

Agreement No. _____ (this "Agreement")

Entered and signed this _____ day of _____ 2017
in Tel Aviv, Israel (the "**Effective Date**")

between

Israel Railways Ltd.
Company No. 52-004361-3
Of P.O.B. 18085
Tel Aviv 61180, ISRAEL

("ISR")

Of the First Part

and

("Supplier")

Of the Second Part

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

WHEREAS, ISR is interested in acquiring T-Head bolts with Square Neck M24x100 with Nut M24 and Double Spring Washer and Clip No. 17 as further described in the Technical Specifications attached hereto as Annex A1 and A2 (together, the "**Systems**"), in accordance with and subject to the terms and provisions of this Agreement; and

WHEREAS, ISR published Tender No. 41707 for the manufacture and supply of the Systems in accordance with the terms and the conditions of this Agreement (the "**Tender**"), and Supplier submitted a proposal in response to the Tender appended hereto as **Annex A3** to this Agreement, which was selected by ISR to be the winning proposal; and

WHEREAS, Supplier declares and certifies that it has the know-how, ability, expertise, facilities, resources, financial resources, licenses, permits and all that is required and necessary in order to manufacture, supply and warrant the Systems, as well as to fulfill all of the obligations set forth in this Agreement, including the Technical Specifications; and

WHEREAS, the Parties desire to set forth a contractual framework to determine the Parties' relationship and obligations with regards to the manufacture, supply, and warranty of the Systems 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 headings in this Agreement are for reference purposes only, are not a material part of and shall not be used in interpreting this Agreement.

1.2 This Agreement shall consist of the following documents each of which is attached hereto and is an integral and inseparable part hereof:

1.2.1. Annex A1 – Technical Specifications for the T-Head bolts with Square Neck M24x100 with nut M24 and Double Spring Washer

1.2.2. Annex A2 - Technical Specifications for the Clip No. 17

1.2.3. Annex A3 – Supplier's Proposal in response to the Tender

1.2.4. Annex B – Consideration Annex

1.2.5. Annex C – Supplier's Bank Account Form

1.2.6. Annex D – Final Acceptance Certificate

1.2.7. Annex E – Performance and Warranty Guarantee

1.3 Order of Precedence.

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 the Consideration Annex, but excluding the other attachments hereto;
- The other annexes to this Agreement including the Technical Specifications;
- The other Tender documents (excluding Appendix A1 and A2 to the Tender);
- Supplier's Proposal to the Tender.

1.4 In case of any discrepancy, conflict, inconsistency, ambiguity and/or uncertainty as to the interpretation of any provision contained in this Agreement and/or the order of precedence between the various provisions contained in this Agreement, 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 discretion, shall apply.

1.5 Except as otherwise specifically indicated, all references to Sections refer to Sections of this Agreement, and all references to Annexes refer to Annexes to this Agreement. Annexes 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 2. Whenever required by the context of this Agreement, the singular shall include the plural, the masculine shall include the feminine and vice versa.

2. DEFINITIONS

The following terms used in this Agreement shall have the meaning set forth below:

- 2.1. "**Acceptance**" - shall mean ISR's issuance of a signed Final Acceptance Certificate in the form attached hereto as **Annex D**, following delivery of the Systems to the Site in accordance with the Delivery Terms as well as the fulfillment of all required undertakings and obligations pursuant to this Agreement;
- 2.2. "**Agreement Period**" – as defined in Section 3;
- 2.3. "**Applicable Law**" – shall mean any Israeli statute, law, ordinance, rule, regulation, order, writ, injunction, judgment, decree, and all other requirements 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;
- 2.4. "**System/s**" – shall mean T-Head Bolts with Square Neck M24x100 with Nut M24 and Double Spring Washer and Clip No. 17 which complies with the Technical Specifications, attached herein as **Annex A**;
- 2.5. "**System Price**" – as defined in Section 7.1;
- 2.6. "**Business Days**" - any day of the week other than Saturday, and excluding official holidays and bank holidays in Israel;
- 2.7. "**DAP**" – the terms of delivery for the System shall be "Delivered At Place" (DAP) at ISR's Site, according to "INCOTERMS 2010" - International Rules for the Interpretation of Trade Terms (ICC Pub. No. 715), subject to the Delivery Terms;
- 2.8. "**Delivery Terms**" – as defined in Section 9.1;
- 2.9. "**Delivery Time**" – as defined in Section 6;
- 2.10. "**Final Acceptance Certificate**" – A certificate issued by ISR declaring that Supplier has fulfilled any and all of its obligations in accordance with the Agreement and that the Systems and/or any part thereof conforms to the standards, requirements and specifications set out in the Agreement.
- 2.11. "**Intellectual Property Rights**" – as defined in Section 14.2;
- 2.12. "**IPM**" – ISR's project manager for this Agreement, as set forth in Section 6.8 and as may be changed from time to time at ISR's sole discretion by notification in writing to Supplier;
- 2.13. "**Purchase Order**" means an order for the purchase of the Systems issued by ISR to the Supplier. The Purchase Order shall not add to, modify or amend any of the terms and conditions set forth in the Agreement.

- 2.14. "**POD**" – Purchase Order Date;
- 2.15. "**Site**" - ISR's facilities located at the Kishon warehouse, Hutsot HaMifrats station or Kfar Vitikin station;
- 2.16. "**SPM**" - Supplier's project manager for this Agreement, as set forth in Section 6.8 and as may be changed from time to time at ISR's sole discretion by notification in writing to the Supplier;
- 2.17. "**Subcontractor**" – as defined in Section 17;
- 2.18. "**Technical Specifications**" – the technical specifications attached hereto as Annex A1 and Annex A2;
- 2.19. "**Warranty Period**" – as defined in Section 10;

3. **AGREEMENT PERIOD**

This Agreement shall commence on the Effective Date and shall continue in full force and effect for a period of three (3) years (the "**Agreement Period**"). ISR shall have the option, upon its sole discretion to extend the Agreement for additional three (3) years by providing Supplier with 30 days prior written notice before the end of the Agreement Period (the "**Optional Period**"). All terms and conditions of this Agreement shall apply during Optional Period, mutatis mutandis.

4. **SUPPLIER'S DECLARATIONS AND REPRESENTATIONS**

Supplier hereby represents and warrants to ISR as follows:

- 4.1. **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.
- 4.2. **No Conflict.** No actual or potential conflict of interest or unfair competitive advantage 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.
- 4.3. **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.

4.4. Supplier Examination and Evaluation.

Supplier hereby represents and warrants to ISR that:

- 4.4.1. 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 System shall be manufactured, supplied and delivered to ISR, as well for the fulfillment of any and all obligations under this Agreement;
- 4.4.2. 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 and such other conditions that may be expected to affect the performance of Supplier's obligations according to 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;
- 4.4.3. Supplier has examined and is fully satisfied with all of the information provided to it by ISR, including ISR's rules and procedures; 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 the grounds of any misunderstanding or misapprehension in respect of any matter which a reasonable and expert supplier of a System 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 a System, 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 the Systems.

- 4.5. **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 implementation of this Agreement. Supplier shall abide by any applicable law, as shall be in effect from time to time, and shall perform and execute its obligations hereunder in strict compliance therewith.

4.6. **Discrepancies and Omissions**

4.6.1. Supplier represents that 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 relieving or releasing Supplier of any of its responsibilities, duties, obligations or liabilities pursuant to this Agreement or for cancellation or termination of this Agreement by Supplier.

4.6.2. 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.

4.7. **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.

4.8. **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.

5. GENERAL OBLIGATIONS

5.1. **Purchase and Sale**. Supplier hereby agrees to execute all of its obligations required for the provision of the System in accordance with the terms and the conditions of this Agreement, including, *inter alia*, the manufacture, supply, Warranty as well as the fulfillment of Supplier's obligations in accordance with the Technical Specifications and Supplier's proposal to the Tender 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.

5.2. **Conformity of the System**. The manufacture and supply of the System shall be made in strict conformity with the terms and conditions of this Agreement. Any deviation from the terms and the conditions of this Agreement must be approved in writing in advance by ISR.

- 5.3. **Standards**. The System 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 System or any part thereof shall assure the reliability, efficiency, competency as well as the functionality of the System to ISR's full satisfaction.
- 5.4. **Permits**. Insofar as required, 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 System and the provision of all ancillary services, pursuant to this Agreement.
- 5.5. **Reports & Documentation**. The Supplier shall timely submit for ISR's approval all documentation, reports, designs, drawings and other documents, including without limitation, as specified in the Technical Specifications. Without derogating from all such requirements under the Technical Specifications, Supplier shall also provide ISR with progress reports regarding the supply of the Systems within 5 days of ISR's request. In addition, ISR shall be entitled to require from Supplier any other drawings and/or documents and/or designs pertaining to the Systems. For the avoidance of doubt, Supplier shall not be entitled to any additional consideration or payment of any kind from ISR with respect to any documentation and/or drawings and/or reports to be furnished to ISR under this Agreement.

6. ORDER PROCEDURE

- 6.1 ISR intends to issue a Purchase Order for four hundred fifteen thousand (415,000) Systems within two (2) months from the Effective Date.
- 6.2 The time of delivery of the Systems shall be as follows (each of the following times- the "**Delivery Time**"):
- 6.3 100,000 (one hundred thousand) Systems shall be supplied to ISR within 90 (ninety) days following the issuance of the Purchase Order.
- 6.4 315,000 (three hundred and fifteen thousand) Systems shall be supplied to ISR within 180 (one hundred and eighty) days following the issuance of the Purchase Order.
- 6.5 ISR shall issue a Purchase Order for each supply of Systems and forward such Purchase Order to Supplier by email to the contact person of Supplier, a copy of which shall be sent via air mail.
- 6.6 During the Agreement Period, ISR in its sole discretion, shall have the option to purchase from the Supplier additional Systems (the "Optional Systems").

The terms and conditions of this Agreement will apply, mutatis mutandis, to the Option Systems subject to Section 7.6. For the prevention of any doubt, it is hereby expressly emphasized that ISR is under no obligation whatsoever to order certain or any amount of Optional Systems from Supplier. The Optional Systems shall be supplied within 90 (ninety) days from the date of issuance of any Purchase Order.

6.7. 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.

6.8. The Parties' contact persons are as follows, or any replacement contact persons as notified in writing by one Party to the other:

For ISR: Mr. _____
 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, addresses or facsimile numbers, if any.

6.9. Supplier will endeavor to furnish a secured electronic 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.

6.10. The following original documents will be supplied by Supplier to ISR:

6.10.1. 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 and ISR's order number for the goods;

6.10.2. Original Certificate of Origin and Non-Manipulation Certificate, if required;

6.10.3. Bill of Lading - issued in ISR's name;

6.10.4. Packing Lists;

6.10.5. Any and all other documentation necessary to release the Systems 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 Systems 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.

6.11. 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 Systems 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.

7. CONSIDERATION

- 7.1. The consideration payable for the Systems including manufacture, supply and Warranty, as well as for all ancillary services and all undertakings of Supplier under this Agreement 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 **Annex B** (the "**System Price**").
- 7.2. 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.
- 7.3. The System Price shall be the final, complete and inclusive price for the manufacture, supply and delivery of the System and for the performance of all obligations and ancillary services related thereto. There will be no adjustment whatsoever for the System Price specified in the Consideration Annex (**Annex B**), nor will it be linked to any index whatsoever or adjusted for any period.
- 7.4. 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 Systems, 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 קניה"), wharfage fees (in Hebrew "Dmei Ratzif" or "דמי רציף"), cleaning of the containers, unloading and unstiffing 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 Systems at port, supervision while discharging at port, discharging terms at port, etc. shall be considered as part of the System Price and shall be borne solely by Supplier.
- 7.5. 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 Systems.
- 7.6. In the event that ISR shall exercise its option under Section 6.1 above and without derogating from Section 7.2 above, the System Price of the Optional Systems shall be specified in the table in Annex B. Except for the linkage mechanism, that shall apply on the System Price of the Optional System as detailed in Annex B this Section shall apply mutatis mutandis on the Optional System Price.

8. TERMS OF PAYMENT

8.1. Payment by ISR to Supplier shall be made within sixty (60) calendar days following POD, provided that Supplier has provided ISR at least forty five (45) calendar days prior to the payment with all the following:

8.1.1. an invoice in the amount of the Payment; and

8.1.2. the Performance and Warranty Guarantee as defined in Section 12 below.

8.1.3. the Final Acceptance Certificate, in the form attached hereto as **Annex D**, signed by ISR, and sent to Supplier within 14 days after signing, as set forth in Section 10 below.

8.1.4. The aforementioned terms of payment shall apply, mutatis mutandis, to the Optional Systems.

8.2. 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 **Annex C**.

9. DELIVERY TERMS

9.1. The terms of supply and delivery of the Systems 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. 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.

9.3. Passage of Title

The ownership and title to the Systems and any part thereof shall fully pass to ISR free and clear of all security interests, liens, attachments, encumbrances and any other rights or claims of any kind of any third party, upon arrival of the Systems to ISR's facility. The passing of title to ISR and vesting of ownership rights shall be without prejudice to any right that may accrue to ISR under this Agreement.

ISR shall bear no responsibility for any Systems which are lost, stolen, damaged, destroyed or otherwise fail prior to Final Acceptance. Supplier shall be solely responsible to protect completely and preserve entirely the Systems until the Final Acceptance thereof.

10. WARRANTY

10.1. 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 "**Warranty Period**"), the System, and any part thereof (including materials comprising the System), shall operate and perform in all respects in strict accordance with the terms and the conditions of this Agreement, including in accordance with the operational criteria, tolerances and standards detailed in 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, etc.).

10.2. ISR shall promptly inform the Supplier of any defect it is aware of after discovery of

such defect. Suppliers 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 System.

- 10.3. Without derogating from any rights or remedies available to ISR according to this Agreement and/or under applicable law, for any fault, defect and/or deficiency in the Systems or any part thereof ("**Defected System**") during the Warranty Period, the Supplier shall, at its own expense and without delay, immediately, and within no later than 7 days, replace the Defected System with a System which conforms to the provisions of this Agreement, including the Technical Specifications, to the satisfaction of ISR, and pay for any and all costs related to such replacement, including, but not limited to, any and all costs related to transportation and importation.
 - 10.3.1. Without derogating from the above and in addition, in the event that Supplier fails to replace a Defective System 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 Defective System was not replaced (from the fourth day and onwards) provided however, that the maximum liquidated damages for delay in providing the replacement System shall not exceed 10,000 €.
 - 10.3.2. For the removal of doubt, the 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.
 - 10.3.3. For the removal of doubt, ISR may recover any sums due to ISR with regard to such liquidated damages from the Performance and Warranty Guarantee provided by Supplier or by set off from any consideration under this Agreement.
- 10.4. For the avoidance of doubt, the Warranty requirements specified herein are irrespective of whether the defect, deficiency or deviation from this Agreement was already present upon the issuance by ISR of any Acceptance Certificate.
- 10.5. For the avoidance of doubt 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 the System 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 required for the provision of the Warranty.

11. LIQUIDATED DAMAGES

- 11.1. Without prejudice to any other relief or remedy available to ISR under this Agreement or under law, in the event that the delivery of the Systems or any part thereof is delayed beyond the specified Delivery Time, Supplier shall pay ISR liquidated damages in the sum equal to one-half percent (0.5%) of the value of the System Price for each calendar week of delay, or any part thereof. The liquidated damages shall not exceed a total of seven and half percent (7.5%) of the value of the consideration specified in this Agreement (the "**Liquidated Damages**").
- 11.2. 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 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.

12. GUARANTEE

- 12.1. To secure the punctual, complete and entire performance of all of Supplier's obligations under this Agreement, Supplier will furnish Performance and Warranty Guarantee, (the "**Guarantee**"), all as specified in this Section below. the Guarantee shall be issued by a first class bank approved in advance by ISR.
- 12.2. **Performance and Warranty Guarantee**, No later than seven (7) Business Days following the Effective Date the Supplier shall furnish ISR with an irrevocable autonomous bank guarantee, approved in advance by ISR and issued in the form attached hereto as **Annex F** in the amount equal to ten percent (10%) of the Systems Price, valid until two (2) months following the end of the Warranty Period (the "**Performance and Warranty Guarantee**").
- 12.3. The Guarantee shall be in the form attached hereto as **Annex E** and shall be denominated in Euros only. Such Guarantees shall be unconditional and irrevocable bank guarantees, issued by a first-class bank 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.
- 12.4. The timely submission of the Guarantee to be furnished by Supplier to ISR under this Agreement is considered pre-requisites for ISR's execution of any payment due to the Supplier under this Agreement.
- 12.5. Supplier shall maintain the Guarantees valid throughout its respective time as stipulated in this Section. If sixty (60) days prior to the expiration of the 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, the Supplier shall provide, at its own expense, a substitute Guarantee meeting the requirements of this Section, or extend the term of the Guarantee and notify ISR of such extension, failing to do so, shall entitle ISR, without derogating from any other remedy that may be available to it under the circumstances, to exercise the Guarantee . Such exercise shall not relieve the Supplier from providing ISR with the substitute Guarantee, including a replacement Guarantee for the one exercised. ISR will hold the amounts received by it following the exercise of the Guarantee in substitution for the Guarantee and will regard

such amounts in accordance with all provisions relating to Guarantees under this Agreement, *mutatis mutandis*. The Supplier will be entitled to deliver to ISR a replacement Guarantee under the same terms and conditions required under this Agreement and seven (7) Business Days thereafter, ISR will return the amounts held by it in their nominal value.

- 12.6. Collection on a 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.

13. INSURANCE

- 13.1. Without derogating from any of Supplier's responsibilities and liabilities under this Agreement and/or under any applicable law, Supplier shall maintain, at its own expense, at all times for as long as any liability under this Agreement may exist, insurance policies from reputable insurers, which shall include at least the following:

13.1.1. **Property Insurance** covering any loss or damage arising out of, or caused by any risk in respect of the manufacture and/or supply of the Systems. The insurance policy shall cover the complete manufacture and replacement value of the Systems. The policy shall include a waiver of subrogation towards ISR and/or anyone acting on its behalf, provided that the waiver of subrogation does not apply in favor of a person who has maliciously caused the damage. In respect of loss or damage to the System, the insurance benefits shall be paid to the ISR exclusively.

13.1.2. Marine "All Risk" Insurance for the Systems at their full replacement value, including an at 110% (one hundred and ten percent) of its DAP value during transport thereof against any loss or damage to the Systems arising out of, in course of, or caused by any risk in respect of the System. The policy shall include a waiver of subrogation towards ISR, and/or anyone acting on its behalf, provided that the waiver of subrogation does not apply in favor of a person who has maliciously caused the damage. In respect of loss or damage to the System, The insurance benefits shall be paid to the ISR exclusively.

13.1.3. **A worldwide Third Party Liability Insurance**, in the joint names of ISR and Supplier subject to a "Cross Liability" clause, covering any liability (including System and Professional Liability) of Supplier and/or whoever act on its behalf, for any loss or damage derived from the execution of this Agreement and/or from any act or omission of Supplier and/or whoever act on his behalf.

- 13.2. Supplier's insurances required under this section are primary and precedent to any of ISR and/or the Israeli Government's insurances, and Supplier's insurers shall waive their right to contribution from any of ISR and/or the Israeli Government's insurers with respect to any damage covered by Supplier's insurance policies.

- 13.3. Supplier shall refrain from canceling the insurance policies and/or from decreasing their scope. Supplier further undertakes to notify ISR of any situation of cancellation and/or

expiration of any of the insurance policies specified in this section, sixty (60) days before the date of occurrence of such situation

- 13.4. Supplier represents and warrants that it shall not have any claims, demands and/or actions against ISR and/or anyone on its behalf and/or the Israeli Government, concerning damage to its property or other property used in connection with this Agreement including the System . The foregoing shall not apply for the benefit of any one who caused damage with malicious intent.
- 13.5. 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 insurance policies required to be purchased by it under this section, and Supplier hereby confirms that it shall be prevented from raising any such claim or demand. For the avoidance of doubt, it is agreed that the insurance policies required to be purchased under this section, including the limits specified herein, are stated as a minimal demand from Supplier. Supplier is encouraged to further scrutinize its exposure to liability and to add and/or increase the types and scope of insurance coverage.
- 13.6. Supplier undertakes to indemnify ISR for any amount incurred by ISR as a result of a violation by Supplier (and/or any person or entity acting on its behalf) of any of the conditions of its insurance policies.
- 13.7. It is hereby clarified and agreed that all the insurance policies required in accordance with this Agreement shall be procured at Supplier's expense and that under no circumstances shall the duty to procure such incur expenses and/or any duty for payment on ISR. It is also clarified and agreed that the liability for the payment of the insurance deductible applies to Supplier only and under no circumstances to ISR.
- 13.8. It is clarified and agreed that insurance payments shall not derogate from Supplier's liability under the Agreement and/or under any law, and should the insurance payments not be sufficient in order to cover the extent of the loss and/or the damage actually caused, Supplier shall be responsible for completing such.
- 13.9. As a condition precedent to the first payment under this Agreement, Supplier shall furnish a certificate from its insurers stating:
- "The insurance required by Agreement No _____ between ISR and Supplier is in full force and effect".*
- 13.10. Without derogating from the duty to provide the insurance certificates as detailed above, Supplier undertakes to provide ISR with a copy of all of its insurance policies, within fourteen (14) days of ISR's first request.

14. INTELLECTUAL PROPERTY RIGHTS

- 14.1. **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 System, and documentation provided to ISR

under this Agreement and the Technical Specification, and/or that it has obtained sufficient rights and is authorized to give rights to ISR any such System, or documentation and/or any part thereof, 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 Systems and documentation in accordance with the terms and conditions of this Agreement.

14.2. **Non Infringement Warranty.** Supplier warrants that the System and/or 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 System or documentation provided under this Agreement.

14.3. **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 System by Supplier or ISR.

15. TERMINATION

15.1. This Agreement may be terminated by ISR at its sole and absolute discretion at any time, whether before or after the provision of the Purchase Order, delivery or supply of the Systems, by giving Supplier prior written notice of at least fourteen (14) days, if any of the following occurs:

15.1.1. 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.

15.1.2. 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.

15.1.3. 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.

15.1.4. Supplier has stopped managing its business (or substantial portion thereof) for a consecutive period of thirty (30) days.

15.1.5. 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.

15.1.6. Supplier breaches any material provision of this Agreement (such as, and not limited to, a breach of Sections 45 ,6, 9, 10 ,12, 13,14,16,17, 20 and fails to cure such breach within twenty (20) days from the date of ISR's notice.

15.1.7. Supplier breaches any provision of this Agreement and fails to cure such breach within thirty (30) days from the date of ISR's notice.

15.2. **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 15.1, 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 Systems ordered but not supplied .

15.3. **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, at any time, 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.

15.4. 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.

15.5. **Effect of Termination**

15.5.1. Subject to Sections 15.5.4 and 15.5.5 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.

15.5.2. 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.

15.5.3. Upon receipt of any termination notice, Supplier shall, take all required steps and actions to cease deliveries of Systems to ISR. Additionally, ISR, at its sole discretion, may return to Supplier any unused Systems, and Supplier shall fully refund ISR for such unused Systems. The Systems will be made available for return (EXW Incoterms 2010) at ISR's Site and supplier will collect and return such unused Systems by no later than 30 days as of the termination notice.

15.5.4. 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.

15.5.5. 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.

16. RISKS AND LIABILITIES

16.1. **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):

16.1.1. the Systems, including but without limitation, their design, manufacture, assembly, adjustment (if any), (and/or any part thereof), as well as the Warranty;

16.1.2. the use of the Systems and/or any part thereof, when the Damages arise from faulty design (including errors and omissions in design) and/or faulty manufacture and/or faulty workmanship;

16.1.3. any damage to property, death or injury to persons, arising out of, or in connection with, the Systems;

16.1.4. Supplier's breach of any term or provision of this Agreement or any applicable law;

16.1.5. any negligent or willful act, error or omission by Supplier, its employees, agents, representatives and Subcontractors, in the performance of this Agreement;

16.1.6. 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 SystemSystems by Supplier, its Subcontractors or ISR.

16.2. **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.

16.3. **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:

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

16.3.2. 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.

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

16.3.4. 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).

16.3.5. 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.

16.4. **Exclusions.** Subject to the provisions of Section 16.5 below, in no event shall either Party be liable towards the other for any and all indirect or consequential Damages, including but not limited to loss of profit, loss of revenue, loss of goodwill, etc. with

respect to this Agreement whether in an action based on contract, tort (including negligence) or any other cause of action.

16.5. **Exceptions.** The provisions of Section 16.4 above shall not apply with respect to:

16.5.1. Any Damages to ISR incurred in connection with endemic failures, including but without limitation such damages to ISR as: replacement of SystemSystems, publication of advertisements and/or manpower specifically assigned to rectification of such faults and damages;

16.5.2. Alleged or actual infringement of Intellectual Property Rights concerning the Systems ;

16.5.3. Death or injury;

16.5.4. Claim for payment by any Subcontractor.

16.6. **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 16.1 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 the Guarantee.

17. SUBCONTRACTORS

17.1. Supplier may nominate the Subcontractors detailed in this Section and shall inform ISR on the identity of such Subcontractors in writing and in advance.

Suppliers hereby warrant that all Subcontractors meet and continue to meet all conditions detailed in the Technical Specifications.

17.2. Suppliers hereby warrant that it shall monitor and supervise the Subcontractors and shall be fully responsible towards ISR and/or any third part to any act and/or omission of such Subcontractors and/or any third party on their behalf.

17.3. 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 this Agreement , 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.

18. FORCE MAJEURE

- 18.1. Neither Party shall be liable for any delay in the performance of the Agreement, if such delay is, directly or indirectly, caused by, or arises from, an impediment beyond the control and without fault or negligence of the party effected, including the following occurrences: fires, floods, accidents, civil unrest, acts of God, war, governmental interference or embargoes, strikes, labor difficulties or transportation delays of the SystemSystems ("**Force Majeure**").
- 18.2. 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.

19. LANGUAGE

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

20. APPLICABLE LAW AND SETTLEMENT OF DISPUTES

- 20.1. 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.
- 20.2. 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.
- 20.3. Any dispute in connection with the Agreement including its validity or interpretation shall be settled between the Parties. This also applies to other legal matters arising out of or in connection with this Agreement. The negotiations shall be conducted by at least two persons chosen by each party for this purpose. The timeframe for the settlements of disputes between the Parties shall not exceed a period of three (3) months.
- 20.4. All matters in dispute, following failure of negotiations as outlined above, shall be referred to the competent court located in Tel Aviv in 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.
- 20.5. **Dispute not Effecting Delivery.** Supplier agrees and undertakes that no Dispute shall entitle Supplier to delay or withhold (i) the continuation of the manufacture and supply of the Systems 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, and the dispute shall be resolved pursuant to the dispute resolution process specified in Section 20.3above.

21. MISCELLANEOUS

- 21.1. **Waiver of Lien by Supplier.** Supplier hereby waives from the moment the Systems arrive to ISR's Site 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 Systems. 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 Systems.
- 21.2. **ISR's Set-Off Right.** Without derogating from any right of set-off conferred upon ISR elsewhere in this Agreement or under applicable law, 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).
- 21.3. **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 a 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.
- 21.4. **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.
- 21.5. **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).
- 21.6. **Assignment.** This Agreement, including the rights and obligations herein, may not be transferred by Supplier to any third Party without receiving ISR's prior written consent. Notwithstanding the above, ISR shall consent to the assignment of Supplier's right to receive payment under this Agreement to Supplier's bank, subject always to ISR's rights under this Agreement including inter alia the retention rights available to ISR, provided a duly written notice is provided to ISR in advance and ISR's right shall not be prejudiced.
- 21.7. **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.

21.8. **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, or personal delivery to the addresses set forth at the head of this Agreement, 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 fax, twenty four (24) hours after dispatch by fax, 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: **CEO**

Printed Name:

Signature:

Title: **CFO**

Printed Name:

Signature:

Title:

Printed Name:

Signature:

Title:

Printed Name:

Annex A1

**Technical Specifications for Clip No. 17 T-Head bolt with Square
Neck M24x100 with Nut M24 and Double Spring Washer**

Annex A2

Technical Specifications for T-Head bolt with Square Neck M24x100 with Nut M24 and Double Spring Washer

Annex A3

Supplier's proposal in response to the Tender

Annex B
Consideration Annex

Annex C
Supplier's Bank Account Information

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: _____

EBAN Code (applicable to European Accounts): _____

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] (the "Supplier") to sign the Bank Account Form, and hereby certify that their signatures upon the Bank Account Form are fully binding upon the Supplier in accordance with the Supplier's articles of association.

Signature and stamp: _____

Bank Account Form

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: _____

Annex D

Form of Final Acceptance Certificate

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

From:
Israel Railways Ltd.
Tel Aviv Central Train Station (Arlozorov)
P.O.B. 18085
Tel Aviv 61180
Israel

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

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

Annex E

Form of Performance and Warranty Guarantee

To: Israel Railways Ltd. ("**ISR**")
Tel Aviv Central Train Station (Arlozorov)
P.O.B. 18085
Tel Aviv 61180
Israel

Performance and Warranty 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.

In order to collect any amount under this Guarantee, ISR shall not have to refer to Supplier, shall not have to produce any judgment or other judicial document, and shall not have to prove any breach, failure or non-compliance on the part of Supplier or on the part of any person acting for it, or on its behalf, or in its name, and a written demand by the Deputy General Manager, Commerce, Economics & Finance of Israel Railways Ltd. or by a person designated in writing by him, substantially in the following form, shall be sufficient for all purposes of this Guarantee, and specifically shall be sufficient to collect any sums under this Guarantee from us, and we shall pay such sums immediately upon such first demand by ISR:

"Pursuant to the Guarantee issued by you on _____, you are hereby instructed to pay immediately to Israel Railways Ltd. the sum of _____ to Account Number _____ at _____ (Name of Bank) _____

Deputy General Manager
Commerce, Finance & Economics
of Israel Railways Ltd."

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

