Confidential - Commercial

TENDER NO.: 103926930
SPECIFICATION NO.: STR-1791

Framework Agreement (4 year) for Supply of Sealed Stationary Lead Acid (VRLA) Power Batteries

ANNEXURE "Z"
CONDITIONS FOR FRAME CONTRACTS/ORDERS
(four years Basic Frame Contract Period)
Revision 12.03.2024

THESE CONDITIONS ARE TO BE READ TOGETHER WITH AND IN CONNECTION WITH THE PURCHASE ORDER/CONTRACT (INCLUDING THE GENERAL CONDITIONS (ANNEXURE A9) ATTACHED THERETO. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THESE CONDITIONS AND ANY OF THE TENDER/INQUIRY/CONTRACT DOCUMENTS THESE CONDITIONS SHALL PREVAIL.

DEFINITIONS

1. All terms used in this Annexure "Z" have the meanings ascribed to same in the Purchase Order/Contract or in Annexure A (General Conditions) as the case may be. Additional terms used shall have the following meanings**:**

1.1. "Basic Contract Price" – unless specified otherwise in this document, shall mean the total purchase price of the entire quantity (100%) of the Equipment, specified in the tender/inquiry documents (not including options and flexibilities), in the currency, designated by the Supplier and approved by the Purchaser.

1.2. "Basic Frame Contract Period" - shall mean a period of 48 months, beginning on the date specified in the frame contract/order for the supply of the Equipment.

1.3. "Option Period" – shall mean the total period of 36 months during which the Purchaser shall be entitled to exercise the Options in whole or in part.

1.4. "Equipment" - shall mean all or part of the equipment, described in the Order/Contract.

2. FRAME ORDER/CONTRACT FLEXIBILITIES

2.1. PRICE OF THE PURCHASE (Flexibility)

During the Basic Frame Contract Period (and the "extension period", detailed in paragraph 2.2.1.1, below, if applicable), the Purchaser will purchase from the Supplier and the Supplier will sell to the Purchaser, Equipment of a total price, which is equal to the "Basic Contract Price", including the Purchaser's right to increase the Basic Contract Price by up to 70% or decrease the Basic Contract Price by up to 30% (for equipment only)

2.2. EXTENSION PERIOD AND OPTION TO PURCHASE

2.2.1. During the Basic Frame Contract Period, the Purchaser shall be entitled to exercise any one of the following options described below:

2.2.1.1. In the event the Purchaser does not issue draw orders for Equipment in the maximum permissible amount (including flexibilities), during the Basic Frame Contract Period and /or the Option Period specified in the Contract/Order and below, the Purchaser has the right to extend the Order/Contract for a period of time of up to 3 years (hereinafter referred to as the "**Extension Period**"), each time for a period of one year.

2.2.1.2. The Purchaser shall have the options to purchase additional Services as follows:

special tools according to the bidder's proposal . Validity of this option: entire contract period.

2.2.1.3. It is hereby clarified that partial exercise of an Option (in scope and/or period) will not derogate from the Purchase's right to exercise the Option in full.

2.2.2. In no event shall the total Order/Contract period (including the Basic Frame Contract Period and Option Periods and applicable Extension Periods) exceed 84 months from the beginning of the Basic Frame Contract Period.

2.2.3. Regardless of that stated above, where the Purchaser estimates that it shall utilize the entire contract price, prior to the end of the contract period, the Purchaser shall be entitled, at its sole discretion, to precede the commencement date of the Option Period, to a date to be determined by the Purchaser by providing the Supplier a written notice at least ten days prior to the commencement of the Option Period.

The early exercise of the Option Period will not derogate from the Purchaser's right to extend the Contract/Order in time only and/or exercise additional options (as far as such options were included in the Contract/Order), provided that the total of the Contract Period, including the period of the Basic Frame Period and Option Periods and applicable Extension Periods shall not exceed 7 years.

Similarly, where the Purchase anticipates, to the best of its understanding, the utilization of the full monetary value prior to the end of the Option Period, if exercised, the Purchaser will be entitled to precede the commencement date of the Option Period (if any), or terminate the Order/Contract, on a date to be determined by the Purchaser, at its sole discretion.

2.2.4. Exercising one of the options listed under sub article 2.2.1 above, with the exception of the exercise of the flexibility, shall be made by a written notice, no later than one month prior to the end of the Basic Frame Contract Period or the Option Period or the Extension Period, as the case may be.

2.2.5. Reserved

2.2.6. Refusal of the Supplier to exercise the Option (including the exercise of the Extension Period in time) will be considered a breach of the Order/Contract for all intents and purposes, and will entitle the Purchaser to the remedies set forth in the tender documents, including exercising the performance guarantee provided by the Supplier in accordance with the instructions of the tender documents, (to the extent that a performance guarantee is required according to the terms the tender), as well as the remedies according to the law.

2.2.7. It is hereby clarified that should the Purchaser wish to exercise an option in parts, the Purchaser's commitment to a minimum purchase scope (to the extent that such commitment is included in the Contract/Order), will be calculated for the entire Option Period that is exercised and not for each part of it separately.

2.2.8. Should the Purchaser decide in the future to enter into further contracts with the Supplier, the maximum prices, (including during the Option Periods), shall be at the same price or better than those in this Contract/Order, under the linkage conditions listed in this contract.

The exercise of the continuing contract is subject to the prior consent of the Supplier and is subject to the issuing of a separate company order for the subject or an addendum to this order.

2.2.9. If the option is duly exercised, the sale of the "Optional Equipment" to the Purchaser shall be at the same price and under the same terms as the sale of the Equipment purchased during the Basic Frame Contract Period, subject only to such modifications as are set forth herein.

3. <u>SCHEDULE OF DELIVERY</u>

3.1. The Equipment shall be supplied to the Purchaser in accordance with written draw orders, issued by the Purchaser to the Supplier. The draw orders will be issued by the Purchaser at such times as it chooses, within the Basic Frame Contract Period, the “Extension Period” or the Option Period (under paragraph 2 above as applicable).

3.2. Each draw order shall specify the type/s and quantities of Equipment, required by the Purchaser and the Supplier shall deliver to the Purchaser such type/s and quantities as required according to the following:

3.2.1. First draw order (Main Equipment – Batteries, Racks and BMS):

- Delivery and installation within 150 days of issuance date of the draw order including design approval process, for supply DDP directly to Purchaser's installation site.

3.2.2. For all other draw orders: (Main Equipment – Batteries, Racks and BMS):

- Delivery within 120 days of issuance of the draw order for supply DDP directly to Purchaser's installation sites.

3.2.3. Spare Parts: to be supplied with the first draw order for main equipment.

3.2.4. Services (Training Course in IEC site): at closest possible proximity to the delivery date of first draw order, 15 days of issuance date of the order.

Can Bidder meet above stated delivery schedule? ___________ (Yes or No)

If "No" Bidder shall state the closest delivery lead time in days from IEC's order schedule it is able to meet:

First draw order : ______ days
All other draw orders: ______ days
For Services:_______days.

3.3. Reserved

3.4. The Purchaser reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender/inquiry, to modify or update the abovementioned schedule of delivery and lead time.

3.5. The time interval between each draw order shall not be less one month**.**

4. QUANTITIES TO BE PURCHASED

Subject to the Purchaser's obligation to purchase Equipment in the quantities specified in paragraph 2.1, above:

4.1. In the event that the Equipment consist of various, non-identical items, the Purchaser shall have a right to purchase some of the items and not the others.

4.2. Reserved.

4.3. The Purchaser reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender/inquiry, to modify or update the quantities.

4.4. The maximum quantity for each draw order shall not 10 batteries (including racks and BMS).

5. PERFORMANCE GUARANTEE

5.1. Where the value of the Order/Contract is in excess of NIS2,000,000 (excluding options and/or flexibilities and/or VAT) or the equivalent of the foreign currency in NIS (in accordance with the applicable exchange rate, as set forth by the Bank of Israel, on the first working day prior to the date of submission of the price proposals to the tender/inquiry) and without in any way derogating from Supplier's duty to perform its obligations under the purchase Order/Contract, the Supplier shall, at its expense, within 30 (thirty) days from the issuance of an Order, provide the Purchaser with a guarantee for the due performance of the Contract/Order, in the form of an unconditional standby letter of credit (in the form, attached to the tender/inquiry documents), to be given by the entities stated in Annexure Y, in an amount equal to 5% (excluding options and/or flexibilities and/or VAT) of the annual value of the Contract/Order Price**.**

5.2. In the event of an extension of the “Basic Frame Contract Period” in accordance with paragraph 2, above, the Supplier shall deliver to the Purchaser, within the first fourteen days of the “Extension Period”, an extension of the performance guarantee for an additional period equal to the Extension Period.

5.3. Where Purchaser has decided to exercise an option and its price exceeds NIS2,000,0000 (excluding flexibilities and/or VAT) or the equivalent of the foreign currency in NIS (in accordance with the applicable exchange rate, as set forth by the Bank of Israel, on the first working day prior to the date of the Tender Committee's decision to exercise the option), the Supplier hereby undertakes to provide to the Purchaser, at Supplier's expense, immediately upon receipt of notice of Purchaser's exercise of the option, a performance guarantee for the due performance of the option, in the form of an unconditional standby letter of credit (in the form, attached to the tender/ inquiry Documents), to be given by the entities stated in Annexure Y , in an amount equal to 5% (excluding option and/or flexibilities and/or VAT) of the Option Price.

5.4. The guarantee shall remain in effect until sixty (60) days after the warranty period or in the event there is no warranty period, the guarantee shall remain valid up to 60 days after the last date of delivery

5.5. Said guarantee shall be amended from time to time to reflect the adjusted option price, due to the issuance of change orders.

6. WARRANTY

Supplier’s warranty for each item supplied shall be in accordance with the terms and conditions, set forth in Annexure “A9” (General Conditions) and shall run for a period of:
For Batteries and BMS System:
72 Months from successful completion of 4 weeks of continuous operation delivery or 78 months (6 years) from delivery and installation, whichever occurs first.

For spare parts: 12 months from installation or 18 months from supply, whichever occurs first.

7. PRICES (Relevant for 2nd stage)

Your price bid must be inserted in the "Summary of Prices" forms (Annexure "C"), attached hereto. Your price proposal must relate to the Goods/equipment, as proposed by you during stage 1 of the bidding process (or according to the amended/revised proposal - where applicable), as approved by IEC and subject to all conditions of approval, if any.

8. TERMS OF TRADE

A. Israeli bidders must submit their prices, excluding VAT in one of the following Terms of Trade:

- Directly to IEC's installation site, as specified by IEC.

B. Non–Israeli bidders may submit their prices as per definition by Incoterms 2020, issued by the ICC, excluding VAT in one of the following Terms of Trade:

- DDP - (Delivered, Duty Paid) directly to IECs installation sites.

Please Note: Any deviation from the above requirement for "Terms of Trade" as stated above, may result in the disqualification of your proposal.

9. CURRENCY FOR PAYMENT AND PRICE ADJUSTMENT (LINKAGE)

9.1. Payment to the bidder awarded with the contract will be in the currency quoted.

Also, for award to local (Israeli) bidder quoting in foreign currency (other than NIS) - payment shall be in the foreign currency quoted.

Note: In this case, Israeli bidder must state in any invoice sent, the sum for payment, both in said foreign currency and in NIS (after being converted in accordance with the representative rate of exchange published by the Bank of Israel - the last known value on date of issue of invoice) – the amount before addition of V.A.T and amount after the addition of V.A.T.

9.2. In two stage-bidding processes, the "base date" shall be defined by IEC in the "Prices" (second) stage. In the event said base date is not specifically stipulated, the date of submittal of the price proposal shall be the "base date" for all factors of the price adjustment formula (the index/value's set and published for this date shall be valid).

9.3. The determinative (end) date for purposes of calculating price adjustment must be (in accordance with IEC's requirements) 7 calendar days after issuance of each draw order.

9.4. For the "base date" and the "determinative date", the last known index/value's on this said date, shall be valid, for all factors of the price adjustment formula.

9.5. In the event the index published by the authorized bodies, changes, (either the manner in which it is calculated and/or the schedule or table number where it shall be published), it is agreed that the Schedule or table number replacing it, shall be taken into consideration and/or the manner in which it shall be calculated, shall be as determined by the authorized bodies. Where the authorized bodies fail to change the index or the calculation, the parties shall enter into
negotiations for the said issue, until the issue is mutually resolved by the parties.

9.6. Price adjustment shall be invoiced on separate price adjustment invoices, which shall be submitted together with the corresponding relevant invoices for the basic contract price of equipment. Such price adjustment invoices shall be accompanied by documents evidencing the relevant officially published indices on the determinative date and the method of calculating the invoiced sums of price adjustment.

9.7. Should a change in the value added tax occur (hereinafter: "the Change") during the relevant linkage period as defined and according to the order, the effect of the Change on the index shall be deducted for calculation purposes of the price increases or changes as specified in the order.

10. <u>SPECIFIC INSTRUCTIONS AND TERMS FOR HANDLING OF GOODS SUPPLIED TO ISRAELI PORT BY NON-ISRAELI CONTRACTORS</u>

The following terms shall apply to Contractor's in order to fulfill and facilitate the requirement(s), that the Goods be supplied DDP, DAP or DAT – the latter as defined by Incoterms 2010, in as far as Non-Israeli Contractor's are concerned:

A. As Contractor is responsible for the freight, transshipment is not permitted, unless Purchaser’s prior written approval has been given.

B. The bill of lading/airway bill shall be made out to the order of the Purchaser as consignee through/ care of /notify***** (Israeli company, agent or persons designated by the Contractor for purposes of release from customs)

C. The import entry (import declaration) shall be in the name of the Purchaser through/ care of /notify***** (Israeli company, agent or persons designated by the Purchaser for purposes of release from customs).
***** To be determined by the Purchaser’s customs clearance broker, if the customs clearance is to be made by or under the responsibility of Purchaser.

D. In the case of DAP, the Contractor undertakes to utilize the services of the Purchaser’s designated customs clearance broker for purposes of release of the equipment from customs.
For DDP/DAT (the latter as defined by Incoterms 2010) the Contractor may employ the services of any customs clearance broker, of its choice.

E. Upon arrival of the Goods at the port of destination, the Contractor shall contact IECs representatives, if necessary to coordinate the release of the Goods from customs/port.

F. VAT shall be paid by IEC.

G. On arrival at the Israeli port, after customs release, the Goods shall be loaded by the Contractor's (or appointed customs clearance broker / forwarding agent) at Contractor's risk and cost onto open trucks for transportation to IEC stores.

11. "<u>KNOW-HOW" AGREEMENTS -</u> where applicable

A. The award of an order to a bidder is conditioned upon the validity and fulfillment of the terms of such bidder's "know-how" agreement, as presented by bidders in the course of stages 1 and 2 of this tender.

B. IEC shall have a right to cancel at any time, any order/contract, placed with the winning bidder, in the event that such bidders "know-how" agreement is cancelled, abrogated or otherwise not fulfilled, during the life of IEC's contract with the bidder.

12. PACKING, HANDLING, STORAGE

Packing of Goods must be according to standard manufacturer's instructions, taking the necessary precautions for transportation (by sea, if relevant).
Packing of goods terms and requirements are further described in the specification (Annex B), article 12, attached herewith.

13. FINCING

A. See Annexure "X" and "X1" (if attached) which includes the mandatory conditions and requirements of IEC relating to financing and the information, which Suppliers are requested to submit together with their proposal.

B. Where financing conditions in the offeror's country require the export credit risk to be insured, the premium for such insurance shall be included as part of the offeror's quoted price in the price proposal, but as a separate identifiable amount.

14. Tems of Payment:

14.1. In addition to the general terms and conditions for Payment indicated in Annexure A9 cl. 16 , payment shall made as follows:

14.1.1. For **Equipment** (Battery, rack and BMS)

First Draw Order:

90% of the Draw Order price shall be paid against delivery and **10%** thereof shall be paid as retention, as stated hereinafter.
The delivery payment shall be conditioned upon delivery of the Equipment in accordance with the agreed term of supply defined in Incoterms 2020, and deduction of the retention payment amount, 45 days from the receipt of an invoice and delivery documents as stated in the Contract/Order.
The retention payment shall be conditioned upon receipt of the technical documents required under the Contract/Order, IEC's approval of compliance with all Tender requirements and successful completion of 4 weeks of continuous operation, however not later than 6 months from delivery, 45 days from the receipt of an invoice and any other supporting document required under the Order/Contract.

All other draw orders:
100% of the delivery payment shall be conditioned upon delivery of the Equipment in accordance with the agreed term of supply defined in Incoterms 2020, 45 days from the receipt of an invoice and delivery documents as stated in the Contract/Order.

14.1.2. 100% payment for **Services** shall be made upon completion of services performed, 45 days from the receipt of an invoice.

14.1.3. 100% payment for **Spare parts** and special tools (if proposed) shall be made upon delivery, 45 days from the receipt of an invoice

15. DOCUMENTS FOR PROPOSALS

As stated in the "Invitation" doc., cl. 7, the following documents must be submitted with the proposal:

- Technical-Commercial Stage:

  - ☒ Excel version of the Specification fully filled in and all other documents/ forms/appendices required as mentioned in the Specifications (Annexure B) cl. 9.
  - ☒ Annexure B1 – filled in
  - ☒ Annexure BB fully filled in proving compliance with the threshold conditions.
  - ☒ Annexure BB1 fully filled in including substaining documentation.
  - ☒ Offerors consent to terms & conditions (Ann. W).
  - ☒ Invitation File:
    - Offeror Data Sheet Duly filled in
    - Signed Attachments 1,3,4,6 (as applicable)
    - **All (other) documents detailed in cl. 7 of the "Invitation to submit proposals"**

- Prices Stage:

  - ☒ Annexure "C" (List of required items and Summary of prices) with prices quoted duly filled in and signed, including Manufacturers Catalogue No. /Model No.
  - ☒ Annexures "P" (Preference for Israeli manufacturer, if applicable).
  - ☒ Annexure U - duly filled in and signed.

The end.