

Agreement No. \_\_\_\_\_

**AGREEMENT FOR THE SUPPLY, CONSTRUCTION, INSTALLATION, OPERATION  
AND MAINTENANCE OF ROBOTIC PARKING SYSTEMS FOR BICYCLES  
AT ISR STATIONS**

Entered and signed this \_\_\_\_\_ day of the month of \_\_\_\_\_ in the year \_\_\_\_\_

**Between:**

**Israel Railways Ltd.**, Company No. 52-004361-3  
1 Yoseftal Road, 7136801  
P.O.B. 757  
Lod, Israel  
(hereinafter: "**ISR**")

*Of the First Part*

**and**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(hereinafter: the "**Supplier**")

*Of the Second Part;*

**WHEREAS:**

- A. Pursuant to law, ISR operates the Israeli railways;
- B. ISR has published a public tender - Tender No. 1182 for the supply, construction, installation, operation and maintenance of robotic parking systems for bicycles at ISR stations (hereinafter: the "**Tender**");
- C. The Supplier responded to the Tender, and provided ISR an offer to perform the services detailed in the Tender, in accordance with all of the conditions of the Tender (hereinafter: the "**Offer**") and the Offer of the Supplier won the Tender;
- D. The Supplier declared that it has the know-how, experience, expertise, personnel and resources required in order to perform the services that are the subject of the Tender at the highest level, completely and on the dates required and that it is willing to accept the performance of the services pursuant to that specified in the Tender and this Agreement;
- E. ISR agreed to engage with the Supplier to perform the Services, based on the declarations of the Supplier that it is an independent professional that provides the services on a contractor basis, considering that the nature of the work and the services are appropriate for a contractor-based engagement and are not appropriate for an employer-employee engagement;

F. The Parties desire to set forth all of their agreements, understandings and arrangements with regard to the performance of the services in the framework of this Agreement.

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

**1. GENERAL**

- 1.1 The preamble to this Agreement, and all of its annexes when signed by both parties, constitute an integral part of this Agreement. For the avoidance of doubt, it is clarified that this Agreement shall not enter into effect until it is signed by the authorized signatories of ISR.
- 1.2 The headings in this Agreement are for convenience only, and they shall not be used in interpreting this Agreement.
- 1.3 The parties hereby agree that any change or amendment to this Agreement shall be performed in writing and signed by the parties, and any other manner shall not have any validity whatsoever.

**2. DEFINITIONS**

The following terms used in this Agreement and all of its annexes shall have the meaning set forth below:

- 2.1 "**Construction Sites**" – the locations where the Robotic Parking Systems will be constructed, in the discretion of ISR.
- 2.2 "**Usage Fee**" – as detailed in Section 18.4.
- 2.3 "**Offer**" – as defined in the preamble to this Agreement, and including any amendment and/or change that may be made to it by agreement of ISR in writing, attached as **Annex B** to this Agreement.
- 2.4 "**Tender**" – as defined in the preamble to this Agreement.
- 2.5 "**Project**" – supply, construction, installation, operation and maintenance of Automatic Parking Systems at ISR stations as described in this Agreement including its annexes and in the Tender Documents.
- 2.6 "**Local Authority**" – the relevant local authority where the Construction Site is located.
- 2.7 "**Services**" – all of the works and the services of any kind or type whatsoever, including but not derogating from the generality of the aforesaid – supply, construction, installation, operation and maintenance of the Robotic Parking Systems

that are required in order to fulfill all of the obligations of the Supplier pursuant to this Agreement to fully perform the Project.

- 2.8 "**Minimum Commitment**" – as defined in Section 3 of the Tender Documents.
- 2.9 "**Tri-Party Agreement**" – as defined in Section 13.2.1.
- 2.10 "**Robotic Parking Systems Minimum Commitment**" – Robotic Parking Systems included within the framework of the Minimum Commitment Task Order as defined in Section 4.2.
- 2.11 "**Robotic Parking Systems**" – robotic parking systems for bicycles that shall be supplied by the Supplier pursuant to this Agreement and in accordance with its Offer to the Tender, including the Minimum Commitment.
- 2.12 "**Signature Date**" – the date on which the Agreement is signed by the authorized signatories.
- 2.13 "**Days**" – calendar days.
- 2.14 "**Manufacturer of the Robotic Parking System**" – the party from who/m, according to the declarations of the Supplier in the Tender, it shall purchase the Robotic Parking Systems.
- 2.15 "**Force Majeure**" – for purposes of this Agreement – fire and flood, provided that the Supplier did not have control over it and could not have prevented the damage or interruption that was caused by the force majeure if the Supplier would have fulfilled the service at the level it committed to in this Agreement.
- 2.16 "**Task Order**" – as defined in Section 10.3 below. |
- 2.17 "**Specifications**" – Annexes A1 and/or A2.
- 2.18 "**Construction Annex**" – Annexes A3 and/or A4.
- 2.19 "**Consideration Annex**" – the Financial Offer form of the Tender Documents ("Cost"), as provided by the Supplier in the Offer, and approved by ISR.
- 2.20 "**Security and Information Security Annex**" – Annex J2, as it shall be updated from time to time by ISR, in its discretion.
- 2.21 "**Work Safety Annex**" – Annex J1, as it shall be updated from time to time by ISR, in its discretion.
- 2.22 "**Spare Parts Price Annex**" – Annex K – the spare parts price list attached by the Supplier to its Offer in the Tender.

- 2.23 "**Designated Subcontractor**" – a contractor designated by ISR, in its sole discretion, that shall perform the Design and Construction Services as detailed in Annex A3 for the Robotic Parking Systems that are not within the Minimum Commitment, and which are subject to the provisions of Section 13 below. For the avoidance of doubt, it is clarified that the Designated Subcontractor arrangement shall not apply to the Robotic Parking Systems that are part of the Minimum Commitment or to the works detailed in Annex A4.
- 2.24 "**Warranty Services**" – as defined in Section 16.2 below.
- 2.25 "**Construction Services**" – all of the works and services including design services for the preparation of the infrastructure required for installation of the Robotic Parking Systems, including as detailed in the Construction Annex, including receipt of all of the permits required pursuant to any law, but without derogating therefrom, building permits including all of the services required to complete the Construction Services, even if not expressly specified in this Agreement and/or the Construction Annex.
- 2.26 "**Operation Services**" – as defined in Section 18.2 below.
- 2.27 "**Installation Services**" – all of the works and services required as detailed in this Agreement, including its Annexes, for the installation of the Robotic Parking Systems after completion of the Construction Services and supply and installation of any accessory and/or equipment (hardware or software) required therefor, even if not specified in this Agreement.
- 2.28 "**Supplier's Services**" – as defined in Section 4.3 below.
- 2.29 "**Maintenance Services**"- as defined in Section 17.3 below.
- 2.30 "**Agreement Term**"- as defined in Section 21 of this Agreement.
- 2.31 "**Purchasing Period**"- as defined in Section 10.2 below.
- 2.32 Every defined term in this Agreement shall have the meaning assigned thereto in the Specifications unless expressly provided otherwise.

### 3. ANNEXES

- 3.1 Annex A1 - Technical Specifications for Supply of the Robotic Parking Systems.
- 3.2 Annex A2 - Specifications for Operation Services to be provided by the Supplier.
- 3.3 Annex A3 - Design and Construction of Shaft for Underground Robotic Parking Systems
- 3.4 Annex A4 - Design and Construction of Upper Parking Structure.
- 3.5 Annex B - Supplier's Offer from \_\_\_\_\_, including any addition, clarification or update added to it with ISR's written approval.
- 3.6 Annex C - Confidentiality Declaration.

- 3.7 Annex C1 - Confidentiality Declaration in English.
- 3.8 Annex D- Tri-Party Agreement.
- 3.9 Annex E - Form of Task Completion Certificate.
- 3.10 Annex F - Payment by means of Banks.
- 3.11 Annex G1 - Advance Payment Guarantee.
- 3.12 Annex G2 - Performance Guarantee and Maintenance Guarantee.
- 3.13 Annex H - Confirmation of Insurance Coverage for the Works.
- 3.14 Annex I - Confirmation of Insurance Coverage for the Operations.
- 3.15 Annex J1 - Work Safety Annex.
- 3.16 Annex J2 - Security and Information Security Annex.
- 3.17 Annex K - Spare Parts Price List as attached to the Supplier's Offer in the Tender.

In the event of a contradiction and/or inconsistency between the Tender Documents and this Agreement, the provisions of this Agreement shall prevail, however, in every matter relating to the technical and design parameters of the Robotic Parking Systems, the Project File shall prevail. It is clarified that in the event of a contradiction between the provisions of the Tender and/or this Agreement and the Supplier's Offer, the provisions of the Tender and this Agreement shall prevail, and the Supplier's Offer shall have a lower priority.

#### **4. NATURE OF AGREEMENT**

- 4.1 This Agreement is a framework agreement for the performance of the Services, as shall be ordered by ISR from time to time, in its discretion, by means of Task Orders.
- 4.2 Subject to fulfillment of all of the obligations of the Supplier pursuant to this Agreement, ISR intends to order from the Supplier the Minimum Commitment. However, only a properly signed Task Order issued by ISR in relation to the Minimum Commitment shall constitute an undertaking of ISR to purchase the Minimum Commitment and/or part thereof ("**Minimum Commitment Task Order**"). It is clarified that, if a Minimum Commitment Task Order is issued, and ISR decides not to order the Robotic Parking Systems as detailed in such Task Order, not due to the act and/or omission of the Supplier and/or anyone on its behalf, the Supplier shall be entitled to compensation as follows:

A = The amount of the consideration that the Supplier was entitled to receive pursuant to the terms of this Agreement in respect of the performance of all of the obligations in the Minimum Commitment Task Order.

B = the total amount paid by ISR and/or is required to pay to the Supplier pursuant to the terms of this Agreement in respect of works actually performed by the Supplier in relation to the Robotic Parking Systems in the written Task Order actually ordered by ISR.

The amount of the compensation –

$$0.1 * (A-B)$$

For example: If ISR issued a Task Order for three Robotic Parking Systems and, after issuance of the Task Order that only two will be performed (not due to the act and/or omission of the Supplier), the level of compensation shall be 10% of the amount of the consideration in respect of the third Robotic Parking System that was cancelled.

For purposes hereof, "act and/or omission of the Supplier" – including (but not limited to) an event in which the Supplier did not successfully fulfill its obligations in relation to any Robotic Parking System, in which case ISR shall have the right not to continue to purchase the Minimum Commitment, and the Supplier shall not have any right to receive any compensation and it waives any claim and/or demand against ISR, including for lost profits, goodwill, etc. and it declares that it took this into account at the time of submitting its Offer in the Tender and ISR shall be entitled to all of the compensation detailed in this Agreement.

It is clarified that, other than the compensation specified in this Section, the Supplier shall not be entitled to any compensation and it waives in advance any compensation whatsoever (including if the Supplier suffers damages and/or losses) if ISR shall not order all of the Robotic Parking Systems as detailed in the Task Order issued to it by ISR as provided in this Section. The Supplier represents that it took this possibility into account at the time of submitting its Financial Offer. For the avoidance of doubt, it is clarified that the Supplier shall not be entitled to any compensation whatsoever if a Minimum Commitment Task Order is not issued and/or a Minimum Commitment Task Order is issued, but not in relation to all of the Robotic Parking Systems in the Minimum Commitment but rather only part thereof. Furthermore, it is clarified that this Section shall apply only in respect of the Robotic Parking Systems under the Minimum Commitment.

- 4.3 Without derogating from the provisions of this Agreement and the Specifications, the Supplier's Services include the following components:
- 4.3.1. Construction Services for construction of Robotic Parking Systems under the Minimum Commitment.
  - 4.3.2. All of the Construction Services for the shaft for the underground bicycle parking as detailed in **Annex A3** if ISR shall decide, in its sole discretion that the Supplier shall perform such Construction Services or in the event that ISR shall decide that the Designated Subcontractor shall perform the Construction Services for the shaft for the underground bicycle parking as detailed in **Annex A3** – all of the obligations as provided in Section 13 below.
  - 4.3.3. All of the Construction Services for the upper parking structure as detailed in **Annex A4**.
  - 4.3.4. Supply of Robotic Parking Systems to the Construction Site.
  - 4.3.5. All of the Installation Services for the Robotic Parking Systems, including receipt of the permits required pursuant to any law in order to install,

construct the works as aforesaid, including and without derogating from the aforesaid, building permits.

- 4.3.6. Provide Warranty Services.
- 4.3.7. Provide Maintenance Services, if and to the extent required by ISR.
- 4.3.8. Provide Operation Services.
- 4.3.9. Provide Training Services.
- 4.3.10. Any other service specified in this Agreement and/or the Specifications and/or in the Construction Annex and any other service (including supply of any equipment and accessory) even if not included in the Specifications and/or the Construction Annex and/or this Agreement required (in ISR's absolute discretion) in order for the Supplier to supply, construct and plan the shaft for the underground parking and/or the upper parking structure, to install, to operate and maintain the Robotic Parking Systems completely and to the satisfaction of ISR.

(hereinafter, jointly and severally: the "**Supplier's Services**")

- 4.4 In reliance on the declarations and undertakings of the Supplier in this Agreement, and subject thereto, ISR hereby delivers to the Supplier and the Supplier takes upon itself to perform every task imposed on the Supplier in accordance with the provisions of this Agreement, in a manner that will meet all of the needs of ISR and all the provisions of this Agreement above and below and in accordance with the schedules specified in this Agreement and/or the Specifications and/or the Construction Annex, the shortest thereof.
- 4.5 Every task performed in relation to the Robotic Parking Systems shall be performed by the Supplier on a turnkey basis and within the framework of the schedules detailed in this Agreement and/or the Specifications and/or the Construction Annex, the shortest thereof, in exchange for the consideration detailed in the Consideration Annex, unless it is amended with the prior written agreement of the parties.

## **5. SUPPLIER'S DECLARATIONS**

Supplier hereby represents and warrants to ISR as follows:

- 5.1 It has read, understood and agreed with all of the Tender documents and it undertakes to fulfil the provisions of these documents including clarifications that were provided and/or that shall be provided to the Tender by ISR – if any were given/shall be given.
- 5.2 It has all of the know-how, capabilities, expertise, proven experience, manpower and equipment required in order to perform its Services pursuant to this Agreement, and it has the financial capability, financial strength and organizational and logistical ability required in order to perform its obligations under this Agreement.

- 5.3 That all of the resources described in Section 5.2 above will remain in its possession throughout the Term of this Agreement.
- 5.4 That it will act to receive from ISR and it will be its sole responsibility to do so – all of the information, background, technical material, and explanations that are required by it for the provision of the Supplier's Services pursuant to this Agreement, and that he does not have, and shall not have, any claim and/or demand and/or complaint against ISR in respect of the discovery of any deficiency and/or shortfall whatsoever regarding one of the above.
- 5.5 Its' engagement in this Agreement and performance of its obligations under it do not contradict and/or violate any law, order, judgement or obligation, or breach any agreement, whether oral or in writing, of the Supplier and/or the Manufacturer of the Robotic Parking Systems vis-à-vis any third party.
- 5.6 That by performing its obligations pursuant to this Agreement it does and shall not breach and shall ensure that the Manufacturer of the Robotic Parking Systems and/or anyone on its behalf shall not breach any rights of any third party in intellectual property and/or other or conflicting right and/or trade secret of any third party, in Israel and/or abroad.
- 5.7 That it was explained to it that the entrance of the Supplier and/or its employees and/or any one on its behalf to ISR's Sites, if and to the extent entrance to ISR's Sites is required, will be only for performance of the Project, pursuant to the provisions of this Agreement and not for any other purpose and they will be subject to the instructions, regulations and procedures of ISR as shall be in effect from time to time, and including the Work Safety Annex and the Security and Information Security Annex. Without derogating from the aforesaid in this subsection, the Supplier expressly undertakes to immediately perform every instruction of ISR, without exception, in relation to its presence on ISR's Sites and/or performance of the Supplier's Services. Furthermore, the Supplier undertakes that its employees and anyone on its behalf shall immediately leave ISR's Sites upon completion of the performance of the Supplier's Services, unless and to the extent their presence is required in order to fulfil the obligations of the Supplier pursuant to this Agreement.

## 6. **OBLIGATIONS OF SUPPLIER**

The Supplier declares and undertakes as follows:

- 6.1 The Robotic Parking Systems to be provided by it fully comply with the requirements in the Specifications, the Tender and this Agreement.
- 6.2 Without derogating from that provided above and below, it is clarified that a principal and fundamental condition of this Agreement is that the Supplier's Services are provided by it with a full warranty and the Supplier must take all of the actions required in order to ensure that its Services are provided in a manner that is comprehensive, widespread, and complete, at a high professional level, and in



accordance with the schedules until full and complete performance of all of the obligations of the Supplier pursuant to this Agreement.

- 6.3 The Robotic Parking Systems that shall be supplied by the Supplier shall be, at the time of their supply to ISR, inter alia, of the most advanced technology offered by the Manufacturer of the Robotic Parking Systems at such time.
- 6.4 That all of the equipment, software and/or hardware that shall be supplied by the Supplier in the framework of the Robotic Parking Systems will include the authorization of ISR and/or anyone on its behalf to use every option and/or application that exists and/or that is offered by the Manufacturer of the Robotic Parking Systems with software and/or hardware as mentioned (including everything related to communication of the Robotic Parking Systems with the other systems of ISR) for an unlimited period of time, and ISR shall not be required to pay any additional consideration to the Supplier and/or to any third party in order to use and/or to exploit any option and/or application as mentioned for the benefit of the Project that is the subject of this Agreement.
- 6.5 The Supplier undertakes to employ and supply expert manpower, with professional and high quality abilities, capabilities and proven experience in the establishment of projects of the type contemplated and in the provision of robotic parking services similar in character and scope of the Project that is the subject of this Agreement, that are appropriate for the needs of ISR and required to perform its obligations pursuant to this Agreement. For purposes of the Services, the Supplier shall hire high quality employees, who shall commit to work periods that will enable the Supplier to supply the Services at the level required in terms of professionalism and service orientation.
- 6.6 The Supplier undertakes to ensure that all of the employees and/or subcontractors on its behalf and/or their employees and/or anyone on their behalf will pass security checks in accordance with ISR procedures, as a condition to their commencing their work.
- 6.7 The Supplier undertakes to perform its obligations as specified in this Agreement with the maximum use of the most updated available in Israel and abroad in the relevant professional fields for performance of this Agreement.
- 6.8 The Supplier undertakes to cooperate with ISR's advisors to the satisfaction of ISR without any additional payment required by ISR.
- 6.9 The Supplier undertakes to provide to ISR, not later than 14 days after the end of the installation of each Robotic Parking System user guides in the Hebrew or English language and any written information needed to operate and maintain the relevant Robotic Parking System, pursuant to the requirements of ISR, including for every repair, preventive maintenance, breakdown maintenance and any information required for full continuous operation and maintenance of the Robotic Parking Systems (hereinafter: the "**Project File**"). Without derogating from the aforesaid, the Project File will include complete information regarding the spare parts required in order to perform the preventive maintenance and/or breakdown maintenance of the Robotic Parking Systems, including catalogue number of the said spare parts and names of the

manufacturers of the spare parts, and prices of the spare parts after the expiration of 60 months from the Signature Date. The Supplier will update at its expense and under its responsibility at all times the Project File and shall deliver to ISR the most updated Project File. It is clarified that ISR is entitled to require the Supplier to provide an updated Project File to ISR at any, and the Supplier undertakes to provide the Project File to ISR in a fully updated form not later than 14 days from the request for no consideration and unconditionally, and even after the end of the Term of the Agreement, for any reason whatsoever. If the Supplier does not fulfil such request made by ISR, then, without derogating from any remedy available to ISR and any law and/or agreement in such event, the Supplier shall be obligated to pay ISR liquidated damages of at least 25% from all of the consideration that the Supplier is entitled to receive from ISR pursuant to this Agreement if the Supplier had fulfilled all of its obligations, and these liquidated damages do not require proof of damages by ISR.

- 6.10 The Supplier shall ensure to sign and to have everyone on its behalf that shall participate in the Project sign (including employees of the Supplier and any sub-supplier), the Confidentiality Undertaking detailed in **Annex C** and the Manufacturer of the Robotic Parking Systems will sign a Declaration of Undertaking as detailed in **Annex C1**. The Supplier hereby assigns to ISR its rights by virtue of confidentiality agreements with its employees, to sue them in the event of breach of the confidentiality agreements. Furthermore, the Supplier undertakes, inter alia, to enforce vis-a-vis all of its employees, subcontractors, companies and affiliates and anyone on their behalf, the measures required for the fulfilment of its obligations pursuant to this Agreement.
- 6.11 The Supplier hereby expressly undertakes, that in any event in which the employment of any of its employees is terminated for any reason, and prior to the termination of such employment the employee had passwords relating to the performance of the Supplier's Services, the Supplier shall promptly and without delay change all of the passwords, and will update the work managers in their next closest meeting of the performance of this action.
- 6.12 The Supplier undertakes to ensure and shall be responsible that all of its employees and/or any subcontractor on its behalf shall return to ISR, immediately upon demand, all materials that they received from ISR, whether directly or indirectly and including from the Supplier.
- 6.13 If, in the opinion of ISR there is a reasonable likelihood that the Supplier will not be able to meet its obligations pursuant to this Agreement in full and on time, then, without derogating from any other remedy available to ISR pursuant to this Agreement and/or any law, the Supplier undertakes to increase at its own expense and under its own responsibility the resources and the investments by it to the extent required in order to meet the schedule and the work plan and all of its obligations pursuant to this Agreement, including acquiring know-how and/or services from third parties in Israel and/or abroad, at the expense of the Supplier, if in the opinion of ISR, the Supplier does not have sufficient know-how, experience and/or required capabilities. Where the Supplier did not acquire know-how as aforesaid, ISR shall be entitled to contact the appropriate parties on its own in order to acquire such know-how at the expense of

the Supplier plus 15% (including by means of set off from the amounts of the payments owing to it from ISR pursuant to this Agreement). It is clarified that nothing in this subsection is intended to derogate from any of the obligations of the Supplier and it is exclusively responsible for the success of the Supplier's Services, including meeting the schedules.

- 6.14 The Supplier undertakes to receive all of the licenses and permits required in connection with the performance of the Project, to the extent required in order to perform its obligations pursuant to this Agreement and according to any law, at its expense and including receiving all of the licenses and permits from any authority required and including the local authorities in which the Robotic Parking Systems will be installed.
- 6.15 The Supplier shall perform at its expense every act within the framework of the performance of the Services using work of excellent quality and expertise.
- 6.16 If in the opinion of ISR the Supplier does not meet this condition, ISR shall be entitled in its discretion to reject any part of the Services performed by the Supplier if in the opinion of ISR they are not of the required quality or were not performed with the appropriate professionalism and expertise or do not comply with the provisions of this Agreement, and if the Services or part thereof were rejected as aforesaid, the Supplier shall be required to fulfil the instructions of ISR in relation to the changes, repairs, additions or reductions, itself or by others at the Supplier's expense. The Supplier shall be obligated to pay ISR all of the expenses and damages caused or that shall be caused to ISR as a result of the rejected works. Furthermore, in this event ISR shall be entitled – in addition to any other remedy – to deliver the performance of the Services in whole or in part to other(s) at the expense of the Supplier, and the Supplier shall enable it to perform that which was imposed on it by other(s).
- 6.17 Without derogating from the rights of the Supplier pursuant to any law and/or agreement, ISR shall be entitled to deduct and/or set off from any amount owing from it to the Supplier at any time any amount of expenses, damages and losses that ISR shall claim were caused to it or shall be caused to it.
- 6.18 The Supplier will permit ISR to use the Robotic Parking System structure for advertisements of ISR and/or a third party designated by ISR. It is clarified that all of the income from such advertisements, if any, shall belong to ISR. The Supplier shall fully cooperate with ISR and/or any third party on its behalf in everything relating to advertising. It is clarified that the Supplier shall not be entitled to use the Robotic Parking System structure for its own advertisements and it shall not allow any third party whatsoever to do so, unless this is approved by ISR in its sole discretion, and ISR can withhold its approval for any reason whatsoever.

**7. DECLARATIONS OF THE SUPPLIER REGARDING THE MANUFACTURER OF THE ROBOTIC PARKING SYSTEMS**

Without derogating from the aforesaid, the Supplier declares and undertakes with respect to each of the Manufacturers of the Robotic Parking Systems, jointly and severally, and in the name of each of the Manufacturers of the Robotic Parking Systems, jointly and severally:

- 7.1 The Supplier entered into an agreement with the Manufacturer of the Robotic Parking Systems, and by virtue thereof the Manufacturer of the Robotic Parking Systems undertook to perform any action required to supply and fulfill its obligations regarding the supply of the Robotic Parking Systems pursuant to this Agreement.
- 7.2 The Supplier undertakes that every part of the Robotic Parking Systems, including the spare parts, shall be such that they are approved by the Manufacturer of the Robotic Parking Systems. It is clarified that the Supplier is not authorized to include in the Robotic Parking Systems to be supplied to ISR parts and/or spare parts that were purchased by the Supplier from a third party unless such third party is an authorized supplier of the Manufacturer of the Robotic Parking Systems. ISR shall be entitled to demand from the Supplier that the Supplier undertakes to issue to ISR immediately upon its demand, a confirmation from the Manufacturer of the Robotic Parking Systems that all parts of the Robotic Parking Systems that were supplied by manufacturers authorized by the Manufacturer of the Robotic Parking Systems.
- 7.3 That the price list of the spare parts as specified in Annex K to this Agreement shall remain without change (and will not be linked to any consumer price index, and will not be affected by price increases) for a period of 60 months from the Signature Date.
- 7.4 There is no obstacle under any law and/or agreement in anything relating to the Manufacturer of the Robotic Parking Systems and/or engagements between the Supplier and the Manufacturer of the Robotic Parking Systems to the implementation of this Agreement and fulfillment of all of the obligations of the Supplier under it, completely and on time.
- 7.5 The Supplier checked with the Manufacturer of the Robotic Parking Systems that all of the declarations of the Supplier in the Tender and within the framework of this Agreement in relation to the Robotic Parking Systems are acceptable to and fully upon by the Manufacturer of the Robotic Parking Systems and are correct and that the Manufacturer of the Robotic Parking Systems undertook towards the Supplier, to the extent dependent upon the Manufacturer of the Robotic Parking Systems, to perform them completely and on time. The Supplier declares that it did not merely rely upon the declarations of the Manufacturer of the Robotic Parking Systems but rather checked these matters itself and all of its declarations and undertakings in relation to the Robotic Parking Systems in this Agreement and/or in the Tender are correct, complete and accurate.
- 7.6 If and to the extent required by ISR, the Supplier shall ensure the presence of employees of the Manufacturer of the Robotic Parking Systems in order to assist the Supplier in the performance of its obligations pursuant to this Agreement, with no additional cost to ISR. The aforesaid does not in any way impose any obligation whatsoever on ISR.
- 7.7 To ensure, under its responsibility, that the Manufacturer of the Robotic Parking Systems shall not take any action and/or omission that would prevent ISR from making full use of the Robotic Parking Systems, for any reason whatsoever (including

due to the termination of this Agreement by either of the parties for any reason whatsoever and/or termination of the agreement between the Supplier and the Manufacturer of the Robotic Parking Systems, for any reason whatsoever).

- 7.8 If and to the extent ISR shall require, the Supplier shall assign all of its obligations and rights pursuant to this Agreement to the Manufacturer of the Robotic Parking Systems, such that the engagement shall be directly between the Manufacturer of the Robotic Parking Systems and ISR, and shall not demand to receive additional consideration and/or any compensation from ISR and/or from the Manufacturer of the Robotic Parking Systems in respect of said assignment.
- 7.9 It is clarified that the Supplier is fully responsible for all of its obligations to ISR in this Agreement, and any action and/or omission by the Manufacturer of the Robotic Parking Systems, for any reason whatsoever, shall not serve as a defense in favor of the Supplier for the failure to fulfill its undertakings pursuant to this Agreement, including failure to fulfill its obligations on time. The Supplier declares and undertakes that it shall take all of the measures required in advance to ensure that the actions and/or omissions of the Manufacturer of the Robotic Parking Systems, for any reason whatsoever, shall not prevent the Supplier from performing its obligations under this Agreement in a complete manner and in accordance with the schedules and shall not injure in any manner its obligations to ISR pursuant to this Agreement.
- 7.10 The Supplier shall be responsible to ISR for any claim and/or demand of the Manufacturer of the Robotic Parking Systems against ISR and shall compensate and indemnify ISR immediately upon its demand for any damage and/or expense and/or loss that shall be caused to ISR as the result of the demand and/or claim of the Manufacturer of the Robotic Parking Systems against ISR.

## **8. OBLIGATIONS OF THE PURCHASER**

Subject to the fulfilment of the obligations of ISR pursuant to this Agreement completely and on time, ISR shall pay the Supplier the consideration detailed in the Consideration Annex.

## **9. MANAGEMENT OF THE PROJECT**

- 9.1 The Manager of the Logistics Sector of ISR and/or his representative at ISR, shall serve as the manager on behalf of the Purchase for all relating to coordination and supervision of the performance of the Services by the Supplier (above and hereinafter: the "**Coordinator**") without such appointment derogating from any of the obligations of the Supplier pursuant to this Agreement and/or pursuant to any law. ISR shall be entitled to change the identity of the Coordinator in its sole discretion. A notice of change of the identity of the Coordinator shall be delivered to the Supplier orally or in writing.

- 9.2 The Supplier shall deliver to the Coordinator from time to time, pursuant to the request of the Coordinator, a report and/or explanations regarding the performance of the Services of the Supplier and their progress.
- 9.3 The Supplier undertakes to provide for purposes of the Supplier's Services as detailed in this Agreement experienced and professional personnel that passed the appropriate training, and if and to the extent required pursuant to any law and/or instructions of the Manufacturer of the Robotic Parking Systems certification as well, then also the appropriate certification, all at the expense of the Supplier and under its responsibility. Pursuant to the request of ISR, the Supplier's employees shall undergo certification at the Manufacturer of the Robotic Parking Systems at no additional cost to ISR even if the Manufacturer of the Robotic Parking Systems does not require this, if ISR determines in its sole discretion that this is required in order to ensure a level of service orientation and professionalism of the Supplier's employees. Pursuant to the request of ISR, the Supplier shall issue to ISR appropriate certificates regarding the training that the Supplier's employees underwent. In any event, and without derogating from the aforesaid, the Supplier shall be required to transfer all of its employees that are providing the Warrant Services and/or Maintenance Services and/or Operation Services and/or Accompaniment Services and/or Training Services basic certification by the Manufacturer of the Robotic Parking Systems regarding all of the activities required in order to activate and operate the Robotic Parking Systems (including basic maintenance, preventive maintenance, etc.), and this is whether or not such certification is required by the Manufacturer of the Robotic Parking Systems, and all with no additional cost to ISR.
- 9.4 Without derogating from the aforesaid, an Operations Manager and a Call Center Manager shall be appointed as detailed in **Annex A2** to this Agreement throughout the Agreement Term.
- 9.5 ISR shall be entitled to instruct the Supplier to replace any of the Supplier's employees and/or anyone on its behalf (including the Operations Manager and Manager of the Call Center), in its absolute discretion, and the Supplier shall fulfil the instructions of ISR within not more than 14 days. The replacement of any of the Supplier's employees and/or anyone on its behalf shall not constitute grounds for any change and/or delay whatsoever in the schedule to which the Supplier committed and/or to any change to the costs fixed pursuant to this Agreement.
- 9.6 Without derogating from the aforesaid, the Supplier undertakes to provide for purposes of the Services the work team in the scope of hours required by the schedules and substitute personnel in the event of the absence of one of the members of the team. Before commencement of the works, the Supplier will submit for the approval of ISR a list of the members of the intended work team to work on its behalf, detailing their professional qualifications and experience as mentioned. ISR is authorized to not approve the appointment of a member of the team and in this event the Supplier shall immediately offer to ISR an alternative candidate, however, the agreement of ISR to the appointment of such alternative member does not derogate in any way from the obligations of the Supplier and from its liability

pursuant to this Agreement. The Supplier shall not replace any member of the work team without the prior approval of the Coordinator on behalf of ISR. Training of the employees and the transfer of information between them, including specific information relating to the performance of the Services that are the subject of this Agreement of ISR, shall be performed under the responsibility of and expense of the Supplier in a manner such that shall not damage the schedules or obligations of the Supplier to ISR pursuant to this Agreement.

- 9.7 The Supplier shall fulfil every demand of ISR and/or anyone on its behalf regarding removal from the Construction Site and/or Back Office, as defined in **Annex A2**, of any person employed by the Supplier, whether directly or indirectly, in the performance of the Services if and to the extent that ISR concludes in its discretion that the removal as mentioned is required to prevent damage to ISR and/or to employees of ISR and/or to equipment of ISR including the Robotic Parking Systems and/or the obligations of the Supplier. The Supplier shall fulfil every such demand within 24 hours from the time of receipt thereof. A person removed pursuant to such a demand shall not be rehired by the Supplier for the performance of the Services, whether directly or indirectly. ISR shall not be required to explain such a demand. Within 24 hours from the time of the removal of such employee as provided above, the Supplier shall locate an alternative employee that shall be approved in writing by ISR and/or someone on its behalf.

The hiring or removal of an employee, as aforesaid, shall be under the sole responsibility and expense of the Supplier, and nothing in the demand made by ISR and/or someone on its behalf, shall create any legal relations between ISR and such employee, and ISR or anyone on its behalf shall not be responsible in any manner or way for the employment or removal and/or the results of the employment or removal of any such employee whether towards the employee or towards the Supplier.

The Supplier shall compensate and indemnify ISR in respect of any damage and/or expense (including legal expenses) that shall be caused to ISR as the result of a claim and/or demand of an employee of the Supplier as aforesaid against ISR and/or anyone on its behalf, and shall be entitled to deduct any such amount from any amount owing to the Supplier pursuant to this Agreement.

- 9.8 The Supplier shall be responsible and shall bear all of the costs required and associated with arrival of the Supplier's employees and/or anyone on its behalf and/or employees of the Manufacturer of the Robotic Parking Systems and/or any one on its behalf to ISR's Sites, including costs of flights, transportation, visas, insurance, accommodation and any other expense.
- 9.9 The Supplier shall be responsible that the employees of the Supplier and/or anyone on its behalf and/or employees of the Manufacturer of the Robotic Parking Systems and/or any one on their behalf and/or its employees and/or Supplier's subcontractors and/or Designated Subcontractors shall fulfil the instructions of the Security and Information Security Annex, the Work Safety Annex and any other instruction of any other authorized party of ISR.

9.10 ISR shall be entitled in its discretion, to notify that it is interested in hiring any of the Supplier's employees as an employee of ISR. The Supplier shall not object and shall not create any obstacle whatsoever if and to the extent that ISR shall decide to hire an employee of the Supplier as an employee of ISR and the Supplier waives any demand and/or claim in this regard and shall not be entitled to any compensation in respect thereof.

## **10. ROBOTIC PARKING SYSTEMS ORDERS**

10.1 Subject to its discretion, ISR shall issue a Minimum Commitment Task Order to the Supplier for the supply, construction, installation, operation and maintenance of the Robotic Parking Systems under the Minimum Commitment as detailed in the Minimum Commitment Task Order, during the First Purchasing Period, unless determined otherwise by ISR in its discretion.

10.2 ISR shall be entitled in its sole discretion to also issue, from time to time, additional Task Orders for additional Robotic Parking Systems. However, it is clarified, that if ISR shall determine in its sole discretion to issue Task Orders to purchase additional Robotic Parking Systems, this right shall be limited (as opposed to the purchase of other services) for a period of 24 (twenty four) months from the date of signature of this Agreement (hereinafter: the "**First Purchasing Period**"), however, ISR reserves the exclusive right to extend the First Purchasing Period of the Robotic Parking Systems for additional periods that shall not exceed in the aggregate an additional sixty (60) months (the "**Additional Purchasing Periods**"). The First Purchasing Period and the Additional Purchasing Periods are referred to hereafter as the "**Purchasing Period**". For the avoidance of doubt, the total purchasing period shall not exceed in the aggregate eighty four (84) consecutive months from the Signature Date.

10.3 It is clarified, that only a task order signed by an authorized signatory on behalf of ISR shall bind ISR (a "**Task Order**").

## **11. SCHEDULE**

11.1 It is clarified, that meeting the schedules are fundamental to this Agreement, and the Supplier undertakes to make every effort in order to meet the schedules.

11.2 It is clarified that the schedules detailed in this Agreement and/or the Specifications and/or the Construction Annex are fundamental to this Agreement, and that deviation from them unless approved in advance and in writing by ISR shall constitute a breach of this Agreement. Accordingly, the Supplier is aware that in order to meet the fixed schedules, it must hire parallel work forces and it will be required to hire teams that will work during hours that are outside of regular working hours and it undertakes to do so anyway and for no additional price.

11.3 In the event of a contradiction between the schedules detailed in this Agreement and/or in the Specifications and/or in the Construction Annex, the Supplier shall be bound by



the shortest thereof.

#### 11.4 **The First Installation**

It is agreed that the schedule from the issuance of the Task Order and until full and proper operation of the Robotic Parking System at the Construction Site (including all of the Supplier's Services in relation to such Robotic Parking System) shall not exceed:

<b>Type of Facility</b>	<b>From issuance of the Task Order until full operation of the Robotic Parking System</b>
Parking with 50-80 spaces (upper)	5 months
Parking with 120-159 spaces (upper)	5 months
Parking with 120-159 spaces (underground)	6 months
Parking with >200 spaces (underground)	7 months

#### 11.5 **Disassembly/Moving**

ISR shall have the right to decide, from time to time, to move an existing Robotic Parking System in its sole discretion, from one location to an alternative location, whether in the same area or in another area/city/district. The moving time specified in the table below is the time from the cessation of the operation of the Robotic Parking System in the first point and until the Robotic Parking System fully operates for public users at the destination point, and after performance of all the works, calibration, tests and maintenance required prior to opening the Robotic Parking System for use.

The disassembly works, transport and moving from one place to another and everything relating thereto shall be performed in accordance with the Construction Annexes.

The schedules for performing the transport and moving are:

<b>Type of Facility</b>	<b>From cessation of operation and until commencement of operation</b>
Parking with 50-80 spaces (upper)	30 days
Parking with 120-159 spaces (upper)	40 days

Parking with 120-159 spaces (underground)	60 days
Parking with >200 spaces (underground)	60 days

## 12. CONSTRUCTION SERVICES

Without derogating from the obligations of the Supplier pursuant to this Agreement, the Supplier declares and undertakes as follows:

- 12.1 The Supplier shall perform all of the services for construction of the Robotic Parking Systems under the Minimum Commitment on the dates specified in the Construction Annex, and shall supply to ISR all of the documents specified in the Construction Annex and shall obtain all of the approvals specified in the Construction Annex.
- 12.2 The Supplier shall perform all of the services for construction of the shaft for the underground Robotic Parking Systems as detailed in Annex A3 that are not Robotic Parking Systems under the Minimum Commitment, unless ISR shall decide that such services shall be performed by the Designated Subcontractor as described below.
- 12.3 The Supplier shall perform all of the services for the construction of the upper Robotic Parking Systems structure as detailed in Annex A4 that are not Robotic Parking Systems under the Minimum Commitment.
- 12.4 The Supplier shall perform such Construction Services on the dates detailed in the Construction Annex, and shall supply to ISR all of the documents specified in the Construction Annex and shall obtain all of the approvals specified in the Construction Annex, and shall perform any additional work even if it is not specified in the Construction Annex if in the discretion of ISR it is required in order to complete the Construction Services.
- 12.5 It is clarified that, throughout the construction services ISR shall be entitled to inspect the Supplier's works and to demand that the Supplier present certificates regarding its progress and the Supplier undertakes to fully cooperate with ISR and/or anyone on its behalf, and to repair anything for which ISR requires repair, all under the responsibility of the Supplier and at its expense. It is clarified that the aforesaid shall not constitute grounds for the Supplier to delay any schedule and the Supplier undertakes to meet the schedules detailed in this Agreement. Furthermore, the approval and/or absence of approval of ISR does not exempt the Supplier from its obligations under this Agreement and the Supplier is solely responsible and it waives any claim and/or demand against ISR, including a claim that ISR approved any particular work.
- 12.6 The Supplier declares that it received all of the information related to the performance of the Construction Services and from its perspective there is no obstacle and/or limitation to the performance of the Construction Services on time and as specified in this Agreement and of an excellent quality.

- 12.7 It is clarified that it is the Supplier's responsibility to receive at its expense and under its responsibility all of the permits required to perform the Construction Services, including the building permits to construct the Robotic Parking Systems as required pursuant to any law.
- 12.8 The Supplier shall be responsible that the employees of the Supplier and/or anyone on its behalf (including employees and/or suppliers of Designated Subcontractors and/or subcontractors and/or anyone on their behalf) and/or employees of the Manufacturer of the Robotic Parking Systems and/or anyone on its behalf shall comply with the provisions of the Work Safety Annex and any other instruction provided by an authorized party of ISR in everything relating to the performance of the Construction Services, all at the Supplier's expense and at no additional cost to ISR.
- 12.9 The Supplier declares that it shall perform all of the Construction Services that are the subject of this Agreement at the most excellent level, quality and nature and in full compliance with the provisions of any law, including but not limited to provisions regarding work safety including certification to perform works at heights. The Supplier hereby declares and confirms that it is aware that the level, quality and nature of the works pursuant to this Agreement, are of the essence, basic and fundamental to this Agreement, and ISR would not have entered into this Agreement with it if it weren't for its undertakings as aforesaid.
- 12.10 The Supplier shall issue to ISR all of the approvals of any type or kind relating to the performance of the Construction Services as required under the provisions of any law.
- 12.11 The Supplier declares, that it shall take all measures in order to prevent unnecessary noise and/or dirt and/or dust and/or pollution and damage to the environment and/or disturbances and/or damages to ISR and/or a local authority throughout its ongoing activities, and shall perform the Services in full cooperation and coordination with ISR and/or anyone on its behalf and/or the local authority and/or other contractors that shall work nearby and/or in parallel to the Supplier.
- 12.12 The Supplier declares and undertakes that it shall perform the Construction Services in a perfect manner, in coordination with the subcontractors on its behalf (including the Designated Subcontractors) located at the work site, if any.
- 12.13 The Supplier declares that it knows the work safety laws including all of the regulations relating to work safety and it undertakes to act in accordance therewith, properly and it will ensure that all of its employees including anyone on its behalf (including employees and/or suppliers of Designated Subcontractors and/or subcontractors and/or anyone on their behalf) shall do the same.
- 12.14 During the performance of the Construction Services, the Supplier hereby undertakes as follows:
- 12.14.1. It will install lighting, scaffolding, barriers, fences, warning signs and warning tape pursuant to the procedures of ISR and/or as ISR shall instruct from time to time to adequately protect the public and the employees located on the Site and nearby.

- 12.14.2. It will find an appropriate place to store materials, tools and equipment in coordination with ISR and/or with the local authority. Any damage and/or loss (including due to theft), that is caused to such materials, tools and/or equipment shall be under the Supplier's sole responsibility.
- 12.14.3. It will remove excess materials and waste in a continuous manner to outside of ISR's Site at the expense of the Supplier and pursuant to the instructions of ISR and/or the local authority and/or provisions of any law.
- 12.14.4. It will diligently follow ISR's and/or the local authority's procedures for performance of the Construction Services.
- 12.14.5. It will comply with guarding and/or security procedures in the Supplier's services to maintain them intact and for the public welfare.
- 12.15 It is the Supplier's responsibility to ensure, at its expense, the supply of telecommunications, water and electricity as required for the Construction Services to the extent required to perform the Works, including a generator in the event of an electricity stoppage, and temporary supply cables.
- 12.16 It is the Supplier's responsibility to plan and coordinate and perform, at its expense, the supply of the systems' needs: electricity, telecommunications, and all of the electromechanical systems to the Robotic Parking Systems, including vis-à-vis the Israel Electric Company, the local authority, ISR, private and publicly owned parking lots, Bezeq, Hot, Cellcom, Motorola, Partner etc. to receive their written approvals, in coordination with the Coordinator. Approval of an authorized inspector, and the relevant authorities, all of the expenses associated with connection to sources of telecommunications, water and electricity, installation of meters and pipelines or cables and all of the expenses associated with the supply of telecommunications, water and electricity – shall be borne solely by the Supplier.
- 12.17 The Supplier waives any claim in relation to the sources of the water, electricity and telecommunications and the Supplier shall be deemed to have examined the location of the sources of water, electricity and telecommunications.
- 12.18 It is the Supplier's responsibility to ensure, at its expense, receipt of approvals for all of the works which require approvals for excavating, coordinating, connection to the existing systems and all of the activities requiring coordination and approval with the relevant parties, including approval of the inspector before performance and laboratory approvals (Standards Institution and the like) after performance of the systems and pipelines in stages and in their entirety.
- 12.19 At any time that the Supplier performs any works near existing lines of gasoline, oil, electricity, telephone, lighting, street signals, cables, water, sewage, pipelines, channels etc., the works will be performed with utmost care, while diligently safeguarding the proper structure of these existing lines, and the Supplier shall be solely liable for any damage and/or loss that may be caused to them and/or to any third party.

- 12.20 In any event of excavation near the aforesaid lines or nearby drilling, the work shall be performed in the presence of a representative of ISR, and a special inspector on behalf of the relevant authority responsible for such lines. Inviting the special inspector as aforesaid shall be the responsibility of the Supplier, and the Supplier shall pay any fees of the inspector, at its expense.
- 12.21 Without derogating from that provided regarding the responsibility of the Supplier, in any event of damage to infrastructure (pipes, pits, filters, cables etc.) whether underground and/or above ground whatsoever due to the acts and/or omissions of the Supplier and/or anyone on its behalf (including employees and/or suppliers of Designated Subcontractors and/or subcontractors and/or anyone on their behalf), the Supplier shall act to immediately notify ISR and the owners of the damaged infrastructure in order that they may act to repair the damage immediately. The Supplier shall solely bear all financial and/or other liability of any kind deriving from such damage. The Supplier shall indemnify and compensate ISR immediately upon its request in respect of any expense and/or loss and/or debt incurred by ISR and/or anyone on its behalf and/or to any third party.
- 12.22 Prior to commencement by the Supplier of excavation and posting works, it must ensure the exact location of the various pipes near where it is meant to work, by means of coordination with the various parties, land reports provided by ISR, if any, exploratory excavation etc., and only thereafter, to commence performance of the works. The exploratory excavations shall be performed in the presence of a representative of ISR, and a special inspector on behalf of the relevant authority responsible for the relevant underground systems, as aforesaid. The exploratory excavations shall be performed at the expense of the Supplier and under its responsibility. Inviting the special inspector as aforesaid shall be the responsibility of the Supplier, and the Supplier shall pay any fees of the inspector, at its expense.
- 12.23 The Supplier alone shall be responsible to receive the work permits and arrangements to order the supervision to the extent required, and the payment for the supervision shall be at the Supplier's expense.
- 12.24 If, during the performance of the works, the Supplier shall discover any installation that interferes with the proper performance of its work, the Supplier shall immediately notify the owner of the installation and receive instructions regarding the manner of handling the installation.
- 12.25 Without derogating from the generality of the foregoing, the Supplier undertakes to obtain at its expense any approval and/or permit and to meet the requirements of any law and/or legislation and/or standard applicable to the type of services being performed by it pursuant to this Agreement.
- 12.26 The Supplier undertakes to perform the Services in accordance with the conditions of this Agreement, in accordance with safety rules and in compliance therewith, including pursuant to the instructions of ISR and/or anyone on its behalf, while precisely complying with all of the regulations and provisions of the authorized authorities and in accordance with the provisions of any law, including the Work Safety Ordinance, the provisions of the Organization of Labor Inspection Law

Provisions of Law-1954, the Torts Ordinance and the regulations and orders promulgated thereunder and the supply of the required safety equipment.

12.27 The Supplier undertakes to take safety measures to prevent the outbreak and spreading of fire including at the time of or resulting from the use of heat-causing works or flames or gases such as, but not limited to, grinding, welding and cutting.

12.28 The Supplier shall provide certified training of its employees regarding work safety. Furthermore, the Supplier shall have its employees sign a confirmation that they received and understood the content of the training, and that the obligation is imposed on them to use personal safety equipment. In addition to the aforesaid, and without derogating therefrom, any time that the Supplier arrives to maintain and/or repair its works the Supplier shall provide its employees, prior to commencement of the work, a refresher of the provisions of the work safety procedures and rules, including work at heights, will ensure that the employees understood what is required of them according to such procedures, provisions and rules and they shall undertake to perform the work in accordance therewith and the Supplier will have them sign a document in which they confirm this. For the avoidance of doubt, it is hereby clarified that nothing in the performance of the aforesaid in this section is intended to release the Supplier from its responsibility pursuant to law to the welfare and safety of its employees, the work environment and to those located on it or nearby and/or to impose liability of any kind whatsoever on ISR or anyone on its behalf.

### **13. DESIGNATED SUBCONTRACTOR**

13.1 In the circumstances detailed in Section 2 of the Tender, the Construction Services detailed in **Annex A3** shall be performed by a Designated Subcontractor that shall be selected by ISR and not by the Supplier. The Supplier waives any claim and/or demand against ISR and/or anyone on its behalf including claims regarding losses if and to the extent ISR shall decide that the Construction Services shall be performed by a Designated Subcontractor and not by the Supplier.

13.2 If ISR decides that the Construction Services detailed in **Annex A3** shall be performed by a Designated Subcontractor and not by the Supplier, the following provisions shall apply:

13.2.1. The Supplier, on the one hand, ISR, on the second hand and the Designated Subcontractor on the third hand, shall, on dates to be instructed by ISR, sign a three party agreement in the format detailed in **Annex D** to this Agreement (the "**Tri-Party Agreement**").

13.2.2. From the signature of the Tri-Party Agreement by the three parties, the Designated Subcontractor that is party to such agreement, shall become the subcontractor of the Supplier for all purposes, and it shall be subject to all of the provisions of this Section and the provisions of Section 23 below, and in the event of a contradiction – the more stringent provision, in ISR's discretion, shall prevail, except in connection with payment of the consideration owing to the Designated Subcontractor in respect of its work. It is clarified that if and to the extent that the Supplier shall have any objections

in relation to the appointment of the Designated Subcontractor it shall have the right to be heard by ISR prior thereto, however, the decision of ISR shall be binding and final.

- 13.2.3. It is the Supplier's responsibility to ensure that the Construction Services that shall be performed by the Designated Subcontractor shall be performed in accordance with this Agreement including **Annex A3**. It is clarified that any act and/or omission of the Designated Subcontractor and/or anyone on its behalf shall be deemed the act and/or omission, as applicable, of the Supplier, and the Supplier shall be responsible for any act and/or omission of the Designated Subcontractor and/or anyone on its behalf (including subcontractors of the Designated Subcontractor), and it will ensure that the Designated Subcontractor and/or anyone on its behalf (including subcontractors of the Designated Subcontractor), shall perform the Construction Services in accordance with the provisions of this Agreement, including **Annex A3**, and pursuant to the instructions of ISR, as they shall be from time to time.
- 13.2.4. From the date of signature on the Tri-Party Agreement, the Supplier shall be responsible to ISR for the performance of all of the works imposed on the Designated Subcontractor (including subcontractors of the Designated Subcontractor), according to the provisions of contract with it, including the quality of the works, the Designated Subcontractor's meeting the schedules, their performance and any other matter relating thereto.
- 13.2.5. Any connection and/or contact between the Designated Subcontractor and ISR shall be made directly between them, provided that they will provide the Supplier with a copy of any notice sent by them to the Designated Subcontractor.
- 13.2.6. The consideration payable to the Designated Subcontractor, shall be paid to it directly by ISR in accordance with the provisions of the Tri-Party Agreement, provided that prior to payment and within 10 days from the date of submission of every invoice by it, the Supplier shall confirm that it does not have any objections to the performance of the payment. If the Supplier objects in advance and in writing to the performance of payment to the Designated Subcontractor, ISR shall accept such objections unless ISR is convinced that the Supplier's objections to the performance of the payment are based on considerations that are not related to the quality or scope of the works included in the invoice. ISR's determination shall be final and non-appealable. The Supplier waives any claim and/or demand against ISR if ISR shall decide to pay the Designated Subcontractor consideration despite the Supplier's objections.
- 13.2.7. If ISR determines that the invoice of the Designated Subcontractor is to be paid despite the objections of the Supplier, the payment shall be made by ISR without the fact of the performance damaging and/or derogating from the obligations of the Supplier for the works of the Designated Subcontractor pursuant to this Agreement and its Annexes and/or pursuant to the Tri-Party

Agreement.

- 13.2.8. In any event that the Supplier shall not be satisfied with the quality and/or nature and/or rate of progress of the work of the Designated Subcontractor and/or any other matter relating to its work, it shall so notify ISR in writing and recommend a delay in the payments owing to the Designated Subcontractor.
- 13.2.9. In respect of full and exact performance of all of the obligations of the Supplier regarding the Designated Subcontractor pursuant to this Agreement and pursuant to the Tri-Party Agreement, the Supplier shall receive from ISR, in addition to the consideration detailed in this Agreement, 3% of the consideration actually paid to the Designated Subcontractor in respect of the services detailed in **Annex A3** that the Designated Subcontractor performed (hereafter: the "Consideration in respect of a Designated Subcontractor").
- 13.2.10. The Consideration in respect of a Designated Subcontractor paid to the Supplier is the full and final payment that will be owing to the Supplier from ISR and/or any other party in respect of the services of the Designated Subcontractor, including in respect of the Supplier's profit and general expenses in respect of its obligations in respect thereto as detailed in this Agreement and in the Tri-Party Agreement, and including and without derogating from the generality of the foregoing, in respect of the responsibility imposed on the Supplier for the quality of the performance of the works of the Designated Subcontractor (including subcontractors of the Designated Subcontractor), and the full and timely performance thereof, in accordance with the contract that will be signed with it.
- 13.2.11. The Consideration in respect of a Designated Subcontractor, shall be paid to the Supplier in monthly payments in accordance with the progress of the works of each Designated Subcontractor, with payment of the contract fees or on the dates at the rates determined by ISR in its discretion.
- 13.2.12. For the avoidance of doubt, it is hereby declared and agreed that the Supplier shall be entitled to receive the Consideration in respect of a Designated Subcontractors as provided in this Agreement, only with respect to those Designated Subcontractors that shall actually perform the services detailed in **Annex A3** during the period in which the Supplier shall perform the Works.
- 13.2.13. For the avoidance of doubt, it is clarified, that the arrangement described above shall not apply to the Construction Services for the Minimum Commitment of Robotic Parking Systems and/or to the services detailed in **Annex A4**. These services shall be performed by the Supplier at its expense as part of the Price Offer and the Supplier shall not be entitled to employ Designated Subcontractors as detailed above and/or to receive the Consideration in respect of a Designated Subcontractor.



#### **14. SUPPLY AND INSTALLATION OF ROBOTIC PARKING SYSTEMS**

14.1 The Robotic Parking Systems that were ordered by ISR under the Task Orders shall be supplied to the installation sites by the Supplier, under its responsibility and at its expense. It is clarified that the Supplier will be solely responsible and shall bear all costs associated with the supply of the Robotic Parking Systems to the installation sites, including obtaining all of the required permits, for the import, sea and land transport, loading and unloading, sea and land insurance, bills of lading, payment of taxes and levies, customs charges and any other act required to supply the Robotic Parking Systems to the installation sites and ISR shall not bear any additional expense and/or payment.

14.2 It is clarified that throughout the works of the supply and installation of the Robotic Parking Systems, ISR shall be entitled to evaluate the works of the Supplier and to require that the Supplier present approvals regarding its progress and the Supplier undertakes to fully cooperate with ISR and/or anyone on its behalf, including to repair anything requiring repair by ISR and all under the responsibility of the Supplier and at its expense. It is clarified that none of the aforesaid shall constitute grounds for the Supplier to delay the schedules and the Supplier undertakes to meet the schedules detailed in this Agreement. Furthermore, no approval and/or lack of approval of ISR shall exempt the Supplier from its obligations under this Agreement and the Supplier shall be exclusively responsible and it waives any claim and/or demand against ISR including any claim that ISR approved any particular work.

It is clarified that the supply of the Robotic Parking Systems after completion of the Construction Services shall be performed by the Supplier under its responsibility and at its expense.

14.3 Without derogating from the aforesaid, it is clarified that the Designated Subcontractor mechanism described above shall not apply to anything related to the supply and/or installation of the Robotic Parking Systems.

14.4 The provisions of Section 12 shall apply, mutatis mutandis, in relation to the Installation Services for the Robotic Parking Systems, unless decided otherwise by ISR in its sole discretion.

14.5 The items of equipment, the hardware and the materials that shall be installed and/or supplied in the framework of the Supplier's Services including the Robotic Parking Systems, shall be owned by ISR commencing from the date they are installed and/or supplied to ISR's Sites, the earlier thereof, and the Supplier shall not be authorized to make any use of them, except for the benefit of the Supplier's Services pursuant to this Agreement.

14.6 ISR shall have an irrevocable and perpetual right to fully use all of the software systems that shall be supplied by the Supplier within the framework of the Supplier's Services, for no additional consideration beyond that specified in this Agreement.

14.7 Upon installation and/or supply of the Robotic Parking Systems, the earlier thereof,

full and entire ownership shall be transferred to ISR free and clear of any third party right whatsoever. Despite the aforesaid, regarding the date of transfer of ownership, the Supplier shall be responsible to perform, at its expense, all of the actions associated with the transport of any equipment, hardware and materials of the Robotic Parking Systems to the location at the Site designated for their installation, in accordance with the provisions of this Agreement and shall be responsible to safeguard them and to prevent any damage and/or loss that is likely to occur to them until the completion certificate is received from ISR and also thereafter until the end of the Agreement Term. It is clarified that ISR shall not be responsible and the Supplier hereby exempts ISR in respect of any damage and/or loss (including theft) that shall be caused to any equipment, hardware and the materials of the Robotic Parking Systems and/or any other equipment, hardware or materials that the Supplier shall use for performance of the Supplier's Services. The Supplier shall be responsible to take all measures to prevent any such damage and/or loss (including theft).

14.8 Subject to that mentioned regarding ISR's tasks, the Supplier shall be responsible to perform all of the works required for the installation of the Robotic Parking Systems at ISR's Sites at its expense and under its responsibility.

## 15. **ACCEPTANCE TESTS**

### 15.1 Acceptance Tests at the Site of the Manufacturer of the Robotic Parking System under the Minimum Commitment

15.1.1. Not later than 45 days prior to the date on which the Manufacturer of the Robotic Parking Systems to complete the assembly of the main parts in each Robotic Parking System under the Minimum Commitment that is actually ordered by ISR at the factory of the Manufacturer of the Robotic Parking Systems, the Supplier shall deliver to ISR a notice thereof in writing and ISR shall be authorized to arrive to ensure that the Robotic Parking Systems under the Minimum Commitment that are to be supplied to ISR comply with the requirements of ISR according to the Specifications and this Agreement.

15.1.2. The Supplier shall ensure that the Manufacturer of the Robotic Parking Systems shall demonstrate before representatives of ISR the fulfilment by the Robotic Parking Systems under the Minimum Commitment of the requirements pursuant to the Specifications and this Agreement, and if ISR determines that the Robotic Parking System under the Minimum Commitment that were presented to it do not comply with the requirements, the Manufacturer of the Robotic Parking Systems shall repair what is required to be repaired according to the instructions of ISR at the expense of the Supplier and under the Supplier's responsibility.

15.1.3. If ISR notified that it wishes to perform such inspection at the site of the Manufacturer of the Robotic Parking Systems the Supplier shall not send the Robotic Parking Systems under the Minimum Commitment to Israel before they are checked by ISR. If the Robotic Parking System under the Minimum Commitment are checked by ISR and found to not be compliant, the Supplier

shall not send the Robotic Parking Systems under the Minimum Commitment to Israel prior to receipt of approval of ISR, that all of the defects were repaired to the satisfaction of ISR.

- 15.1.4. ISR, in its discretion, shall be entitled to visit the site of the Manufacturer of the Robotic Parking Systems a number of times and the Supplier undertakes to ensure that it and/or anyone on its behalf shall be given free and unlimited access to check the quality of the work and the parts of the Manufacturer of the Robotic Parking Systems.
- 15.1.5. It is clarified that the approval and/or lack of approval of ISR shall not in any way reduce the liability of the Supplier and the Supplier shall be absolutely responsible for the fitness of the Robotic Parking Systems under the Minimum Commitment and their compliance with the requirements as detailed in the Specifications and this Agreement, and it waives any claim and/or demand that any defect was not discovered by ISR and/or anyone on its behalf.
- 15.1.6. The aforesaid shall apply jointly and severally to each Robotic Parking System under the Minimum Commitment ordered pursuant to this Agreement.

## 15.2 Acceptance Tests at the Installation Site

- 15.2.1. Not later than 14 days prior to the date of delivery of the Robotic Parking System to ISR, the Supplier shall provide to ISR a notice regarding its readiness for the conduct of final acceptance tests by ISR at the installation site.
- 15.2.2. The acceptance tests shall be conducted by the Supplier with the participation of representatives on behalf of ISR.
- 15.2.3. The acceptance tests shall be conducted in accordance with the Acceptance Tests Document to be determined by ISR, and they will check the Robotic Parking System for all of its components. The acceptance tests shall be conducted for no longer than 7 days, unless otherwise determined by ISR in its discretion.
- 15.2.4. The Robotic Parking System shall be deemed to have successfully passed the acceptance test if it meets all of the criteria specified therefor in the Specifications and/or in the Task Order and/or in the Acceptance Test Document, as shall be determined by ISR, on time as aforesaid.
- 15.2.5. Upon completion of such acceptance tests, ISR shall notify the Supplier if the Robotic Parking System successfully passed the examinations of ISR. If it did not successfully pass – ISR shall deliver a report to the Supplier of the failures and the Supplier undertakes to repair such failures, at its expense within the framework of the schedule determined by ISR. Thereafter, the

Supplier and ISR shall repeat the performance of the acceptance tests as aforesaid until receipt of the approval of ISR.

- 15.2.6. For the avoidance of doubt, it is hereby clarified that nothing provided in this section derogates from the obligation of the Supplier to meet the schedule and the aforesaid shall not be deemed the approval of ISR to any deviation from the schedule. The repairs that shall be performed as well as the repeated tests due to the repairs, as detailed below, are part of the Project, and therefore shall be taken into account at the time of checking whether the schedules were met. However, in the case of an fault characterized by the Controller on behalf of ISR as a "minor fault", the Supplier shall be entitled to delay the repairs without this being deemed a delay in meeting the schedule, provided, that the full repair of the minor faults shall be performed by it in accordance with the schedule to be determined by ISR after consulting with the Supplier.
- 15.2.7. If the Supplier met the acceptance tests with respect to a particular Robotic Parking System, ISR shall sign for the Supplier the completion certificate in the form designated in **Annex E** (hereinafter: the "**Completion Certificate**").
- 15.2.8. It is clarified that the approval and/or lack of approval of ISR shall not reduce the liability of the Supplier whatsoever, and the Supplier shall be fully responsible for the fitness of the Robotic Parking System checked, and its compliance with all of the requirements detailed in the Specifications and this Agreement, and it waives any claim and/or demand that any defect whatsoever was not discovered by ISR and/or anyone on its behalf.
- 15.2.9. The aforesaid shall apply jointly and severally to each of the Robotic Parking Systems ordered pursuant to this Agreement. It is clarified that ISR shall be entitled to set different acceptance tests for the various Robotic Parking Systems, and the Supplier declares that it waives any claim and/or demand in relation thereto, including any claim and/or demand that ISR did not set different acceptance tests.
- 15.3 It is clarified that, without derogating from the aforesaid, the Supplier shall not be entitled to the Completion Certificate if and to the extent that it did not complete the training in accordance with the Training Plan and/or did not provide a Project File to the satisfaction of ISR and/or the Supplier did not fulfil any of its obligations pursuant to this Agreement that should have been fulfilled prior to such date pursuant to this Agreement and/or according to the Specifications.
- 15.4 If a Robotic Parking System did not receive a Completion Certificate and/or the Supplier did not meet the schedule and/or ISR determines that the progress of the Supplier is not satisfactory and ISR has doubt as to whether the Supplier will meet its obligations, then, without derogating from the right of ISR pursuant to law and/or this Agreement, including its right to claim damages from the Supplier in respect of the damages caused to it, ISR shall have the sole discretion to act in one (and/or more) of the following manners, all in the sole and absolute discretion of ISR and subject to the provision of 7 days prior notice in writing to the Supplier:

15.4.1. To cancel the award of the Tender to the Supplier and to declare the next alternate offeror as the winner of the Tender;

15.4.2. To instruct the Supplier to refund all consideration that it received in respect of the Robotic Parking System within 7 days, and if the Supplier shall not do so, to exercise all of the guarantees provided to it in respect of the Advance Payment.

15.4.3. To exercise 50% of the Performance Guarantee provided by the Supplier pursuant to Section 27.2.2 below.

15.5 A letter from ISR and/or anyone on its behalf providing that the installation of the Robotic Parking System at the ISR Site failed and/or the progress of the Supplier is not satisfactory to ISR, and ISR has doubt as to whether the Supplier will meet its obligations and/or that the Supplier did not meet the criteria detailed in the Specifications to perform the installation of the Robotic Parking System, shall constitute absolute proof thereof.

## 16. **WARRANTY SERVICES**

16.1 The Supplier shall provide comprehensive and complete (full warranty) Warranty Services commencing from the provision of the Completion Certificate for each Robotic Parking System and for 60 months thereafter (hereinafter: the "**Warranty Period**").

16.2 During the Warranty Period, the Supplier shall provide maintenance and support services specified at the level of full warranty and all for no additional consideration beyond the consideration for the Robotic Parking Systems and shall ensure the continuous and proper operation of the Robotic Parking System, pursuant to the parameters provided in the Specifications and this Agreement. Without derogating from the aforesaid and the provisions of the Specifications, during the Warranty Period the Supplier shall fix every fault, bug, defect or deficiency in the Robotic Parking System, will repair and/or replace equipment and/or materials as needed, shall perform preventative maintenance and breakdown maintenance as required pursuant to the instructions of the Manufacturer of the Robotic Parking Systems and/or as required will supply spare parts in a continuous manner and will install them. The determination of ISR that a component of equipment, hardware and/or material is defective shall constitute absolute proof thereof and shall be replaced for no consideration and without delay. Without derogating from the aforesaid, the Warranty Services shall also include maintenance of the environs of the Robotic Parking System including performance of any treatment and/or repair of a fault that affects the environs of the Robotic Parking System and/or operation of the environs of the Robotic Parking System and treatment and/or operation of the Robotic Parking System and treatment and/or repair of the fault that does not affect the operation of the Robotic Parking System and/or the site of the Robotic Parking System but is likely to develop into a fault or to reflect neglect of the Site or of the equipment located at it.

In the event of damage, loss or injury, due to any reason whatsoever to the Robotic

Parking Systems or to any part thereof, the Supplier shall repair same and return the situation to its previous state at its expense, such that at the time of completion and delivery all of the Services and the equipment will be in a fit condition and will comply in all respects with the requirements of this Agreement and in accordance with the schedule specified in the Specifications.

(hereinafter as: the "**Warranty Services**").

- 16.3 The Warranty Services shall be performed by expert personnel of the Supplier that underwent appropriate qualification as detailed in this Agreement and/or the Specifications and the provisions of Section 9.3 shall apply mutatis mutandis on the Supplier's employees that shall perform the Warranty Services, mutatis mutandis.
- 16.4 Without derogating from the above, at the beginning of each warranty year and/or upon the demand of ISR, the Supplier shall present ISR with the warranty plan for the Site for the upcoming year. The plan will include the expected date of completion of handling each provision of the warranty, where provisions that are likely to affect the safety of employees and users shall be presented at the beginning of the list. ISR shall be entitled to demand the change and update of the warranty plan, including the addition of warranty provisions. The warranty plan approved by ISR shall be attached to the Project File.
- 16.5 ISR shall have the right (option) during the Warranty Period not to purchase all of the Warranty Services and/or to reduce the scope of the Warranty Services by provision of 60 days prior notice, for any reason whatsoever, including for its convenience. Without derogating from the aforesaid, ISR shall be entitled to purchase the Services from a third party in whole or in part and/or to perform the Services (in whole or in part) itself and/or in parallel to the Supplier, all as shall be decided by ISR in its discretion and at its convenience, and the Supplier waives any claim and/or demand in this regard. It is clarified that such decision can be in relation to one Robotic Parking System and/or more, all in the discretion of ISR. If ISR decided as aforesaid, the consideration to be paid to the Supplier shall be reduced accordingly, after the Supplier's claims shall be heard. ISR's decision regarding the level of the reduction shall be final and absolute and the Supplier waives any claim and/or demand against ISR.
- 16.6 The comprehensive warranty of the Supplier as provided in this Section shall not apply in the event of any damage and/or fault directly caused by a willful act of ISR and/or force majeure only. If and to the extent that the Supplier will be exempt from repairing damage and/or a fault pursuant to this subsection, ISR shall be entitled to order from the Supplier the repair for payment, and in this respect the provisions of the Change Order Procedure specified in Section 20 below shall apply.
- 16.7 For the avoidance of any doubt – damage and/or fault caused by third parties whether they acted on behalf of the Supplier or not (including users and/or passersby), and including – employees, contractors on its behalf, their employees, their suppliers etc., users of the Robotic Parking Systems and/or passersby – shall be the responsibility of the Supplier.

16.8 Notwithstanding the aforesaid in Section 16.7, damage caused willfully by a passerby and/or by employees of ISR shall not be the responsibility of the Supplier, and ISR shall repair the damage in accordance with the prices in Section 20 of this Agreement and the prices of spare parts detailed in **Annex K** to this Agreement. The answer to the question if the damage was willful or not shall be determined by ISR in its discretion, and its decision shall be final and binding on the Supplier.

## **17. MAINTENANCE SERVICES**

17.1 Commencing from the end of the Warranty Period, ISR shall have the option to purchase from the Supplier, from time to time, comprehensive and complete Maintenance Services for various periods and until the end of 60 months from the end of the Warranty Period (hereinafter: the "**First Maintenance Period**"). ISR shall have the option to extend the First Maintenance Period for different periods of up to 48 months from the end of the First Maintenance Period (the "**Additional Maintenance Period**"). The First Maintenance Period and the Additional Maintenance Period are referred to hereinafter as the "**Maintenance Period**".

17.2 ISR shall have the right (option) not to purchase any Maintenance Services and/or to reduce the scope of the Warranty Services, by provision of 30 days prior notice to the Supplier, for any reason whatsoever, including for its convenience. Without derogating from the aforesaid, ISR shall be entitled to purchase the services from a third party in whole or in part and/or to perform the services (in whole or in part) itself and/or in parallel to the Supplier, all as shall be decided by ISR in its discretion and at its convenience, and the Supplier waives any claim and/or demand in this regard. It is clarified that such decision can be in relation to one Robotic Parking System and/or more, all in the discretion of ISR.

17.3 During the Maintenance Period, if and to the extent that ISR shall decide to purchase the Maintenance Services, the Supplier shall provide the maintenance and support services detailed in the Specifications at the level of full warranty and all in accordance with the consideration specified in the Consideration Annex. The provisions of sections 16.2 and 16.4 shall fully apply, mutatis mutandis, to the Maintenance Period, except that consideration shall be paid in respect of the Maintenance Services as provided in this section. (hereinafter: the "**Maintenance Services**").

## **18. OPERATION SERVICES**

18.1 The Supplier shall provide comprehensive and complete operation services from the time of provision of the Completion Certificate for all of the Robotic Parking Systems until the end of the Warranty Period and until the end of the Maintenance Period, if ISR shall decide to purchase the Maintenance Services (the "**Operation Period**").

18.2 The "Operation Services" shall include all of the activities required in order that every Robotic Parking System shall fully operate in accordance with the provisions of the Specifications and this Agreement, and including Call Center services,

Internet services, application services, payment services, report issuance services, all as detailed in the Specifications and this Agreement, all without any additional consideration in excess of the consideration specified in the Consideration Annex. It is clarified that any content presented on the application and/or Internet site shall be subject to the approval of ISR in advance and in writing. The Supplier shall be required to remove any content from the Internet site and/or the application if demanded to do so by ISR.

- 18.3 Without derogating from the aforesaid and/or the other provisions of this Agreement, as part of the Operation Services the Supplier shall guard the Robotic Parking Systems and everything inside them (including bicycles) and it shall be liable for any damage and/or loss caused to the Robotic Parking Systems and/or users (bodily injury and/or damage to property, including bicycles) and it shall compensate and indemnify ISR in respect of any damage caused to the Robotic Parking Systems and/or users (bodily injury and/or damage to property, including bicycles), including due to theft. Without derogating from the aforesaid, the Supplier shall be deemed a "hired keeper" as defined in the Keepers Law, 1967, and its obligations to safeguard the Robotic Parking System and everything inside it (including bicycles) is the fundamental purpose.
- 18.4 Without derogating from the aforesaid and/or any other provision of this Agreement, as part of the Operation Services the Supplier shall collect for ISR usage fees for the use of the Robotic Parking Systems from users (the "**Usage Fees**"). It is clarified that the level of the Usage Fees shall be determined by ISR in its sole and absolute discretion and the Supplier waives any claim and/or demand in this regard, including loss of profits. On a monthly basis, by the 5<sup>th</sup> day of each month, the Supplier shall transfer to ISR all of the income received by the Supplier for the Usage Fees in respect of the previous month. The report will be signed by the person acting as the CFO of the Supplier at such time. During the first 36 months of the Warranty Period, the reported Usages Fees shall be set off from the consideration the Supplier is entitled to receive from ISR, and after 36 months and until the end of the Maintenance Period, the Supplier shall transfer the full amount of the Usage Fees to ISR. The Supplier undertakes to maintain complete books with regard to the receivables that it receives in respect of the Usage Fees and it will provide to ISR any information requested in order to ensure the accuracy of this data, at the Supplier's expense.
- 18.5 The services detailed in Sections 18.2-18.4 are referred to hereinafter as the "**Operation Services**".
- 18.6 For the avoidance of doubt, it is hereby clarified that ISR and any person authorized thereby shall, at any time, have access to the equipment and location of performance of the services and all the locations in which the works are performed (including call centers and the offices of any party involved, directly or indirectly, in the Operation Services) or in which equipment, including bicycles, is stored.
- 18.7 Operation Services shall be performed by expert personnel on behalf of the Supplier that underwent the appropriate qualification as detailed in this Agreement and/or the Specifications and the provisions of Section 9 shall apply, mutatis



mutandis, to the employees of the Supplier that shall perform the Operation Services.

- 18.8 ISR shall have the right (option) not to purchase any Operation Services at all and/or to reduce the scope of the Operation Services, by provision of 30 days prior notice to the Supplier, for any reason whatsoever, including for its convenience. Without derogating from the aforesaid, ISR shall be entitled to purchase the services from a third party in whole or in part and/or to perform the services (in whole or in part) itself and/or in parallel to the Supplier, all as shall be decided by ISR in its discretion and at its convenience, and the Supplier waives any claim and/or demand in this regard. It is clarified that such decision can be in relation to one Robotic Parking System and/or more, all in the discretion of ISR.

## **19. EQUIPMENT, HARDWARE AND MATERIALS**

The Supplier declares and undertakes as follows:

- 19.1 It will only use equipment, hardware and materials (such term also includes software components, as applicable) that are new, reliable and of the best quality, and shall supply and install at ISR the newest hardware and software offered by the Manufacturer of the Robotic Parking Systems.
- 19.2 That all of the components of the equipment, hardware and materials that it shall supply are continuously manufactured and benefit from continuous servicing and maintenance.
- 19.3 It is clarified that all of the cleaning materials shall be provided in accordance with the provisions of the Specifications and they shall receive prior approval from ISR.
- 19.4 That the equipment and all of its components and parts are, inter alia, of the most advanced technology, which shall enable to the extent required, inter alia, software updates, measurements and improvements to the full satisfaction of ISR.
- 19.5 The Supplier further declares that to the best of its knowledge not cessation is planned in the production, servicing, support and/or maintenance of any of the components of the equipment, the hardware and the materials that are supplied by it as part of the Supplier's Services, and that it has the ability to supply spare parts and software updates throughout the Agreement Term at least. For the avoidance of doubt, it is clarified that the Supplier shall not supply any software component or material component to it, which on the date of supply was declared/defined as "end of life" or "end of service".
- 19.6 Without derogating from the provisions of the Specifications, that it will maintain through the Agreement Term and for at least 10 years from the installation of the Robotic Parking System an inventory of fit and appropriate spare parts of the types required for purposes of meeting its obligations, and in a sufficient quantity, with expert and professional personnel. The inventory of spare parts shall be held in Israel and the Supplier undertakes to Supply to ISR, immediately upon its demand, spare

parts to the installation site, as shall be instructed by ISR in its discretion.

- 19.7 If it will be necessary to import equipment and/or hardware and/or materials, the Supplier shall be responsible to perform, at its expense, in addition to that mentioned in this section, also all of the actions associated with the import, sea and land transport, loading and unloading, bills of lading, payment of taxes and levies, customs charges, and any other action required to supply them without ISR having to bear any additional expense and/or payment.
- 19.8 That without derogating from the provisions of the Specifications in this regard, equipment, hardware and/or materials with respect to which there are standards of the Israeli Standards Institute – will comply in their qualities with said standards and if there is not Israeli standard – the Supplier must ensure they comply with another standard determined by ISR. Where the Israeli standard recognizes several levels of materials, and lacking another provision in the Specifications and plans, the equipment, hardware and/or materials shall be in accordance with the highest standards level.

## **20. IMPROVEMENTS AND ADDITIONAL CHANGES**

- 20.1 The Supplier undertakes to perform during the Agreement Term, according to ISR's request, improvements, changes and additional developments that are not included within the Supplier's Services and/or deriving from them (hereinafter: the "**Changes**") The Supplier shall not be entitled to not perform the Changes if they are ordered by ISR.
- 20.2 Notwithstanding the above, it is hereby clarified that the term "Changes" does not include services that are part of the Supplier's Services pursuant to this Agreement and/or derive from them and/or adjustments, developments, changes or repairs that the Supplier is required to perform as part of the Services pursuant to the Project File and/or the Tender Documents and/or the Specifications and/or are required in order to enable the efficient and proper function of the Supplier's Services.
- 20.3 If ISR determines that there is a need to perform the Changes, it shall notify the Supplier in writing and the Supplier shall submit the approval of ISR an offer to perform the Changes (hereinafter: the "**Changes Offer**") that shall include a description of the Changes and their affects, detailed specifications for the Changes including test plans, affect of the Changes on the Services, the scope required, schedule, the affect of the required project on the schedule and the consideration for the Changes.
- 20.4 ISR shall be entitled to order the Changes according to the following possibilities:
- A. If the price for the Change is set forth in the Consideration Annex – according to the price set forth in the Consideration Annex, with no additional payment whatsoever. It is clarified that such price also includes operation services and warranty for a period of 24 months for Changes and the Supplier shall not be entitled to additional consideration in respect thereof.

If a price is set forth in **Annex K** – so per the price detailed in **Annex K** with the aforesaid being valid without change (including linkage) for at least 60 months from the Signature Date.

- B. If no price is set forth in the Consideration Annex, according to the following possibilities:
- B(1) Pursuant to the actual hours of work, in accordance with the price list that shall be determined in good faith negotiations between the parties. The number of hours in any event shall not exceed the estimated number of hours provided to ISR in the Change Offer.
  - B(2) As a project with a price fixed in advance that is agreed in negotiations with the Supplier. The price that is determined as aforesaid shall include in addition to development, a warranty for 24 months, operation and training, if and to the extent required by ISR.
  - B(3) In the event that the Changes include additional equipment and/or spare parts and/or hardware and/or software license and/or other components and/or replacement of equipment that is not included in the framework of the warranty and/or maintenance and there is no price for them in the Consideration Annex and/or **Annex K**, the mechanism that shall apply shall be as detailed below: the price of equipment, spare parts and hardware, the license and any material of any kind, shall be the cost to the Supplier, as shall be demonstrated by it by proper written documentation, plus profit that shall not exceed 10%.
- 20.5 The Supplier shall commence performance of the Changes, only after it receives written approval from ISR to perform the works detailed in the Change Offer and the approval regarding the consideration for the Changes. Until it receives such approval, the Supplier shall continue to perform the Services, unless otherwise agreed between the parties. At the end of the performance of the Changes, acceptance tests and examinations of the products of the Changes shall be conducted in accordance with acceptance tests that shall be agreed, and this regard the provisions of this Agreement shall apply, mutatis mutandis. In parallel, the Supplier shall deliver to ISR all of the revised and updated documentation in relation to the Changes, and the Changes shall be deemed part of the Supplier's Services for all purposes.
- 20.6 It is clarified, for the avoidance of doubt, that ISR shall be entitled to purchase the Changes and/or part of them not from the Supplier but rather from any third party (including the purchase of the Warranty Services and/or maintenance of the Changes from any third party) and the Supplier waives any claim and/or demand in relation thereto.

## 21. **TERM OF THE AGREEMENT**

The term of this Agreement shall commence on the Signature Date and shall end, if not lawfully terminated earlier in accordance with the provisions of this Agreement, at the end of the Maintenance Period and/or the Operation Period of the last of the Robotic Parking Systems. It is clarified that the term of this Agreement shall not exceed 14 years from the Signature Date.

## **22. CONSIDERATION**

- 22.1 In consideration for the performance of the Supplier's obligations pursuant to this Agreement on time, ISR shall pay the Supplier the consideration specified in the Consideration Annex.
- 22.2 If and to the extent that any payment is conditioned upon the completion of a performance milestone and/or receipt of approval of ISR, then the payment shall be conditioned upon receipt of a Completion Certificate for the performance milestone signed by ISR and/or an approval signed by ISR. If a Completion Certificate signed by ISR and/or such approval is not received, the consideration shall not be paid. Notwithstanding the aforesaid, ISR shall be entitled to pay the Supplier part of the payments in its discretion, however this section does not impose any obligation whatsoever on ISR.
- 22.3 VAT will be added to all amounts to be paid to the Supplier in accordance with law, against a tax invoice issued by the Supplier to ISR prior to the date of each payment.
- 22.4 Except for VAT, any tax and/or levy and/or obligatory payment of any kind applicable or that shall become applicable in the future on the Services and/or any transaction pursuant to this Agreement, shall be entirely imposed on the Supplier and paid by it.
- 22.5 Linkage conditions shall be in accordance with the arrangement set forth in the Consideration Annex.
- 22.6 It is hereby clarified that no any financial dispute between ISR and the Supplier shall constitute grounds for the Supplier to stop or delay the performance of the Services and/or to terminate this Agreement, unless ISR approves the delay of the Services until the resolution of the dispute. For the avoidance of doubt, it is clarified that in light of the damages likely to be caused to ISR due to the termination of this Agreement by the Supplier, the Supplier hereby waives its right to terminate this Agreement (in whole or in part) even if this right is given to it pursuant to any law and even if the Supplier determines that ISR breached this Agreement in a fundamental and material manner. The only remedy that shall be available to the Supplier in respect of the breach of this Agreement by ISR (including material breach and/or breaches) is a financial claim and the Supplier hereby irrevocably waives any other remedy and/or claim.
- 22.7 The Supplier hereby expressly waives any right of lien and/or any right of setoff in connection with the consideration pursuant to this Agreement, including and especially a lien right pursuant to the Contractor's Agreement Law-1974. It is hereby agreed that ISR has the right to set off any amount owing to it from the Supplier (including in respect of damages caused to it including liquidated damages) due to this Agreement and/or this Project in the sole discretion of ISR, against amounts that ISR

is required to pay to the Supplier, as they may be from time to time. It is clarified that ISR shall send the Supplier an advance written notice of its intent to exercise its rights pursuant to this section.

22.8 It is declared and agreed that the consideration is fixed and final and that it includes appropriate and fair consideration for the Supplier, including profit for all of the expenses associated with and deriving from the Services and the other obligations of the Supplier pursuant to this Agreement or pursuant to any law, and the Supplier and/or anyone on its behalf, shall not claim and shall not be entitled to sue ISR for increases or changes to the consideration, whether due to increases in labor costs, currency exchange rate increases, the imposition or increase of taxes, levies or other obligatory payments of any type or kind, whether direct or indirect or due to any other factor.

### **23. SUBCONTRACTORS**

23.1 The Supplier shall not be entitled, in any way or form, to transfer to any subcontractors and/or consultants performance of works included in the Supplier's Services, without first receiving the prior written approval of ISR with respect to each and every supplier. ISR's refusal shall not be for unreasonable grounds. The Supplier is responsible that any subcontractors so approved, shall not be entitled to transfer to subcontractors on their behalf the performance of all or some of the works imposed on them.

23.2 For the avoidance of doubt, it is hereby agreed that there shall not be employer-employee relations between ISR and the Supplier and/or the Supplier's employees and/or subcontractors (if any are so approved) and they shall be employees of the Supplier and/or the subcontractor only. The Supplier hereby declares that it notified and clarified to all of the persons engaged by it, whether directly or as a subcontractor, in the performance of this Agreement, that there is no employer-employee relationship between them and that there shall not be any employer-employee relationship.

23.3 ISR's approval to transfer works to subcontractors as aforesaid in Section 24.1, shall not relieve the Supplier in any way or manner from its obligations under this Agreement, and shall not be interpreted as an assignment of the obligations and/or rights by virtue of this Agreement from the Supplier to the subcontractors.

### **24. NO EMPLOYER-EMPLOYEE RELATIONSHIP**

24.1 The Supplier hereby declares that in the performance of its obligations under this Agreement it acts as an independent supplier.

24.2 The Supplier declares that there is nothing in this Agreement or in any of its provisions which creates between the Supplier, its employees, or anyone on its behalf and ISR employer-employee relations, and all of the employees that shall be engaged by the Supplier on the Site, for purposes of performance of its obligations under this Agreement shall be and shall be considered as employees of the Supplier alone and there shall not be between them and ISR any employer-employee relationship. The

Supplier hereby declares that it notified and clarified to all of the persons engaged by it, whether directly or as a subcontractor, in the performance of this Agreement, that there is no employer-employee relationship between them and that there shall not be any employer-employee relationship.

- 24.3 Furthermore, the Supplier shall be solely and exclusively liable to its employees, or those engaged by it or those on its behalf for all liability, debt or obligation owned by an employer or that is likely to be owed by them to their employees – including but without derogating from the generality of the aforesaid, national insurance and national health payments, deduction of income tax or other taxes imposed of any kind whatsoever, wages as defined in the Wage Protection Law-1958, severance pay as defined in the Severance Pay Law-1963, any payments in respect of annual leave pursuant to the Work Hours and Rest Law-1951, payments and allocations to pension funds or other insurance funds, and all payments and social benefits of any kind whatsoever, pursuant to any law, agreement or collective agreement, and all payments pursuant to changes in the aforesaid laws, and any law that shall be added to or replace them.
- 24.4 Without derogating from the aforesaid, since the Supplier serves as an independent supplier in the performance of the Services it shall be liable to its workers and/or anyone on its behalf in connection with its obligations under this Agreement in respect of any event of injury, disability, death, damage or loss that shall occur or be caused to them, whether directly or indirectly, as a result of an accident that took place during work and in connection thereto or at the time he arrived at work and returned therefrom.
- 24.5 Without derogating from the generality of the aforesaid, the parties declare that the Supplier, its employees and/or anyone on its behalf shall not be entitled to any payment in the nature of a severance payment, in any cause of the termination of this Agreement for any reason whatsoever.
- 24.6 The Supplier undertakes throughout the Agreement Term to fulfill in respect of all of the employees engaged by it in the performance of the Services and the remainder of its obligations under this Agreement, the requirements of any law, including labor laws prevailing in the State of Israel and the provisions of the general collective agreements, between the Coordinating Bureau of Economic Organizations and the Histadrut and/or any other collective agreement concluded that is in effect in the relevant sector, or as such agreements shall be extended, or amended in the future, including extension orders that were issued and/or shall be issued pursuant to these agreements.
- 24.7 If for any reason a court and/or tribunal shall determine that any employee or employees of the Supplier are employees of ISR, whether together with the Supplier or alone, then the Supplier undertakes to compensate and indemnify ISR, immediately upon its first request, for any amount that ISR shall be required to pay to any person and/or entity in connection with any such determination, including any legal expenses connected thereto. ISR shall be entitled to collect for such damage, in whole or in part, by means of exercise of the bank guarantee, in whole or in part, specified in Section 27.2 of this Agreement and/or by means of set off from the consideration owing and/or

that may be owed to the Supplier pursuant to this Agreement, all in the discretion of ISR.

## **25. LIABILITY FOR DAMAGES**

- 25.1 The Supplier assumes liability in respect of any damage and/or injury and/or loss of any kind whatsoever including to body and/or to property that shall be caused to ISR, its employees, its representatives, its invitees and anyone on its behalf, and the Supplier, its employees, its representatives, its invitees and anyone on its behalf, and any entity, person or third parties whatsoever, including users of the Robotic Parking System and/or passersby, due to an act or omission of the Supplier, its employees, its representatives or anyone on its behalf during the performance of its obligations under this Agreement and it shall be required to discharge to the injured parties, and it undertakes to compensate ISR for any amount that it is required to pay in connection with the aforesaid damages. The liability of the Supplier shall be valid even if ISR is required to pay to any injured party or to any other person or entity in respect of its possession of the land or for any other grounds of liability, or based on any other reason.
- 25.2 The Supplier shall be liable towards ISR and anyone on its behalf, towards the employees of the Supplier and anyone on its behalf (including subcontractors) and towards any third party including users of the Robotic Parking Systems and/or passersby, for any damage, whether to body or to property, loss or legal expenses, including any damage that shall be caused to existing infrastructure at ISR's stations during the performance of the Services, and for any other damage that shall be caused to ISR and/or to any third party directly or indirectly, from the performance of the Supplier's Services and/or in connection therewith and/or the provision of the Services or as a result of defective materials or from faulty performance of the works that are the subject of this Agreement whether during the performance of the Supplier's Services or thereafter, whether caused by it or caused by its employees and/or representatives and/or by anyone and throughout the period of liability pursuant to law.
- 25.3 The Supplier shall be responsible to ISR and anyone on its behalf, towards the employees of the Supplier and anyone on their behalf (including subcontractors) and towards any third party whatsoever including users of the Robotic Parking Systems and/or passersby, for any damage whatsoever caused to the Robotic Parking Systems and/or the bicycles stored in the Robotic Parking Systems and/or for any damage and/or loss caused to any of the users of the Robotic Parking Systems due to the use of the Robotic Parking Systems, including damage to the bicycles of the users of the Robotic Parking Systems and/or loss of time and/or distress and/or monetary loss of any kind.
- 25.4 The Supplier shall be required to compensate ISR immediately upon the first demand of ISR any loss, damage and/or expense that shall be caused for any reason in connection with the aforesaid in this Agreement if caused to ISR due to such injury or damage (even if the injury is not caused by the act and/or omission of the Supplier

and/or anyone on its behalf and is caused, for example, due to a willful act of a third party except for willful damage caused by passersby and/or ISR's employees) and/or breach of any of the obligations of the Supplier pursuant to this Agreement, and it undertakes to indemnify ISR, immediately upon its first demand for the full amount paid by ISR or which it is likely to pay in connection with such injury, loss or damage and all of the expenses borne by ISR or that it is likely to bear in connection with a claim for such injury, loss or damage, all without derogating from the rights of ISR pursuant to this Agreement and/or under any law for any other remedy or relief.

- 25.5 The Supplier hereby fully exempts ISR from compensation to any of the Supplier's employees and subcontractors and their employees and all others acting on the behalf of any thereof in respect of any injury or damage caused to them during and/or as a result of the performance of the Services, and it undertakes to indemnify ISR immediately upon its first demand and to do so in the full amount paid or likely to be paid by ISR in connection with such injury and damage and for all of the expenses borne by ISR or that it is likely to bear in connection with a claim for such injury or damage, all without derogating from the rights of ISR pursuant to this Agreement and/or under any law for any other remedy or relief.
- 25.6 The Supplier hereby fully exempts ISR from compensation to any third party due to the use of the Robotic Parking System made by such third party, including damage caused to the bicycles and/or loss of time and/or distress and/or monetary loss and/or any other damage including of such damages were not caused by the Supplier and/or anyone on its behalf, and it undertakes to indemnify ISR immediately upon its first demand and to do so in the full amount paid or likely to be paid by ISR in connection with such injury and damage and for all of the expenses borne by ISR or that it is likely to bear in connection with a claim for such injury or damage, all without derogating from the rights of ISR pursuant to this Agreement and/or under any law for any other remedy or relief.
- 25.7 The Supplier hereby fully exempts ISR from compensation to a local authority due to the Supplier's Services, and it undertakes to indemnify ISR immediately upon its first demand and to do so in the full amount paid or likely to be paid by ISR in connection with such injury and damage and for all of the expenses borne by ISR or that it is likely to bear in connection with a claim for such injury or damage, all without derogating from the rights of ISR pursuant to this Agreement and/or under any law for any other remedy or relief.
- 25.8 The Supplier shall be liable for any damage caused to property of any kind, land and/or property of ISR and/or any third party (including the local authority), including to the existing systems of ISR and/or the local authority, whether directly or indirectly, from the performance of the Services and/or in connection with them, whether during the performance of the Services or thereafter, whether if caused by it, or if caused by employees and/or representatives and/or anyone else, including damages that shall be caused to vehicles and/or equipment and/or materials located in the environs of the work site.
- 25.9 It is hereby declared and agreed that ISR and anyone on its behalf shall not have any liability of any kind whatsoever towards the Supplier and/or its employees and/or



anyone on their behalf for any damage caused to the property and/or business of the Supplier for any reason whatsoever – even if the ISR or anyone on its behalf was aware of the possibility of such damage, and without derogating from the generality of the aforesaid, also if the damages are indirect and consequential, including, without limitation, consequential economic damages of any kind caused to the Supplier and/or anyone on its behalf, such as lost income and/or lost profits and/or loss of goodwill.

25.10 Without derogating from the aforesaid, ISR shall not be liable in any manner whatsoever towards any third party in respect of the breach of copyrights and/or intellectual property rights of any kind in the implementation of the Services, registered and unregistered, and the liability for any such breach shall apply to the Supplier alone, at its sole expense.

25.11 Without derogating from such obligations of the Supplier, in any event that a temporary or permanent injunction is issued against ISR (and/or its affiliated companies), that forbids use of the results of the Services of the Supplier (and/or any part thereof, including without derogating from the generality of the aforesaid, the implementation, characterization, customization, developments, interfaces, editions and versions, changes and the remainder of the Services), due to a claim that the Services or any component thereof, infringes a patent, copyright and/or exclusive or contradictory right of use of a third party (whether in Israel or abroad) (hereinafter: the "**Infringing Component**"), or if in the opinion of ISR there is a suspicion that such an order will be granted, the Supplier shall be obligated to obtain for ISR, at its expense, as soon as possible, and in any event within not longer than 45 days from the date of issuance of the order or the date on which such suspicion arose, permission to continue to use the Infringing Component or to replace it or rewrite the lines of code, or to replace the Infringing Component with a component of equivalent capability such that the claimed infringement shall be defrayed, while ensuring the minimum disruption of ISR's work. If at the end of such period of 45 days the Supplier shall not succeed in defraying the claimed infringement and to cancel the injunction, ISR shall be entitled to settle with the third party at the expense of the Supplier and act in its discretion in order to cancel the injunction, and the Supplier shall indemnify ISR and/or anyone on its behalf against any expense and damage caused to it as a result thereof.

25.12 The termination of this Agreement and/or the completion of the Services pursuant hereto shall not derogate from the liability of the Supplier regarding damages where the grounds of the complaint derive from this Agreement.

25.13 It is clarified that the only remedies to which the Supplier shall be entitled against ISR are financial remedies alone, and it shall not be entitled to prevent ISR from continuing to perform the Services itself and/or by others in any event and for any reason whatsoever, even if it claims that ISR breached this Agreement.

25.14 If ISR is obligated to pay any amount in respect of a debt which, pursuant to this Agreement, the Supplier is obligated- whether it derives from a claim of an employee of the Supplier or an employee of ISR or of a third party or of an insurer or any other source, ISR shall be entitled to full indemnification and compensation from the Supplier for any such damage caused to it at the level of such amount plus all of the expenses of ISR including legal expenses and attorneys' fees that it will have in

connection with such a claim, plus linkage differentials, and the Supplier shall return to ISR these amounts immediately after ISR submits a demand in which it itemizes the expenses it so incurred. ISR will notify the Supplier of any event in which it is sued according to this provision.

25.15 Without derogating from the obligations of the Supplier in this Agreement, ISR shall be entitled, in any event in which the Supplier breached its obligations under this Agreement and/or does not provide the Services as required under this Agreement and/or there is likelihood that it shall have difficulty in providing the Services pursuant to this Agreement (including due to a prior attempt) to repair on its own and/or by means of others the damages which the Supplier is liable to repair pursuant to the provisions of this Agreement at the expense of the Supplier, and this is without limiting the scope of the liability of the Supplier under this Agreement, and the Supplier shall bear all of the expenses associated with the repair of such damages plus 20% general expenses of ISR.

25.16 Any amount that the Supplier is responsible to pay pursuant to the provisions of this Agreement, and for which ISR demands payment, ISR shall be entitled, without derogating from its other rights pursuant to this Agreement and/or pursuant to any law, to collect it and/or deduct it from any amount owing and/or that shall be owing to the Supplier from ISR at any time whatsoever and it shall be entitled to collect from the Supplier in any other manner including by means of exercise of the guarantees mentioned above.

25.17 It is clarified that the liability of the Supplier under this Section shall not exceed an amount equivalent to three times the value of the Minimum Commitment, as defined in this Agreement, however, this liability limitation shall not apply in the case of damage to a third party of any kind whatsoever and/or bodily injury and/or damage to real property and/or damage derived from an intentional and/or negligent act and/or omission of the Supplier and/or anyone on its behalf and/or damage derived from intellectual property infringement and/or damage derived from breach of a confidentiality obligation and/or breach of an information security obligation.

25.18 For this purpose the "Supplier" – including its employees and/or anyone on its behalf and including subcontractors and Designated Subcontractors and/or any of them and/or any of their employees and/or anyone on their behalf.

## **26. INSURANCE**

26.1 Without derogating from the Supplier's responsibilities under this Agreement and/or under any applicable law, the Supplier shall obtain and maintain, with an authorized insurance company, all of the following insurance policies:

26.1.1. From the date of commencement of performance of the Construction Services and/or Installation Services and until their full and final completion and delivery to ISR – contractors work insurance policy (hereinafter: "**Works Insurance**") in accordance with that provided in the

framework of the insurance certificate attached as **Annex H** which constitutes and integral part hereof (hereinafter: the "**Works Insurance Certificate**").

- 26.1.2. From the date of delivery of the Robotic Parking Systems under the Minimum Commitment and/or the Robotic Parking Systems or any part thereof to ISR and/or from the date of commencement of use of the Robotic Parking Systems under the Minimum Commitment and/or the Robotic Parking Systems or any part thereof (the earlier thereof), and during the Agreement Term and for so long as the Supplier's Warranty remains in effect – the insurances provided in the insurance certificate attached as **Annex I** which constitutes and integral part hereof (hereinafter: the "**Operation Insurance**" and the "**Operation Insurance Certificate**", as applicable), with an insurance company validly authorized under law in Israel and reputable.

It is clarified that, notwithstanding the requirements under the Operation Insurance Certificate to obtain a policy that combines professional liability and product liability insurance, the Supplier may obtain separate insurance policies for these insurance sectors.

- 26.1.3. Throughout the Agreement Term – **liability insurance** as required pursuant to law in respect of bodily injury due to the use of vehicles, and **liability insurance in respect of a third party's property** due to the use of vehicles up to the amount of not less than NIS400,000 per occurrence.

All of the insurance policies described in this Section 26.1 including the insurance certificates attached hereto are referred to collectively as: the "**Supplier's Insurance**".

- 26.2 Without any need for a demand by ISR, the Supplier must issue to ISR, prior to the performance of the Construction Services and/or Installation Services and/or commencement of provision of Operation Services (as applicable), and as a pre-condition thereto, the insurance certificates specified in Sections 26.1.1 and 26.1.2 above (hereinafter: the "**Insurance Certificates**"), signed by its insurers. Furthermore, immediately at the end of the term of the Operation Insurance or part thereof, the Supplier must issue to ISR an updated Operation Insurance Certificate in respect of the renewal of the period of the Operation Insurance for an additional insurance period, and for each insurance period, so long as this Agreement is in effect and/or for a longer period as detailed in Section 26.1.2 above.

- 26.3 It is clarified that the liability limits required in the framework of the Supplier's Insurance, are the minimum requirements imposed on the Supplier, and do not exempt the Supplier from its full obligations pursuant to this Agreement, and the Supplier and/or anyone on its behalf shall not have any claim against ISR or anyone on behalf of ISR, in anything relating to such liability limits.

- 26.4 ISR shall have the right, but not the obligation, to check the Insurance Certificates issued by the Supplier as aforesaid, and the Supplier shall be required to perform any change, correction, adjustment or extension, that shall be required in order to adjust the Supplier's Insurance to the obligations of the Supplier under this Agreement.
- 26.5 It is declared and agreed that the rights of ISR to check the Insurance Certificates and to request the changes as aforesaid, do not impose on ISR or on anyone on behalf of ISR any obligation or liability whatsoever, in respect of the Supplier's Insurance, their quality, scope and validity, or regarding their deficiencies, and they do not in any way derogate from any obligation whatsoever imposed on the Supplier pursuant to this Agreement or pursuant to any law, whether or not changes to the insurance as aforesaid are required, and whether or not the Insurance Certificates were checked by ISR.
- 26.6 All of the provisions of this Section 26.1 do not derogate from any undertaking of the Supplier pursuant to this Agreement and/or pursuant to any law which would release the Supplier from any liability in respect of damage/destruction/loss etc., that is or isn't covered within the framework of the Supplier's Insurance.
- 26.7 The Supplier exempts, in the name of the Supplier and anyone on behalf of the Supplier, ISR, the Coordinator, the local authority, the State of Israel, the Ministry of Transportation and anyone acting on behalf thereof, from liability for any loss or damage to property or equipment whatsoever brought by the Supplier or anyone on its behalf to installation sites and/or that serves the Supplier for purposes of provision of the Services including in connection with the performance of the Construction Services and/or Installation Services, and the Supplier shall not have and/or anyone on its behalf, any claim, demand or complaint against the aforesaid in respect of such loss and/or damage, provided, that the aforesaid shall not apply in favor of a person that caused damage maliciously.
- 26.8 If in the opinion of the Supplier it is necessary to procure additional or supplementary insurance to the Supplier's Insurance, the Supplier is authorized to obtain and maintain such additional or supplementary insurance, provided that every additional or supplementary property insurance to the Supplier's Insurance shall include a provision regarding the waiver by the insurers of a right to subrogate towards ISR, the Coordinator, the local authority, the State of Israel – the Ministry of Transportation and to those on behalf of such entities; the waiver of such right of subrogation shall not apply for the benefit of a person that caused damage maliciously.
- 26.9 Without derogating from the other provisions of this Agreement regarding assignment of this Agreement, and in the event that the Services and/or the Construction Services and/or the Installation Services or part thereof are given and/or performed by subcontractors of the Supplier, the Supplier shall ensure that the subcontractors have appropriate insurance policies in light of the nature and scope of the engagements with them. In the alternative, the Supplier is authorized to include the subcontractors as named insureds in the Supplier's Insurances.
- 26.10 Without derogating from the aforesaid, it is hereby clarified that the Supplier is responsible to ISR for the Services and the Construction Services and the Installation

Services in their entirety, including Services and/or works that were provided and/or performed or should have been provided and/or performed by subcontractors, and the Supplier shall be responsible to indemnify ISR, in respect of any loss or damage that shall be caused, directly or indirectly, as a result of said Services and works, if any, whether or not such loss or damage is covered in the framework of the Supplier's Insurance or the subcontractor's insurance.

## **27. ADVANCE PAYMENT, PERFORMANCE AND MAINTENANCE GUARANTEE**

### **27.1 Advanced Payment Guarantee**

27.1.1. Without derogating from the aforesaid, to secure the fulfillment of all of Supplier's obligations and ISR's payment as detailed in this Agreement and fulfillment of its declarations pursuant to this Agreement, the Supplier shall deposit with ISR an advanced payment guarantee that is an autonomous bank guarantee or other autonomous guarantee from an Israeli insurance company that has a license to deal in insurance pursuant to the Insurance Services Supervision Law– 1981.

27.1.2. Advanced Payment Guarantee – as a condition to the first payment, 30 (thirty) days prior to the performance of the Advance Payment, the Supplier shall furnish to ISR, an advance payment guarantee at the level of the amount of the advance payment, which shall be valid for up to 60 days after the receipt of the Completion Certificate. The guarantee shall be for the benefit of ISR, and shall be an autonomous and unconditional guarantee payable upon demand, linked to the CPI, on the conditions and in the language provided in **Annex G1** (hereinafter: the "**Advanced Payment Guarantee**").

27.1.3. No consideration shall be paid unless the Advanced Payment Guarantee is deposited in accordance with the provisions of this Section.

27.1.4. The Advanced Payment Guarantee shall be returned to the Supplier 60 days after receipt of the Completion Certificate subject to the approval of ISR to return the guarantee to the Supplier.

### **27.2 Performance and Maintenance Guarantee**

27.2.1. Without derogating from the aforesaid, to secure the fulfillment of all of the Supplier's obligations as detailed in this Agreement and of all of the declarations of the Supplier pursuant to this Agreement, the Supplier shall deposit with ISR a performance and maintenance guarantee as detailed below.

27.2.2. To secure the fulfillment of all of the Supplier's obligations in connection with this Agreement and without derogating from any right and/or remedy that ISR shall have, whether pursuant to law or pursuant to the provisions of this Agreement, the Supplier will furnish to ISR, within 7 days from the date of issuance of a Task Order, an autonomous bank guarantee or other autonomous guarantee from an Israeli insurance company that has a license to

deal in insurance pursuant to the Insurance Services Supervision Law–1981, payable on demand linked to the Consumer Price Index (base CPI, month of \_\_\_ 2018, as of the date of the issuance of the guarantee) in the amount of **NIS 2,500,000** (two million five hundred thousand New Israeli Shekels) as provided in **Annex G1** attached to this Agreement, valid for up to 60 days from the end of the Purchasing Period (hereinafter: the "**Performance Guarantee**"). For each additional Robotic Parking System ordered by ISR, the Performance Guarantee shall be increased by 10% of the cost of the ordered Robotic Parking System (without construction) at the CPI rates detailed above (hereinafter: the "**Increased Performance Guarantee**"). The Increased Performance Guarantee shall be issued not later than 7 days from the date of issuance of the Task Order for each new Robotic Parking System in respect of which a Task Order was issued.

27.2.3. After 60 days from the end of the Purchasing Period, the Supplier shall be entitled to replace the Performance Guarantee with a maintenance guarantee that shall be an autonomous bank guarantee or other autonomous guarantee from an Israeli insurance company that has a license to deal in insurance pursuant to the Insurance Services Supervision Law–1981, payable on demand, whose value shall be half of that of the Performance Guarantee at the actual value on the date of the exchange, linked to the Consumer Price Index on the date of the exchange, and whose term shall be 60 days after the end of the Agreement Term as provided in **Annex G2** attached to this Agreement (hereinafter: the "**Maintenance Guarantee**"). The Maintenance Guarantee shall be in the form provided in **Annex G2**.

27.3 The Advanced Payment Guarantee, the Performance Guarantee and the Maintenance Guarantee are referred to collectively as the "**Guarantees**".

27.4 The Guarantees as detailed above shall apply to each Robotic Parking System separately, such that in respect of each Robotic Parking System, the Supplier shall be required to supply the Guarantees as detailed above, irrespective of Guarantees that it provided in respect of other Robotic Parking Systems.

27.5 ISR shall be entitled to collect on the Guarantees, whether or not specifically provided in this Agreement, any amount that the Supplier is required to pay or the payment of which applies to the Supplier pursuant to the provisions of this Agreement, and any amount as compensation, indemnification or for the reimbursement of expenses borne by ISR in respect of or in connection with this Agreement, due to the fulfillment or failure to fulfill it, and this is without any requirement to receive a judgment, legal justification or proof of its claim towards the bank, without derogating from the right of ISR to exercise any other right, remedy or relief afforded to it pursuant to this Agreement or under law.

27.6 ISR shall be entitled to exercise any Guarantee, in whole or in part, after provision of 10 days prior notice, at any time that the Supplier breaches any of the provisions of this Agreement, and ISR shall be entitled to withhold or to credit, in its discretion, any amount from the proceeds of the Guarantee, against any debt of the Supplier towards it in connection with this Agreement, even if the date for collection has not arrived. If a

Guarantee is exercised, in whole or in part, the Supplier undertakes to issue a new and updated Guarantee at the level of the original amount, plus linkage differentials up to the date thereof and/or to replenish the existing guarantee to the full amount, and such guarantee shall be deemed as the Guarantee for purposes of this Section as aforesaid for all purposes.

- 27.7 If the Agreement is terminated, or expires, for any reason whatsoever, and the Supplier proves that it does not owe ISR any amount whatsoever, ISR shall return to the bank guarantees to the Supplier.
- 27.8 The receipt of the Guarantee and the exercise thereof, in whole or in part, shall not affect the other rights of ISR pursuant to this Agreement or under any law and ISR shall be entitled to act to collect any amount that the Supplier owes in any other manner in its discretion and in accordance with law.
- 27.9 The level of the Guarantee does not serve as a limitation or cap on the liability of the Supplier in the event of its exercise or in any other event.

## **28. LIQUIDATED DAMAGES**

### **28.1 Liquidated Damages for Fundamental Breach.**

In the event that the Supplier fundamentally breaches this Agreement, it shall pay ISR liquidated damages in the amount of NIS 250,000 in respect of such breach.

### **28.2 Damages for Delay in Supplying the Robotic Parking Systems and/or Receiving Completion Certificate.**

In the event that the Supplier does not meet the schedules for supply and/or installation of the Robotic Parking System and/or receipt of the Completion Certificate and/or delay in completion of the transport of the Robotic Parking System, in respect of each day of delay the Supplier shall be obligated to pay agreed damages of NIS 5,000.

### **28.3 Damages as Detailed in the Specifications.**

In the event that the Supplier does not meet the service level detailed in the Specifications, the monetary compensation that shall be owing to ISR shall be the level of the agreed damages specified in the Specifications.

- 28.4 The amounts of the liquidated damages as detailed in this Section shall be referred to jointly and severally as: the "**Liquidated Damages**".
- 28.5 The determination of ISR that the Supplier did not meet its obligations shall be final and irrefutable.
- 28.6 The Liquidated Damages are agreed and determined in advance, without any requirement to prove damages, and this is in addition to the liability of the Supplier pursuant to every other provision of this Agreement and pursuant to law and in

addition to the rights of ISR pursuant to law and the provisions of this Agreement and its annexes. The Liquidated Damages shall be linked to the Consumer Price Index known on the Signature Date.

28.7 ISR shall be entitled to deduct the amount of such Liquidated Damages from any amount owing to the Supplier at any time whatsoever and it shall be entitled to collect them from the Supplier in any other manner. The payment of Liquidated Damages or deductions do not in any way release the Supplier from its liability to complete the Services or from any other obligation pursuant to this Agreement and/or to derogate from any remedy available for the benefit of ISR whether by virtue of this Agreement or any law.

## **29. BREACH OF AGREEMENT, TERMINATION AND DAMAGES**

29.1 Without derogating from the aforesaid or from any right or remedy available to ISR pursuant to this Agreement and/or law, it is expressly agreed that upon the occurrence of any of the events detailed below, ISR shall be entitled to immediately terminate this Agreement:

29.1.1. The Supplier fundamentally breached this Agreement. Without derogating from the generality of the aforesaid, the following acts or omissions shall each be deemed fundamental breaches by the Supplier: 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 29 and 31.

29.1.2. The Supplier breached this Agreement in a manner that is not a fundamental breach and did not cure the breach despite 10 days prior notice by ISR.

29.1.3. An order of an arrangement of creditors and/or liquidation and/or legal incapacity was issued against the Supplier, and/or the submission of an application to have it declared bankrupt or if the Supplier submitted such an application, or any other act of bankruptcy and/or if a lien was imposed on its business and/or its property and was not removed within one day from the time it was imposed ("order" includes any temporary order).

29.1.4. The legal entity that constitutes the Supplier is voluntarily liquidated, or pursuant to a court order.

29.1.5. Without derogating from the aforesaid, any delay of more than 7 (seven) days in relation to the dates in the schedule that is not caused by the direct act and/or omission of ISR.

29.2 If this Agreement is terminated, for any reason whatsoever, or expires, for any reason, the Supplier undertakes to return to ISR every document, or other property belonging to ISR, and to immediately leave and to remove its employees and anyone on its behalf from any office or other area of every Site and to return exclusive possession of them to ISR.

29.3 If this Agreement is terminated or expires, the Supplier undertakes to immediately transfer to ISR the Robotic Parking Systems, with each of them being in a usable and



fit condition and having undergone periodic maintenance in accordance with the instructions of the Manufacturer of the Robotic Parking Systems. The Supplier shall transfer to ISR the updated Project File describing all of the components of the Robotic Parking Systems ("as made") and any other information required by ISR.

- 29.4 If this Agreement is terminated, for any reason whatsoever and/or at any stage whatsoever, and/or it expired, the Supplier undertakes to provide to ISR and/or to anyone on its behalf, all of the information and documents relating to the supply of the Services. In addition, the Supplier shall be required to perform training for replacements in accordance with the directions of ISR and all in accordance with the separation plan as provided in the Specifications and according to the schedule set forth therein and/or the schedule to be determined by ISR, on the schedule to be determined by ISR in order to enable ISR to fully operate the Robotic Parking Systems itself and/or by means of others.
- 29.5 If this Agreement is terminated, for any reason whatsoever, the Internet site and the application, including any database, shall be transferred to ISR, for not additional cost, and ISR shall be entitled to make use thereof in its discretion. The Supplier undertakes to immediately perform any actions required by ISR in order that ISR may fully operate the Internet site and the application all for no additional consideration.
- 29.6 If the Supplier did not fulfill its obligations as detailed in this Section to the satisfaction of ISR and did not provide full and organized training such as to enable ISR to fully operate the Robotic Parking Systems itself and/or by means of others, then, without derogating from any remedy available to ISR under any law, ISR shall be entitled (1) to instruct the Supplier to perform additional training on dates to be determined by ISR, (2) to withhold payments owing to the Supplier, (3) to exercise the Performance Guarantee and/or the Maintenance Guarantee in full, (4) to collect from the Supplier any damages and/or expense that shall be caused to it due to the improper operation of the Robotic Parking Systems, and including to charge the Supplier for all expenses incurred by ISR, plus 20%.
- 29.7 In any event of termination and/or expiration of this Agreement for any reason whatsoever, and without derogating from any other remedy and/or relief to which ISR is entitled pursuant to this Agreement and/or any law in the event of a breach by the Supplier (a) ISR shall be entitled to perform itself and/or by means of others anything that according to this Agreement was required to be performed by the Supplier, (b) the Supplier waives any lien right pursuant to the Contractor's Agreement Law-1974, and hereby undertakes that upon the termination of this Agreement, to cease and to transfer to ISR and/or to anyone on its behalf, in an organized manner the ownership, rights to use and possession of all of the Project's products, whether or not completed, including the materials, programs, documents, applications, changes, editions and versions and other media to ISR, if there shall be any in the possession and/or ownership of the Supplier, all for no additional consideration and without delay.
- 29.8 If this Agreement is terminated, for any reason whatsoever, ISR shall be entitled to hire any of the employees of the Supplier and/or its subcontractors in the provision of the Services to ISR and the Supplier shall not oppose any such hiring and shall not claim any compensation whatsoever from ISR and/or from such employees and/or

from subcontractors and/or delay any payment owing to such employee and/or subcontractor pursuant to any law and/or agreement. The provisions of this Section shall prevail over any employment agreement provision with any of the employees of the Supplier and/or its subcontractors.

- 29.9 No remedy or relief expressly specified in this Agreement shall make redundant and/or derogate from any right that ISR has to any other relief or remedy provided to it under this Agreement and/or any law, unless specifically provided otherwise.

### **30. WAIVER OR RELEASE**

- 30.1 Consent of the parties to deviate from any of the provisions of this Agreement in a particular case or another concession or delay provided to one party by the other shall not constitute a precedent, and no inference by analogy shall be drawn from it in respect of any other case.
- 30.2 If a party does not exercise any of the rights conferred upon it by this Agreement in a particular instance, such fact shall not be regarded as a release or waiver of those rights in any other instance and shall not be construed as any release or waiver of the rights of the parties and authorities granted pursuant to considered as implying or indicating a waiver of any rights of the parties or conditions to their authorities under this Agreement. Any waiver, extension or abstention or delay or concession granted by one party to the other shall be effective only if provided in writing, and shall apply only to the circumstance for which it was given.

### **31. MISCELLANEOUS**

- 31.1 The competent courts located in Tel Aviv shall have exclusive jurisdiction over any dispute deriving from this Agreement.
- 31.2 ISR shall be entitled to assign its rights and obligations under this Agreement to any third party by provision of notice to the Supplier and the Supplier waives any claim and/or demand in connection therewith.
- 31.3 Whenever the consent or approval of either of the parties is required pursuant to this Agreement or in connection therewith, such party shall not withhold its consent or approval on unreasonable grounds. Furthermore, any demand, instruction, request, concession etc. pursuant to this Agreement or in connection therewith shall be provided in a customary manner and in good faith and shall be reasonable under the circumstances.
- 31.4 This Agreement is not an agreement for the benefit of any third party and no third party is authorized to rely upon it.
- 31.5 All notices to be provided pursuant to this Agreement shall be given in writing according to the addresses specified in the preamble of this Agreement or as shall be changed by written notice from one party to the other.
- 31.6 A notice shall be deemed to have been received by the addressee on the date of its deliver if personally delivered, and within three days from being send from the post

office, if sent by registered mail.

**IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT:  
EFFECTIVE DATE.**

**ISRAEL RAILWAYS LTD.**

**THE SUPPLIER**

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

*Signature:* \_\_\_\_\_

*Signature:* \_\_\_\_\_

*Title:*

*Title:*

*Printed Name:*

*Printed Name:*

*Signature:* \_\_\_\_\_

*Signature:* \_\_\_\_\_

*Title:*

*Title:*

*Printed Name:*

*Printed Name:*

**Confirmation of Advocate/Accountant**

I, the undersigned, \_\_\_\_\_, Adv./CPA, of \_\_\_\_\_ Street, hereby confirm that the resolutions of the Supplier to sign this Agreement were duly passed, that the individuals signing this Agreement in the name of the Supplier are authorized to sign it and that their signatures bind the Supplier pursuant to any law.

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
Adv./CPA