (60) Days from the day the damage report was communicated to it, repair and replace with a new Mono-Block Wheel under Delivery Terms (the "**Time of Repair**"). Delays in Time of Repair shall entitle ISR to liquidated damages of 450 Euro per day, without derogating from ISR's other rights under law and Section 10 above shall apply, *mutatis mutandis*, on such late delivery.
- 16.4 The Supplier shall do its best efforts whatsoever, in order to shorten the delivery time of the replaced Wheels.
- 16.5 The Supplier shall keep complete records of all repairs and replacements made to each Mono-Block Wheels, its parts, components and systems, and shall provide them to ISR upon request.

17. Insurance

- 17.1 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, a worldwide Third Party Liability Insurance with a limit of liability not less than €5,000,000 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 (hereinafter: "**Supplier's Insurance Policy**").
- 17.2 The Supplier shall refrain from canceling the Supplier's Insurance Policy and/or from reducing its scope. The Supplier further undertakes to notify ISR of any situation of cancellation and/or reducing the scope of the Supplier's Insurance Policy, sixty (60) days before the date of occurrence of such situation.
- 17.3 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 Policy.
- 17.4 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 Policy.

- 17.5 The Supplier alone is responsible for payment of premiums and deductibles stated in the Supplier's Insurance Policy.
- 17.6 The Supplier is required to notify ISR immediately of any event which is likely to give rise to a claim under the Supplier's Insurance Policy, as well as to cooperate with ISR as required in order to obtain settlement of any insurance claim under the Supplier's Insurance Policy.
- 17.7 It is clarified and agreed that insurance payments shall not derogate from the Supplier's liability under the Agreement and/or under the Applicable Law.
- 17.8 Within fourteen (14) days of ISR's first request, the Supplier undertakes to provide ISR an insurance certificate duly signed by its insurers conforming the Supplier's obligations under this section 17.

18. Risks and Liabilities

- 18.1 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):
 - 18.1.1 the Works, including but without limitation, their design, assembly, integration, adjustment, tests and trials of the Wheels (and/or any part thereof), as well as the Warranty;
 - 18.1.2 the use of the Wheels and/or any part thereof, when the Damages arise from faulty design (including errors and omissions in design) or workmanship;
 - 18.1.3 any damage to property, death or injury to persons, arising out of, or in connection with, the Wheels or the Works;
 - 18.1.4 Supplier's breach of any term or provision of this Agreement or any applicable law;
 - 18.1.5 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;

18.1.6 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);

18.1.7 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.

18.2 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.

18.3 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:

18.3.1 Notice of such Proceedings shall be promptly given to Supplier.

18.3.2 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.

18.3.3 At the request and expense of Supplier, ISR shall afford reasonable assistance to Supplier in the defense of such Proceedings.

18.3.4 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).

18.3.5 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.

18.4 Subject to the provisions of Section 18.1, 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.

18.5 Exceptions. The provisions of Section 18.4 above shall not apply with respect to:

18.5.1 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;

18.5.2 Alleged or actual infringement of Intellectual Property Rights by the Works or any part thereof;

18.5.3 Death or injury;

18.5.4 Claim for payment by any Subcontractor; and/or

18.5.5 liability of the Supplier, its employees, agents, representatives and/or Subcontractors arising out of fraud, or willful misconduct or gross negligence.

18.6 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 18.1 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.

19. Subcontractors

- 19.1 The Supplier shall not engage any subcontractor ("**Subcontractor**") for the performance of any of its obligations under this Agreement without ISR's prior written approval.
- 19.2 The approval, non-rejection, recommendation, instructions, directives or determinations made by ISR with regard to the employment of, and/or to the placement any Subcontractor, shall not relieve Supplier of its responsibility to ISR in connection with the execution of the Works, the supply of the Wheels 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 Subcontractor, and Supplier shall be fully responsible towards ISR for the acts and omissions of the Subcontractor.

20. Termination

- 20.1 ISR, in its sole discretion, may terminate this Agreement upon the provision of two (2) months written notice to Supplier for any reason including for convenience.
- 20.2 ISR, in its sole discretion, may immediately terminate this Agreement if Supplier commits a fundamental breach hereof and fails to remedy such breach within thirty days of receipt of written notice of such breach.
- 20.3 This Agreement may be immediately terminated by ISR by written notice upon the occurrence of any of the following events to or in connection with Supplier:
- 20.3.1 Voluntary or involuntary bankruptcy (liquidation or reorganization), or receivership or commencement of a similar insolvency proceedings that have not been cancelled within 30 days;
 - 20.3.2 Cessation of business operations;
 - 20.3.3 Election to dissolve or wind-up business;
 - 20.3.4 Sale of all or substantially all of its assets as would cause Supplier to be unable to fulfill its obligations under this Agreement;
 - 20.3.5 Supplier no longer has ISO 9001 certification.

21. Rights and Obligations Upon Termination, Cancellation or Expiration

- 21.1 Upon the termination, cancellation or expiration of this Agreement for any reason:
- 21.1.1 ISR shall not be liable to Supplier for any claim, suit, demand or cause of action that has arisen or may arise, for any indemnification, compensation or any other payment for any reason, including by way of example only, consequential or incidental damages of any kind, alleged lost profits or commissions, lost income, damage to reputation, expenditures, investments, costs of arranging alternative lines of

business, unjust enrichment, commitments, built-up goodwill or on account of any reason or cause whatsoever, arising out of or in relation to the termination, cancellation or expiration of this Agreement.

21.1.2 ISR shall be entitled to direct, consequential and/or incidental damages in the event of a fundamental breach of this Agreement by Supplier.

21.1.3 Should ISR, in its sole discretion, so demand, Supplier shall complete any outstanding Orders for the provision of any of the Wheels.

21.2 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.

21.3 **Effect of Termination**

21.3.1 Subject to Sections 21.3.4 and 21.3.5 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.

21.3.2 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.

21.3.3 Upon receipt of any termination notice, Supplier shall, take all required steps and actions to:

- (i) Cease all Works according to the ISR's Representative instructions;
and
- (ii) Transfer to ISR all its rights under all warranties extended by its suppliers.

21.3.4 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.

21.3.5 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.

21.4 **Ownership of Designs, Drawings etc.**

21.4.1 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 Wheels according to this Agreement.

21.4.2 All rights 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.

21.5 **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 Wheels.

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

22. **Force Majeure**

22.1 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, 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 Wheels ("**Force Majeure**").

22.2 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.

23. **Language**

- 23.1 This Agreement and any correspondence with regard 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.

24. Applicable Law and Settlement of Disputes

- 24.1 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.
- 24.2 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.
- 24.3 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.
- 24.4 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 Schedule or any other schedules agreed between the parties, and/or (ii) the performance of the Warranty, subject to ISR paying to Supplier any undisputed amounts.

25. Miscellaneous

- 25.1 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 Wheels, Works 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.
- 25.2 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).

- 25.3 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.
- 25.4 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.
- 25.5 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).
- 25.6 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.

- 25.7 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.
- 25.8 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 9.5 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, 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: _____

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
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 Wheels as defined in Agreement No. _____ (the "**Agreement**"), which were ordered by Israel Railways Ltd. ("**ISR**") pursuant to the Agreement, have been received by ISR after the successful performance of all the tests and trials required under the Agreement.

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 E

Form of Bank Guarantee

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

Performance 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 200,000 € (two hundred thousand 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