



The Israel Electric Corporation Ltd.
ANNEXURE "A15"

GENERAL CONDITIONS FOR PURCHASE OF GOODS AND SERVICES

29.10.2025

1. DEFINITIONS:

- A) As regards to the Goods or services, that are part of the Order/Contract and purchased from the Supplier, the following definitions shall apply:
All terms defined in "Incoterms 2020", issued by the International Chamber of Commerce, shall have the meaning, attributed to them therein, subject to the following modifications:
- i. In the case of FAS deliveries, the Goods shall be unloaded by the Supplier in coordination with the Purchaser's freight forwarder at Supplier's risk and cost on the dock alongside ship and within reach of its loading tackle.
 - ii. In the case of FCA deliveries, the Goods shall be unloaded by the Supplier in coordination with the Purchaser's freight forwarder at the designated place of delivery at Supplier's risk and cost.
 - iii. In the case of delivery DEQ port of import, the Goods shall be unloaded by the Supplier at Supplier's risk and cost either onto Purchaser's inland transportation vehicles or onto the dock as designated by Purchaser's customs agent.
 - iv. In the case of DDP deliveries, the Goods shall be unloaded by the Purchaser at Purchaser's risk and cost inside Purchaser's warehouse, on site or elsewhere, as designated by Purchaser. VAT shall be paid by Purchaser.
 - v. In the case of Ex-Works deliveries, the Goods shall be loaded by the Supplier at Supplier's risk and cost onto Purchaser's inland transportation vehicles.
- B) "Draw Order" shall mean the draw order issued under the Contract/Order, including this annexure and any other attachments or annexures thereto, by which the Purchaser purchases the Goods and/or Services from the Supplier.
- C) "Goods", , shall have the meaning ascribed to them, in the Specification, Annexure "B" and shall be referred to here collectively as "**Goods**".
- D) "On Site Services" – shall mean services performed by Supplier's or its subcontractor's personnel at the site or such other place in Israel as indicated by the Purchaser and as required by the work as further detailed in Annexure "N" and/or Annexure "B" and/or in the Order/Contract.
- E) "Contract/Order" - shall mean the order/contract issued or a framework contract comprising of draw orders including any change orders and/or price adjustments and/or options exercised and/or any flexibility increase, unless explicitly stated otherwise , including this annexure and any other attachments thereto, by which the Purchaser purchases the Goods, Services from the Supplier, as specified in Annexure B.
- F) "Purchaser" - shall mean the Israel Electric Corporation Ltd. ("**IEC**").
- G) "Supplier" shall mean the party, whose offer in the Tender/ RFP has been accepted by the Purchaser.
- H) "Services", "Supervisory Services", "Maintenance" shall mean the field of services as described in the Contract/Order.
- I) "Tender/RFP" shall mean the process, by which the Supplier's proposal has been solicited, including any documents attached as part of the Purchasers invitation to submit/solicit proposals.

2. UNDERTAKINGS AND DECLARATIONS OF THE SUPPLIER:

Without derogating from the remaining undertakings of the Supplier that are specified in these General Terms and Conditions, the Supplier undertakes as follows:

- 2.1. To perform the Services with dedication, trust, skill, expertise and at a level of proficiency to be expected of a supplier with the background and experience that Supplier has represented it has, through investment of its maximal efforts and capabilities and/or those of any of the Supplier's employees and/or subcontractors that will be occupied with performance of the Services, and according to the optimal rules of the profession, throughout the entire Order, and through fulfillment of the provisions of these General Terms and Conditions and the instructions submitted thereto by the Purchaser from time to time. The Supplier will carry full and exclusive responsibility for the nature and quality of the Services provided by it and/or ordered by the Purchaser. The Purchaser shall provide such access to its information, property and personnel as may be reasonably required in order to permit the Supplier to perform the Services.

PLEASE NOTE: This information may include "Inside Information" in accordance with Israel's Securities Law, 1968, and making use of this information may constitute a criminal offence pursuant to that Law .Therefore please treat this information as CONFIDENTIAL.

- 2.2. Not to publish, in any manner, any matter, without limitation, relating to and/or involved with the Goods and the performance thereof or deriving therefrom, including the very provision of the Goods – unless having received the explicit consent of the Purchaser in advance and in writing.
- 2.3. For removal of doubt, it is hereby made explicit that the aforesaid provisions do not derogate from the Supplier's responsibility or exempt the Supplier from any of its undertakings towards the Purchaser according to the Order/Contract.
- 2.4. If a lawsuit and/or demand is filed against the Purchaser due to and/or in connection with the Goods, or if the Purchaser files a lawsuit and/or demand against any third party due to and/or in connection with the Goods, at any time, even after the termination of the Service's provision period, then the Supplier will provide the Purchaser all the assistance that is necessary for defense of the lawsuit or for the sake of filing of the lawsuit, as the case may be, including the submission of a written or oral opinion, testimony, submission of documents, etc.; this will be done without additional payment being required .

“Lawsuit”, in this context – whether having reached deliberation before a judicial body of any kind (court, tribunal, arbitrator, etc.) or not having reached such deliberation. Violation of this section will constitute a fundamental violation of the Order.

3. **QUALITY INSPECTION, DELIVERY AND PERFORMANCE:**

- 3.1. The Goods will be delivered in accordance with the agreed delivery schedule, set forth in the Order/Contract, at the port, airport or the stores/warehouse of Purchaser's forwarder, as set forth in the Order/Contract, or as designated by the Purchaser, as applicable and the price agreed upon includes such delivery.
- 3.2. In every case of delay or anticipated delay, from whatever cause, in fulfillment of the Goods, which is likely to postpone the dates set forth in the Order/Contract, the Supplier will advise the Purchaser immediately in writing within 24 hours of the event. Such notification however, does not in any way absolve the Supplier from making every endeavor to overcome the delay.
- 3.3. Where the provisions of the Order/Contract or the Specification require that the Goods be inspected by the Purchaser or its authorized representative(s) prior to delivery, the Supplier shall provide the Purchaser or the representative with access to the Goods prior to delivery where the Purchaser has elected to conduct such inspection. Any inspection by the Purchaser shall not release the Supplier from its obligations under the Order/Contract.
- 3.4. Title to the Goods shall pass to Purchaser upon delivery of possession, or control over the Goods, to Purchaser's representative, at the designated port or location, unless otherwise provided.
- 3.5. Unless otherwise stated in the RFP/Tender documents/Specifications, where the value of the Order is in excess of \$ 20,000 or the equivalent thereto, based on the applicable exchange rate, between the U.S. Dollar and the currency nominated in the Order, as set out by the Bank of Israel on the first working day prior to the date of issuance of the Order/Contract, and there is/are delays in delivery of more than 10 working days beyond the specified delivery date/s (excluding delay/s for which the Supplier is not liable under the Contract), the Supplier shall pay to the Purchaser, at Purchaser's sole discretion, as liquidated damages, half a percent (0.5%) of the Contract/Order value or in the event of a framework contract, half a percent (0.5%) of the applicable draw order issued under the framework contract, per full week of delay, beginning on the first week of delay, provided that the total maximal amount of liquidated damages, payable to the Purchaser, shall not exceed five (5%) of the total Contract/Order value.

- 3.6. Where the Supplier has been required to supply a sample or type test/s or prototype prior to delivery of the Goods and because of delay in the delivery of the approved sample or prototype, delays are caused to the delivery of the Goods, liquidated damages shall be claimed from the Supplier for the period commencing from the contractually scheduled delivery date of the sample or prototype until the contractually scheduled date of delivery of the Goods, in respect of which the prototype has been requested as follows:

Liquidated damages shall be paid at the rate of half a percent (0.5%) of the Contract/Order total (100%) value of the Goods, in respect of which the prototype has been requested, per full week of delay - up to a maximum of 5% of the total (100%) Contract/Order value.

In the event the Supplier previously supplied to the Purchaser an identical product to the product required and suggested by the Supplier, the Purchaser shall be entitled, at its sole discretion, to revoke its request included in a tender or in a Contract/Order entered into following the tender, to receive a proto-type from the Supplier, provided such request was included in the tender.

Please note the following: should the Purchaser decide to revoke its request that the Supplier submits a sample or a proto-type, the delivery dates set forth in the Tender/RFP documents shall not include the additional days provided to the Supplier for the sample and/or the proto-type.

- 3.7. Liquidated damages shall not be the Purchaser's only remedy in the event of delays in excess of ten (10) weeks.
- 3.8. The Supplier shall deliver the Goods to IEC at its own expense and responsibility to the place of delivery specified in the terms of the contract, during the hours and according to IEC's accepted work procedures and after the delivery date has been approved by IEC.

The Goods shall be accompanied by three (3) copies of delivery certificates bearing IEC's order and catalogue numbers to which the Goods refer.

Delivery will become effective only upon the actual delivery of the Goods and other goods to IEC and receipt.

- 3.9. IEC's signature on the Supplier's delivery certificates as confirmation of receipt, shall not constitute notice from IEC and or anyone on its behalf regarding the accuracy of the amount, the quality of the Goods and/or compliance with the terms of the Contract.

4. PERMITS AND LICENSING:

- 4.1. The Supplier shall be responsible for obtaining all work permits, entry visas and other permits required for employing the Supplier's personnel in Israel, as required by the Israeli Law and any successive or other legislation relevant to the matter. For the avoidance of any doubt, the Supplier will bear all the expenses related to this issue.
- 4.2. Purchaser recommends that each service personnel will arrive to Israel with a letter from Purchaser stating the nature of the Services. For purpose of preparing such letter, the Supplier shall send Purchaser the name and passport number of each person arriving at least 7 working days in advance of arrival to Israel.
- 4.3. Purchaser will not allow personnel without a valid and appropriate work permit stamped in his or her passport entry into the site where the Services are to be performed.
- 4.4. Service personnel arriving in Israel or at the site without a valid and appropriate work permit stamped in his or her passport will be deemed not to have arrived, and the Supplier shall be deemed in material breach of the terms of the relevant Order.
- 4.5. The Supplier shall ensure that its Service personnel fulfill all requirements pursuant to the Israeli law regarding employment.

- 4.6. The Supplier undertakes to obtain, at its own expense, all the licenses, permits, approvals and/or any other document (hereinafter: "**the Licensing Documents**"), from any authorized authority, that are required according to any law, for the purpose of performing its obligations under the Order/Contract.
- 4.7. The Supplier undertakes that it will maintain the validity of all the Licensing Documents required by law, for the purpose of performing its obligations under the Order/Contract throughout the full contract period with Purchaser. If in any case, the validity of any of the Licensing Documents will expire, the Supplier must report this issue to Purchaser immediately, and to act for their renewal. The violation of this section will be considered as a material breach of the Order/Contract.
- 4.8. Without derogating from the rest of the provisions of the Order/Contract and their Annexes, in the case that the Supplier will violate the instructions of this section, Purchaser will be entitled to terminate the Order/Contract with the Supplier, without any prior notice, and such action will not derogate from Purchaser's right to exercise any remedy available to it according to any law and/or under the contract, against the Supplier.

5. **ABSENCE OF EMPLOYMENT RELATIONS:**

- 5.1. No provision of this Contract forms may be interpreted as forming employment and/or agency and/or partnership relations between Purchaser and the Supplier and/or between Purchaser and any other person or body with which the Supplier engages and/or anyone that is employed thereby for the sake of performance of this Contract. For removal of doubt, it is made explicit that the Supplier or its alternate or anyone on its behalf, in its place or in lieu thereof performs the training, instructions and the provisions of this Contract as an independent supplier for all matters, according to the meaning of such in the various laws.
- 5.2. The Supplier declares that he provides training and instructions to another/others as well, and that it is not integrated in the organizational framework of Purchaser and has no intention of doing so.
- 5.3. It is explicitly agreed upon between the parties that if, in the future, it is determined by a competent court or tribunal, pursuant to a lawsuit submitted by the Supplier or its alternate or by anyone on its behalf, in its place or in lieu thereof, including its inheritors, executors, trustee in bankruptcy and/or any other body in the name and on behalf of the Supplier, that during the period of this Contract, there existed employment relations between the Supplier and Purchaser, and that Purchaser must pay to the Supplier wages and/or additional conditions that are required by law, a recalculation shall be performed of the sums that Purchaser must pay as employer, in such a manner that instead of the consideration determined in this Contract, Purchaser will pay to the Supplier the minimum wage that applies during the Contract period, as amended from time to time.

In such case as aforesaid, any surplus sum that the Supplier receives according to this Contract and that exceeds the minimum wage as said, will be returned thereby to Purchaser upon receiving the demand, linked to the Consumer Price Index and carrying interest according to any law.

The parties hereby explicitly agree that the provisions of this Article will apply throughout the Contract period, as well after the termination thereof.

6. **THE CONTRACTOR'S TOOLS (Where applicable):**

All special tools, instruments or apparatus or other property belonging to the Supplier brought into Israel for purposes of performing the Services intended to be returned to the Supplier after completion of the Services, shall be imported into Israel accompanied by an Ata Carnet form. In the event the Supplier fails to send the tools etc. with the Ata Carnet, all costs of customs duties in Israel shall be on the Supplier's account. Such tools or instruments shall be shipped and delivered by the Supplier at the designated site for performance of the Services DDP (Incoterms 2020).

7. **SHIPMENT, HANDLING AND BILLING DOCUMENTATION:**

The Supplier shall comply with the following provisions, concerning handling, shipping and invoicing:

- a. Supplier shall make no shipment in advance of the specified/contractual delivery/shipping dates, without obtaining Purchaser's prior written approval.

- b. The Goods shall be preserved, crated, packed, loaded and braced in good and workmanlike manner, in accordance with the best commercial export practices, to avoid any damage, or spoilage.
- c. Reserved
- d. All enclosures in connection with the Goods must be sent by Supplier to the Purchaser in triplicate.
- e. When, under the terms of the Order, the Purchaser is responsible for shipping and/or loading of the Goods, the Supplier will give the Purchaser and Purchaser's forwarder a notice, sufficiently in advance, of Goods to be ready for delivery, in order to enable the Purchaser or the forwarder to make proper arrangements for loading and/or shipping. Such notice shall include the number of packages, weights, volumes and values of the packages.
- f. Packing lists shall have a detailed description of all items (consistent with the description set forth in the Order, or bill of materials, as applicable). Packing lists shall specify weight, measurements, contents of each package/container, Order/Contract number and consecutive number of package.
- g. Components, accessories or materials, not included in the main shipment as a result of an oversight, or the negligence of the Supplier, shall, unless otherwise agreed by the Purchaser, be shipped air freight on the Supplier's account, freight prepaid, accompanied by a no charge invoice, indicating that the Goods were billed under Invoice No. ".. but not shipped.
- h. Three sets of originally signed and stamped commercial invoices shall be made out in the name of the Purchaser and shall be airmailed to the Purchaser, containing the data, set forth below, as applicable:
 - i) Detailed description of Goods (as fully itemized as possible);
 - ii) Quantity of each item in the metric system, weights and measurements;
 - iii) The price or value of each component, where possible, or of each shipment, cross referenced to the appropriate paragraph or item in the Order/Contract;
 - iv) Consecutive shipment/consignment number;
 - v) Purchaser's Order number (the invoice shall relate only to one of Purchaser's Orders and display such number next to the invoice number);
 - vi) Package number, gross and net weights and measurement of each package, and the volume of each container;
 - vii) Inland freight, packing and other additional charges if not included in the price;
 - viii) All applicable discounts, cash and/or trade and payments made on account. The final figure must be the NET amount;
 - ix) An indication whether the prices shown are EXW, FCA, FAS, FOB, DAP, DAT, DDP, or otherwise, as applicable.
 - x) The country of origin of the Goods;
 - xi) A signature and attestation in the following manner: "We hereby certify that this invoice is correct and true in all respects and contains a true and full statement of the cost of the Goods and all charges thereon. We further declare that the Goods are of #####..... origin.

- xii) A printout of the name and title of the signatory. (1) Three (3) originals and three (3) non-negotiable copies of clean on board Bills of Lading, made out to the Order of "The Israel Electric Corporation Ltd., P.O. Box 10, Haifa, Israel," and bearing substantially the following clause: "In view of danger of confiscation, this vessel is not to call at ports and not to enter the territorial waters of Iran, Sudan, Syria, Lebanon, Iraq, Saudi-Arabia, Yemen, Libya or other Arab countries, excepting Egypt, Jordan, Bahrain and the UAE prior to unloading in Israel, unless in distress or subject to force majeure", shall be delivered to the Purchaser and further copies to be distributed as per Purchaser's instructions.

- i.
 - i) If the Goods originate in countries, which have a free trade agreement (FTA) with Israel, the certificate of origin shall be accompanied by the proper documentation, allowing the Goods to benefit from the FTA's terms.
 - ii) For all Goods rated with zero Israeli customs/import duties, the submission of a EUR 1/EUR MED/Exporter's Declaration / FTA is not required.
- j. All shipping documents (invoices, packing lists, and bills of lading) shall be distributed as follows:
 - i) One set for presentation for payment shall be shipped to Purchaser's Accounting Department (the certificate of origin to be a copy);
 - ii) One set to be delivered to the Purchaser's Import Department of the Procurement Division, Attention "Import Department's Manager", by airfreight, or by courier, so as to arrive at least one week prior to the arrival of the vessel / airline (certificate of origin to be a copy);
 - iii) One set to be delivered to Purchaser's freight forwarder (against receipt) (where applicable) for onward transmission to Purchaser (with original certificate of origin);
- k. If the customs authorities in Israel determine that the country of origin of the Goods is different than the one, specified by the Supplier in its original offer, or in the certificate of origin, or elsewhere, as applicable, or if the Supplier fails to deliver a certificate of origin, when appropriate, or required and consequently, the Purchaser is required to pay customs in excess of the customs, that the Purchaser would have, otherwise, been required to pay, the Supplier shall reimburse to the Purchaser the amount of such excess customs.
- l. Where the Supplier provided Purchaser with a certificate of origin and as a result Purchaser did not take into consideration in the proposal evaluation the customs costs imposed on the Supplier, and the customs authorities in Israel conducted an inquiry as to the origin of such Goods, in such instance, the Supplier shall:
 - i) Provide Purchaser and/or the Israeli customs authorities with all the necessary documents required; and
 - ii) Reimburse Purchaser for custom payments paid by Purchaser following the customs authorities' demands, regardless as to when the customs duties are required to be paid and even after the warranty period has elapsed. Should the Supplier fail to reimburse Purchaser, Purchaser shall be entitled to deduct from any Contract/Order signed with the Supplier, the customs due to Purchaser.

8. **INSTALLATION OF GOODS:**

Installation of the Goods, whether for trials and acceptance tests or for permanent use following acceptance of the Goods pursuant to paragraph 9 below, shall be performed by Supplier at Supplier's expense, unless otherwise specified in Purchaser's Specification.

The on-site installation (including configuration, where applicable) shall occur as specified in the Specification.

9. **TRIALS AND ACCEPTANCE TESTS:**

- 9.1. Purchaser's obligations hereunder to accept use of the Goods or any of them are subject to written acceptance of the Goods by Purchaser following successful completion of trials and acceptance tests to be performed over the periods, on the computer models (where applicable) and according to the procedures set out in the Specification. For the removal of doubt, Purchaser shall only accept the Goods once a successful completion of the testing at its sites, has been completed, according to the provisions of the Specification. Supplier shall install the Goods as required for the conduct of trials and acceptance tests (Factory Acceptance Tests (FAT) and User Acceptance Tests (UAT) as applicable), supervise and cooperate in the performance of such trials and tests and generally use its best efforts to ensure the successful completion of the trials and tests, all in accordance with the Specification, unless otherwise specified in Purchaser's Specification.
- 9.2. The provision and installation of the Goods for the trials and acceptance tests and the performance of all other acts by Supplier or its representatives in connection with the trials and acceptance tests shall be free of any further charge to Purchaser, unless otherwise specified in Purchaser's Specification.
- 9.3. Should the trials and/or acceptance tests relating to all or any of the Goods not be completed to the satisfaction of Purchaser, Purchaser shall be entitled to notify Supplier that Purchaser no longer wishes to receive supply of all or any of the Goods which shall have completed the trials and acceptance tests to Purchaser's satisfaction), whereupon this Contract/Order shall terminate with respect to the Goods specified in Purchaser's notice, neither party having any claims against one another with respect to such Goods, except that Purchaser shall return to Supplier all copies of the Goods with respect to which the Contract/Order shall have terminated.

10. **TRAINING AND INSTRUCTION (Where applicable):**

Supplier undertakes to provide those of Purchaser's employees who will be engaged in the use of the Goods from time to time, with such training and instruction as shall be reasonably necessary to enable the optimal and efficient use of the Goods by such employees. Details of the manner in which such training and instruction are provided by Supplier are set out in the Specification.

11. **WARRANTY:**

11.1. **WARRANTY FOR GOODS**

- 11.1.1. Supplier warrants that the Goods, supplied to the Purchaser shall be of good quality, shall be unused in all cases,
- 11.1.2. The Supplier agrees, subject to Purchaser's written request, promptly and at its own expense (including shipping and handling costs and insurance costs but not costs of disassembly and reassembly) to repair, remedy, refurbish or replace any part of the said Goods which proves in any way defective as to design, material, or workmanship or otherwise.
For the avoidance of doubt, the parties shall try and reach an amicable agreement and if they fail, the Purchaser shall have the sole discretion to decide whether the Goods will be repaired, remedied or replaced. Alternatively, the Purchaser may undertake to carry out such repairs or alterations and the expenses thereof shall be for the Supplier's account.
Where Goods under warranty are shipped to the Supplier for repair, the Supplier shall assume full responsibility for the Goods for the entire period of time they are in Supplier's possession. However, if the Supplier fails to promptly repair the Goods, the Purchaser may repair the Goods at Supplier's cost.
- 11.1.3. Supplier's warranty as well as all the items supplied by the Supplier shall extend for a period of 12 months, beginning at the time of delivery unless stated differently in the Tender/RFP documents/Specification. In such event, the period set forth in the Tender/RFP documents, shall prevail.
- 11.1.4. notwithstanding the provisions of sub-article 11.1.3 above, the warranty period for any part of the Goods supplied under the Order/Contract shall be extended by a period equal to the period for which said part of the Goods have been out of operation due to any substantiated warranty claim and in any event shall not exceed 12 months.

11.1.5. THE WARRANTIES SET FORTH ABOVE ARE IN LIEU OF AND EXPRESSLY EXCLUDE ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

11.2. WARRANTY FOR SERVICES:

11.2.1. The Supplier warrants for all its Services rendered under the Order that:

11.2.1.1. The advice, recommendations, technical information, reports, analysis and performance of its personnel will reflect competent professional knowledge and judgment rendered by skilled and qualified personnel in accordance with accepted industry standards and practices; and

11.2.1.2. the Services provided shall be free from design, patent or copyright infringement, errors and defects; and

11.2.1.3. If, the Services (or any part thereof) fail to conform with this warranty, due to any act and/or omission of the Supplier, and Purchaser notifies the Supplier of any such failure or non-conformance in writing, the Supplier will promptly remedy, replace or re-perform the defective Services or part thereof, at Purchaser's discretion, on Supplier's own account.

12. **RESERVED**

13. **RESERVED**

14. SERVICE PERSONNEL:

14.1. The Supplier shall be responsible for the professional suitability and skill of its personnel.

14.2. To perform the Services with dedication, trust, skill, expertise and at a level of proficiency to be expected of a supplier with the background and experience that Supplier has represented it has, through investment of its maximal efforts and capabilities and/or those of any of the Supplier's employees and/or subcontractors that will be occupied with performance of the Services, and according to the optimal rules of the profession, throughout the entire Order, and through fulfillment of the provisions of these General Terms and Conditions and the instructions submitted thereto by the Purchaser from time to time. The Supplier will carry full and exclusive responsibility for the nature and quality of the Services provided by it and/or ordered by the Purchaser. The Purchaser shall provide such access to its information, property and personnel as may be reasonably required in order to permit the Supplier to perform the Services.

14.3. IEC shall be entitled to request the Supplier to replace any of its personnel considered by the IEC to be unsuitable for any reasonable cause. Transportation of replacement personnel to Israel including other traveling and living expenses en route and all baggage charges shall be at the expense of the Supplier (if any).

14.4. To obviate problems of communication related to the work, the Supplier shall ensure that its personnel are fully conversant in either English or Hebrew. In the absence thereof, the Supplier shall ensure that the services of a qualified translator are provided with no charge to IEC.

14.5. The Supplier is responsible for ensuring that all employees brought by it and/or on its behalf for work at IEC sites, whether the Supplier's employees or employees of its sub-contractors, possess safety training and certification for the types of work they will perform, including certification for work at heights (if needed), all in accordance with the relevant Israeli legislation. The Supplier shall ensure that all such employees sign IEC's safety instructions documents, as shall be required, before the commencement of the work.

14.6. All Supplier's personnel sent to Israel will possess a mobile telephone to facilitate communication with Purchaser's site personnel.

14.7. Where Services are to be performed at IEC's premises (except in cases of theoretical guidance/teaching) Supplier shall be obliged to sign the General Safety Appendix attached to the tender/RFP documents.

15. **LIMITATION OF LIABILITY:**

The Supplier shall be held fully and solely liable for any damage or loss of any kind caused to it, to anyone on its behalf or to the Purchaser, due to any act or omission, in connection with or resulting from the Goods delivered and/or for the Services performed.

For this purpose, it does not matter whether the damage or loss was caused by the Supplier and/or anyone on its behalf.

It should be noted that either party's limitation of liability towards the other shall not exceed the value of the Contract/Order and such liability will not include indirect or consequential damage or loss.

16. **PAYMENT:**

16.1. **Digital platform**

16.1.1. The Purchaser shall upload the orders, services sheets and/or confirmation of receipt of goods, to the digital platform.

16.1.2. The Supplier will submit the commercial/ tax invoice through a digital platform (herein after referred to as the " Invoice"), as defined by the Purchaser.

All costs, if any, in connection with submitting the Invoice, shall be borne by the Supplier awarded the tender/procurement procedure and shall be paid directly to the platform provider.

16.2. **Terms of payment**

Unless otherwise agreed by the parties, payment shall be made 45 calendar days from receipt of invoice and compliance with all the terms of the Order/Contract.

16.3. **Invoice submission**

16.3.1. An Invoice shall be submitted for each order separately, upon receiving the Goods or completion of the Services

16.3.2. The Supplier shall submit a separate Invoice for each type of service (services abroad, services in Israel, legal services, professional literature, equipment repair, equipment rental) and a different one for Goods.

16.3.3. In the case of an Invoice for Services, the Invoice submission shall be linked to the service sheets.

16.3.4. The Supplier shall not split the Invoices for the Services or Goods delivered.

16.3.5. If the terms of the contract/ order include linkage differentials, the Invoice amount shall include such linkage differentials. The submission of the Invoice shall be in the total amount (base amount + linkage differentials) for each item.

16.4. **Bank account verification**

Contract/ purchase Order with an overall monetary value of NIS 20,000 or more, or the equivalent of the foreign currency in NIS - shall be subject to a verification process, by a company appointed by the Purchaser, for any change in bank account details. The verification process requires a one-time payment of 10.00 USD, exclusive of bank commissions. A Supplier, whose new bank account has been verified, for Purchaser or any other client of the Supplier, through above procedure, is exempt from the verification process.

16.5. **Terms of payment for down payment, where applicable**

Unless otherwise agreed, the down payment shall be paid 45 days after signature of the Contract/Order, subject to receiving a down payment guarantee and Supplier's request for payment.

Each invoice shall be submitted for the contract/order value of the Goods and/or Services actually delivered, and Payment of each Invoice shall then be made after deduction of down payments.

16.6. **Terms of payment for retention, where applicable**

In the event that retentions apply under the Contract/ Order, the retention payments shall be affected against Supplier's request for payment 45 days after receipt of the Acceptance Certificate, unless otherwise agreed upon by the parties.

For each Invoice submitted, the retention component will be deducted from the payment.

16.7. **Payment**

Payments shall be affected against Supplier's Invoices, after deducting down payments, retentions and all other charges such as but not limited to: liquidated damages, agreed charges between the parties, charges for missing items, charges for negative linkage differentials.

17. **RIGHT TO RETAIN OR WITHHOLD PAYMENT:**

17.1. In addition to, and without derogating from any other remedy available to Purchaser, Purchaser shall have the right to retain or withhold or set off payment from any contract/order entered into with the Supplier, Purchaser's damages, from the sums due to the Supplier under the Order/Contract in the event of the occurrence of any of the following:

- breach of Contract/Order in whole or in part by the Supplier,
- failure to provide a required guarantee on the date stipulated in the Order/Contract, as set forth under the terms of the Order/Contract,
- lawsuits filed against Purchaser and/or in the event of damages (including but not limited to re-occurring defects in the Goods caused to Purchaser and/or any other person as a result of the Order/Contract,

17.2. In the event Purchaser cancels the Order/Contract due to breach by the Supplier, Purchaser shall be entitled at its sole discretion to withhold sums due to the Supplier, until such time as the scope of damages incurred to Purchaser by the Supplier's breach have been determined and Purchaser shall have the right, at its sole discretion, to set-off its damages from the sums withheld from the Supplier (without derogating from Purchaser's right to recover amounts due to Purchaser not included in the said sums set-off) or from any other contract/order entered into with the Supplier.

17.3. The Supplier shall have no right of lien over Purchaser's Goods or any part of it, for any reason whatsoever, during the Contract/Order period or during the option period (if applicable and where exercised) or thereafter, regardless whether the Goods or any part of it have been supplied to it by Purchaser or supplied to Supplier by anyone else.

18. **TAXES:**

(a) **For the purpose of this article only, the following terms shall have the meaning ascribed to them below:**

1. Foreign Contractor for tax purposes shall have the meaning ascribed to the term "foreign resident" under the Israeli Income Tax Ordinance 1961.
2. Israeli Contractor for tax purposes shall have the meaning ascribed to the term "Israeli resident" it under the Israeli Income Tax Ordinance 1961.

(b) **Taxes and Duties**

1. In the case of an Israeli and a Foreign Contractor for tax purposes, the taxes will be dealt with in accordance with Israeli laws.
2. Foreign and Israeli Contractor for tax purposes shall be responsible for all taxes imposed or other compulsory payments of Non-Israeli origin imposed as a result of or in connection with the Order/Contract.
3. If required, taxes of any nature whatsoever would be levied by any taxing authority in Israel. According to the Israeli domestic tax law or to the relevant Double Taxation Treaty, taxes will be withheld by Purchaser at source, unless the Foreign and Israeli Contractor for tax purposes, will present a written approval issued by the competent Israeli authority confirming that the Foreign Contractor for tax purposes, is exempt from such withholding tax in whole or in part.

4. Foreign and Israeli Contractor for tax purposes shall bear all costs and expenses incurred in obtaining any required certificates of exemption, and the Foreign Contractor for tax purposes shall have no claim against Purchaser for reimbursement of such costs and expenses.
5. A Foreign and Israeli Contractor for tax purposes, awarded the Contract/Order, shall within 14 working days from receipt of notice of being awarded the Contract/Order, submit to the Purchaser, the following documents:
 - i. Certificate of residency.
 - ii. A declaration stating that it has or does not, as the case may be, have a permanent establishment in Israel.
 - iii. If the Foreign Contractor for tax purposes, is registered as a foreign company in Israel, the Foreign Contractor for tax purposes must present a certificate from the Israeli tax authority.
 - iv. The Contractor required to fill a tax questionnaire provided by the Purchaser , if applicable .
 - v. Any other document / declaration as requested by the Purchaser

Failure to submit the above documents within the time period stipulated above, Purchaser might deduct any tax rate up to the maximum according to Israeli law and/or cancel the Contract/Order.

Purchaser shall have no obligation to reimburse or indemnify the Foreign Contractor for tax purposes, or any person on its behalf, for any taxes imposed by tax authorities pursuant to any law or with respect to any deductions made by Purchaser to Foreign Contractor for tax purposes.

19. **PERFORMANCE OR DOWN PAYMENT GUARANTEE:**

It is hereby clarified that the guarantee/s requested during the Contract/Order period, as set out below, can be issued either as an irrevocable Standby Letter of Credit (hereinafter: "SBLC") or as a bank guarantee issued by an Israeli bank. SBLC shall be provided to the advising bank in Israel as an authenticated SWIFT. Bank guarantee shall be provided to the Purchaser by way of digital media, in which case the electronic signature on the guarantee/s shall be authenticated in accordance with the Electronic Signature Law , 5761-2001. Supplier asking to provide a bank guarantee to Purchaser in a printed format duly signed instead, shall submit its justified request in advance, which shall be subject to Purchaser's approval. .

The guarantee/s requested during the period of the Contract/Order stated below, shall be issued for the specific Order/Contract.

IEC will not accept a guarantee issued for more than one Contract/Order.

The name appearing on the guarantee shall be identical to that appearing on the Contract/Order **only**

19.1. **PERFORMANCE GUARANTEE**

- 19.1.1 Where the value of the Order/Contract is in excess of NIS2,000,000 (in this case Order/Contract 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/RFP) 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 SBLC/bank guarantee, attached to the Tender/RFP documents), to be given by the entities stated in Annexure Y, in an amount equal to 5% of the Contract/Order value (in this case Order/Contract excluding options and/or flexibilities and/or VAT).

- 19.1.2 Where Purchaser has decided to exercise an option and its value exceeds 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 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 SBLC/bank guarantee attached to the Tender/RFP Documents), to be given by the entities stated in Annexure Y, in an amount equal to 5% of the option price (excluding options and/or flexibilities and/or VAT)..
- 19.1.3 In a framework Contract/Order, the performance guarantee delivered by the Supplier, to the Purchaser, shall be in an amount equal to 5% of the annual value of the Order/Contract (in this case Order/Contract excluding options and/or flexibilities and/or VAT).
- 19.1.4 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
- 19.1.5 Failure to provide the guarantee as specified in Articles 19.1.1, 19.1.2 and 19.1.3 above, shall constitute a fundamental breach of the terms of the Order/Contract. IEC shall thereupon have the right to resort to all remedies as set forth in the Order/Contract, in addition to any other remedy available to IEC by law, including the right to terminate the Order/Contract for fundamental breach.
- 19.1.6 Any failure or omission by IEC after the issuance of the Order/Contract, to request the issuance of the guarantees, shall not constitute a waiver of any right available to IEC under the Order/Contract or by law.
- 19.1.7 In the event of an addition in an amount exceeding NIS 2,000,000 to the Contract/Order, a performance guarantee shall be required as set forth above, regardless whether the original Order/Contract included a performance guarantee or not.

19.2 DOWN PAYMENT GUARANTEE

Where the Purchaser is required by the terms of the Order/ Contract to make down payments prior to delivery, such payments shall be secured by a guarantee, as follows:

- 19.2.1 SBLC issued, or established by the Supplier at a first class bank, and advised through an Israeli bank, both banks to be approved by the Purchaser or bank guarantee issued by an Israeli bank;
- 19.2.2 issued or established against the receipt of down payment, in an amount, which is not less than that being drawn; Said guarantee shall be amended from time to time to reflect the adjusted Contract/Order price, due to the issuance of change Orders.
- 19.2.3 valid until 60 days after the scheduled delivery of the last shipment of Goods and/or performance of the Services (to be extended upon the occurrence of any event of Force Majeure, or due to any delay on account of the Supplier, or as a result of any delay in scheduled delivery, agreed to between the parties).
- 19.3 The Purchaser may draw on the performance and/or the down payment guarantee, in the event that the Supplier fails to remedy a breach of Contract, or fails to take such steps as are satisfactory to the Purchaser in Order to remedy the same, after having been given ten (10) days prior written notice of intent to draw on the guarantee.
- 19.4 Any amount/s drawn by Purchaser pursuant to the guarantee, shall be set-off against the overall damages/compensation, recoverable by Purchaser, in connection with the Supplier's breach.

20 **PRICES:**

The prices shall be firm unless stated otherwise in the Contract/Order.

21 **FORCE MAJEURE:**

21.1 Reserved

- 21.2 Neither party shall be responsible to the other for loss or damage due to circumstances directly affecting the performance of the Contract/Order beyond such parties' control - which could not have been prevented by reasonable foresight at the time of signature of the Contract/Order such as but not limited to: acts of war, invasion, act of foreign enemy, whether war be declared or not, hostile action, civil war, rebellion, civil strife, sabotage, strikes and/or industrial disputes, act of Government, natural disaster, embargo (any or all of which are in this Contract referred to as "Force Majeure").
- 21.3 Upon occurrence of any such circumstances, the party affected shall notify the other party in writing by the fastest means possible within seven (7) days of the occurrence or existence thereof and the parties shall promptly thereafter consult with one another for the purpose of finding a solution to the Force Majeure problem.
- 21.4 Any delays resulting from any such cause shall extend performance time, unless it shall become impossible to perform the Contract in whole or a substantial part thereof, in which case the Order/Contract may be cancelled, in writing, by either party. In the case of such cancellation, the Supplier shall be paid for all Goods received by the Purchaser pursuant to the Order/Contract.
- 21.5 If due to Force Majeure it shall become impossible to perform the Contract/Order in whole or a substantial part thereof, the parties can either mutually agree to cancel the Contract/Order or if the Force Majeure continues for a period up to 120 days in the aggregate, the Contract/Order may be cancelled in writing by either party.

22 **INDEMNITY:**

The Supplier shall be liable for any damage or loss of any kind caused to a third party due to any act or omission in connection with or resulting from the Goods delivered and/or the Services performed all in accordance with the law, except in instances of death, bodily injury, intellectual property infringement, fraud, and malice in which case the Supplier shall be fully and solely liable.

For this purpose it does not matter whether the damage or loss is caused by the Supplier and or anyone on its behalf.

The Purchaser shall inform the Supplier, in advance, of any suit or proceeding and enable the Supplier to defend itself against such suit or proceeding and any compromise reached shall require the prior written consent of the Supplier.

23 **GRANT OF RIGHTS (Applicable for Goods):**

- 23.1 These conditions are the exclusive conditions relating to the license granted by the Supplier to Purchaser to use the Goods and associated documentation to be provided under the Contract/Order.
- 23.2 Supplier hereby undertakes to place the Goods at the disposal of Purchaser for use by it in its business and operations and Purchaser undertakes to accept the Goods for use by it as aforesaid, all subject to and in accordance with these terms and conditions.

24 **INTELLECTUAL PROPERTY RIGHTS:**

Supplier shall pay all royalties and license fees, which may be due or payable to third parties, in connection with the Goods under the Order/Contract. Supplier shall defend all suits or proceedings, instituted against Purchaser for the infringement of any intellectual property rights, associated with the supplied Goods under the Order/Contract and shall hold the Purchaser harmless against and/or indemnify the Purchaser for any damages, sustained by the Purchaser, in connection with such infringement, or the violation of any intellectual property rights of any third parties.

Each party shall retain ownership of all intellectual property it had prior to the Order/Contract.

Any other intellectual property right that was generated as part of the Order/Contract , including with respect to the knowledge, is and shall remain the property of the Purchaser.

25 **SECURITY:**

Access to Purchaser's facilities will be given to Supplier subject to Purchaser's policies and procedures and data security requirements as stated in the Security Appendix attached hereto as Annexure "K".

IEC will be entitled to provide the Supplier, from time to time, with instructions in regards to limitation of access to the work sites, or any part of them. Once such instruction will be given, the Supplier will duly deliver to IEC, and will update from time to time, the list of employees, that are required to be present at the work sites, and also their photos and other details concerning them, as IEC shall demand, and in accordance with the attached Annexure "K". IEC shall arrange the entrance to the work sites in accordance with "Entrance Licenses", or otherwise, as it sees fit.

A person that was not provided with a license or an entry permit, according to this section as above-mentioned, or a person in respect of which IEC has canceled or demanded the cancelation of his license or the permission given regarding him, or demanded that he shall be restricted from entering the work sites, will not be employed, or will stop being employed, by the Supplier at the work sites, or any part of them, all according to the circumstances.

26 **CONFIDENTIALITY:**

- a) The Supplier and any person acting on its behalf, shall treat any information whatsoever relating to the Contract/Order as private and confidential, except to the extent necessary to carry out its obligations under the Contract/Order or under any applicable law or judicial order. The Supplier shall not publish, permit to be published, or disclose any information whatsoever relating to the Contract/Order without the prior written consent of the Purchaser, which consent shall not be unreasonably withheld.
- b) Without derogating from the generality of the above, the Supplier hereby acknowledges that the confidential information set forth in articles a above, may be considered either in whole or in part to be Insider Information, as such term is defined under the Securities Law — 1968 and the Supplier is aware of the applicable legal restrictions imposed by this law on the use of Insider Information. The Supplier hereby undertakes not to make any use of the confidential information in any manner that will breach the provisions of the Securities Law.

27 **ASSIGNMENT:**

- 27.1 Neither party may assign and/or transfer and/or pledge in full or in part the Order/Contract, or any obligation/right/benefit included in them, without the prior written consent of the other, which shall not be unreasonably withheld.

Assignment and/or transfer and/or pledge that were not approved as stated, or occurred

Without fulfillment all of the conditions set forth by the other party to the Order/Contract for providing such consent, shall be null and void.

- 27.2 Notwithstanding the aforesaid, the Purchaser shall be entitled to assign and/or transfer and/or pledge the Contract or Order or any obligation and/or right and/or benefit included in them to a subsidiary, or affiliate of the Purchaser, and shall also be entitled to assign and/or transfer and/or pledge the Contract/Order or any obligation and/or right and/or benefit included in them, to anyone, in the event of a change and/or structural division or sale of assets of the Purchaser which is/are required under any law, including under the Electricity Sector Law, 1996, and/or the Government Companies Law, 1975, and/or pursuant to Government decisions and/or according to the directive of an authorized regulator and/or carried out with its/their approval. The Purchaser shall notify the Supplier of any such assignment and/or transfer and/or pledge in writing in advance.

“Affiliate” – in this clause, as defined in the Securities Law, 1968

In addition, the Purchaser shall be entitled to pledge the Contract and/or Order from time to time as part of the floating charge over its assets in favour of financing entities.

28 **INSURANCE:**

As per Annexure "L" attached to the Tender/RFP documents.

The Supplier shall sign the Insurance Annexure attached as Annexure "L", and return it to Purchaser within 5 (five) calendar days from receipt of notice of award.

29 **ORDER OF DOCUMENTS:**

In the event there are any conflicting provisions or requirements in the Order/Contract documents, the documents shall prevail in the following descending order:

- (i) Order/Contract
- (ii) RFP document/Invitation (including, as applicable, Special Conditions)/Ann. "D"/Ann. "Z" or "Z1"
- (iii) Annexure "A"
- (iv) Annexure "B" (Specification)
- (v) All other documents

30 **PREFERENCE FOR ISRAELI MANUFACTURED GOODS:**

- 30.1 Where the Supplier has declared that it is entitled to be granted a preference in the tender/RFP for the supply of Israeli manufactured Goods in accordance with the provisions of Annexure "P", and the Supplier has failed to comply with the provisions of said declaration, the Purchaser shall be entitled to compensation in accordance with the provisions of Annexure "P". No preference for Israeli Manufactured goods shall be given where the purchase procedure is not conducted by way of Tender.
- 30.2 The Contractual provisions, set forth in the above documents are hereby incorporated by reference, as though set forth in full herein and shall be an integral part of these general conditions. Irrespective of anything to the contrary herein, the provisions, terms and conditions, set forth in said Annexure "P".

31 **GOVERNING LAW AND SETTLEMENT OF DISPUTES:**

- 31.1 This Order shall be governed by and construed solely under the laws of the State of Israel. Notwithstanding the above, the Law of Sale (International Sale of Goods), 5760-1999 shall not apply.
- 31.2 The Supplier shall conform in all respects with the laws, rules and regulations of the State of Israel and any authorities having jurisdiction over the Goods and shall keep the Purchaser indemnified against all penalties and liabilities imposed upon the Purchaser by any public authority for any kind of breach attributable to Supplier of aforesaid laws, rules or regulations.
- 31.3 Both Parties shall attempt to resolve their disputes pertaining to the Order amicably between themselves.
- 31.4 Without derogating from other rights and remedies available to the parties under the Order, in the event the nominated senior representatives of the parties are unable to resolve their disputes amicably within thirty (30) days after receipt by one party of the other party's written request for such amicable settlement, either party may approach a competent Israeli court located in Tel Aviv to have the dispute settled, and such court shall have exclusive jurisdiction.

32 **IMPROPRIETY:**

The Supplier hereby acknowledges that it has been informed of and agrees to abide by the IEC's Impropriety clause as that clause is set forth on IEC's website at the following link:

<https://www.iec.co.il/en/content/suppliers/filespages/general-terms-conditions-and-annexures> version 14.7.2022

33 COMPLIANCE WITH ISRAELI STANDARDS (OR ANY OTHER REQUIREMENT BY LAW) AND REQUIREMENTS OF ISRAELI GOVERNMENTAL AUTHORITIES:

- 33.1 Supplier undertakes that the Goods supplied by it within the duration of the Contract/Order, will comply with all legal requirements concerning the official Israeli standard (if applicable to the relevant goods subject of the contract).
- 33.2 The Supplier shall bear all costs related thereto and shall be responsible to ensure that the Goods being supplied under the Contract/Order complies with the applicable Israeli standards or any other requirement by law and the requirements of the appropriate Israeli Governmental Authorities (if any), and that the Goods are approved by such bodies.
- 33.3 In the event that the Purchaser (having notified the Supplier in the Specification or elsewhere as mentioned above) is required to pay any fines or penalties to the Israeli customs authorities because the Goods fail to comply with such standards or requirements or because the necessary approval has been refused or the approval has caused delay in releasing the Goods from customs, the Supplier shall hold Purchaser harmless from the payment of such fines or penalties.
- 33.4 In procurement procedures, whereby an official Israeli standard applies to the Goods, the additional conditions for Procurement Procedures in which the Goods are Subject to an Official Israeli Standard set forth on IEC's website at the following link shall apply: [Terms, Conditions and Annexures - Israel Electric \(iec.co.il\)](https://www.iec.co.il/Products/Products%20and%20Services/Products%20and%20Services.aspx)

34 WORKING HOURS AND DAYS AND ADDITIONAL UNDERTAKINGS:

- 34.1 The regular working hours and working days of Supplier's personnel in Israel are: eight (8) hours per day plus half (1/2) an hour lunch break, five (5) days per week, Sunday through Thursday. The Supplier's personnel shall not work on Israeli rest days and national holidays observed by Purchaser and shall not be paid for such days.
- 34.2 The Supplier shall not be entitled to use the equipment of Purchaser or to direct (instruct) the usage thereof without Purchaser's express consent. In the event that Purchaser agrees to put such equipment at the disposal of the Supplier, the Supplier shall be responsible for the care of such equipment, from the time of their receipt until their return to Purchaser.
- 34.3 In the event of any loss or damage to Purchaser's equipment, or to any death or injury to persons resulting from the use of Purchaser's equipment, the Supplier shall immediately notify Purchaser thereof in writing.
- 34.4 In the event of damage to Purchaser's equipment or injury to persons as a result of the unreasonable use of the equipment or carelessness of the Supplier, the Supplier shall be responsible for such damage or injury.
- 34.5 All materials (if any) and services supplied to the Supplier by Purchaser shall be used solely for the purposes of the Goods and/or the performance of the Services.

35 TERMINATION:

- 35.1 The Purchaser shall have the right, at its sole discretion, to terminate the Contract/Order in whole or in part, for any reason, at any time during the term of the Contract/Order, after providing the Supplier thirty (30) calendar days written notice. The Purchaser shall not be required to state the reasons for such termination.

Where IEC so decides to terminate the Contract/Order, it shall not be required to pay compensation, except as stated herein below, and shall only be required to pay for the Goods actually delivered to it by the date of termination stated in the written notice.

However, in the case of custom made parts, IEC will pay compensation for the Supplier's direct, proven expenses up to the date of termination. In any event, the compensation shall not exceed the price of the custom made parts in the Order/Contract. In such case, IEC will also be entitled to receive anything manufactured or purchased in connection with the Order/Contract by the date of termination.

35.2 Nothing in this article shall derogate from the Purchaser's right to terminate the Order/Contract, in the event of breach by the Supplier, after providing the Supplier a prior written notice of 7 days (seven days), during which the breach was not remedied, which entitles the Purchaser the right to cancel such Order/Contract and to invoke any other remedy available to it under the Order/Contract and or the law, including but not limited to: non participation of the Supplier in future tenders, claiming compensation for damages incurred, deducting and or retaining sums and/or exercising a performance guarantee (which shall not be considered as invoking liquidated damages).

35.3 Without derogating from anything stated above and any right available to the Purchaser under the Order/Contract and/or by law, the Purchaser shall be entitled to terminate the Contract/Order upon occurrence of any of the following:

35.3.1 The Supplier made application to court under any bankruptcy legislation or is declared bankrupt or insolvent or went into liquidation, voluntary or otherwise, or is placed under administration, receivership, trusteeship, judicial management, or compound with or made any arrangement with its creditors, or is suffering any similar action in consequence of debt.

35.3.2 Where a lien has been imposed on the goods of the Supplier in whole or in part, or where action is taken regarding the said goods which may prevent or is preventing the Supplier from providing the Services and/or the Goods fully or partially.

36 EFFECT OF UNSIGNED ORDER/CONTRACT:

Full or partial shipment/delivery of the Goods by the Supplier shall constitute a consent to any all terms of the Order/Contract, whether or not actually signed by the Supplier.

37 RETURN OF FAULTY GOODS

Without derogating from IEC's rights, provided to it by law and the provisions of this Tender/RFP (in addition to IEC's right to demand the replacement or repair of the Goods or to purchase alternative Goods and request the Supplier to bear the cost of the repair or the difference), in the event the Goods fail to pass successfully the acceptance tests, the Supplier shall be requested to remove the defective Goods from IEC's premises, within 7 working days from IEC's written request.

Should the Supplier fail to remove the Goods within the specified seven working days, IEC shall store the defective Goods at its premises and charge the Supplier 15 NIS per meter per month (in the event the defective Goods are stored for a period less than a month, the relative amount) if stored at IEC's open warehouse or 38 NIS per meter, per month (in the event the defective Goods are stored for a period less than a month, the relative amount) if stored at IEC's closed warehouse.

The charges shall be according to its sole discretion, the manner in which the Goods are stored, their availability and IEC's needs. Charges shall begin on the date of IEC's written notice.

In addition to the above stated, IEC shall be entitled, at its sole discretion, to, and without the Supplier having any claim against IEC, to remove the Goods from the site and sell them as waste or destroy them.

IEC shall be entitled to claim compensation from the Supplier for the costs of removing, and/or selling and/or destroying such Goods.

The compensation claimed shall be deducted from any amount due to the Supplier under the order or any other order.

38 THE SERVICE MATERIAL:

38.1 In this article Service Material shall mean maps, programs, records, reports, information, calculations, descriptions, specifications, writings, drafts, forms, appendixes, sketches as well as all papers and documents, AI system outputs and/or other material of any kind, without limitation (including copies), stored by any means, including computerized and magnetic means, etc., which were prepared and/or accumulated by the Supplier or on its behalf – for the sake or due to performance of the Services, including any results thereof and any right that derives and/or that may derive from the Services and/or in respect of and/or in connection with the Service Material.

38.2 It is hereby stipulated and made explicit that all Service Material will be the exclusive property of IEC.

- 38.3 IEC will be entitled to use the Service Material, in part or in full, as it deems proper without any limitations and/or amend such and/or transfer such to any third party, without the need to receive the consent of the Supplier/Contractor and/or without the Supplier receiving any compensation beyond the payment determined in the Order/Contract. The Supplier/Contractor hereby waives in advance any claim and suit due to such right of IEC, including financial claims and intellectual property claims of any kind. For removal of doubt, the payment that the Supplier/Contractor receives according to this Order/Contract reflects transfer of the intellectual property rights, of any kind, from it to IEC.
- 38.4 It is hereby clarified and made explicit that the Supplier will, in no case, have right of lien upon the Service Material.

39 USE OF ARTIFICIAL INTELLIGENCE-BASED TOOLS

- 39.1 “Artificial Intelligence System” means software or a computerized mechanism that is capable, based on a series of variables predefined by a human, of generating predictions, recommendations, or decisions that may influence tangible or virtual environments.
- 39.2 The Supplier agrees and undertakes that any information received from the Purchaser or related to Goods and/or services and/or work provided by them to the Purchaser, shall not be uploaded to, shared with, or otherwise used via an artificial intelligence system, unless explicit, prior, and written consent has been granted by the Purchaser.
- 39.3 Such consent shall apply solely to specific information and for a specific purpose, and shall not be broad or general. In any case, the Purchaser may revoke its consent at any time and/or condition it upon requirements as needed.
- 39.4 If the Purchaser grants consent to use information in an artificial intelligence system as stated, the Supplier will be required to adhere to appropriate information security and confidentiality protocols, in accordance with the terms of engagement and the appendices “Supply Chain Security” and “Information and Cyber Security,” if attached to the procedure documents.
- 39.5 The Supplier shall ensure that all its employees and/or representatives comply with these provisions.
- 39.6 Regarding liability and indemnification for damage or loss resulting from the use of an artificial intelligence system, the provisions of the limitation of liability and Indemnity articles shall apply.
-

End.

Appendix __ - Undertaking of Non-Disclosure [Non-consultant NDA]

[For an individual]

I, the undersigned:..... bearer of ID no.: of (address), (the "Supplier").

[For a company]

I, the undersigned:

..... bearer of ID no.: of (address)....., do hereby declare on behalf of with registration no., domicile at (address): (the " Supplier ").

Hereby represent and confirm –

that the Supplier gave an undertaking to the Israel Electric Corporation to keep in absolute confidence any work/service that the Supplier will provide in accordance with the provisions of the contract signed between the Israel Electric Corporation and the Supplier (the "Contract").

This Appendix is an integral part of the Contract.

As an authorized signatory of the Supplier, and in accordance with the confidentiality provisions of the Contract, according to which the Supplier shall sign an undertaking to the Israel Electric Corporation to maintain all work/services, which shall be provided by the Supplier to the Israel Electric Corporation, in absolute confidence, I hereby undertake on behalf of the Supplier, as follows:

1. To keep and maintain all work/ services, which shall be provided by the Supplier, including in connection with the "Service Material" as defined in the Contract, and/or its outcome and/or any part thereof and/or in connection with the Information, as such term is defined herein, that will reach the Supplier and/or be received by the Supplier in connection with or pertaining to the Contract with the Israel Electric Corporation, in absolute confidence.
2. To keep in confidence and not disclose, not to cause the disclosure, show and/or provide in any manner, whether throughout the duration of the Contract period or thereafter, to any person or entity, any Information (as such term is defined herein) or any part of it and/or trade secrets and/or other secrets of the Israel Electric Corporation and/or information and/or knowledge relating to the Israel Electric Corporation or connected, directly or indirectly, to the Israel Electric Corporation, its assets, business and affairs, its customers, suppliers, individuals and/or entities associated with and/or enter into contact with the Israel Electric Corporation, including and without derogating from the generality of the above, methods, processes, prices, calculations and terms of agreements . I hereby, on behalf of the Supplier, declare and confirm that all the aforesaid secrets or Information , are the exclusive property of the Israel Electric Corporation and the Supplier shall have no claim, of any kind, in respect of them or arising from them.
3. In this respect, and without derogating from the generality of the above, the Supplier acknowledges that the Company is a "public company" as such term is defined under the Israeli Companies Law, 5759-1999, with securities listed on the Tel-Aviv Stock Exchange Ltd. and that the information, mentioned in Sections 1 and 2 of this Appendix (the "Information"), in whole or in part, may be considered "inside information" as such term is defined under the Israeli Securities Law, 5728 – 1968 and the Supplier acknowledges and familiar with the applicable legal restrictions under this law regarding the use of inside information, and the Supplier undertakes to refrain from making any use of the Information in any manner which would constitute a violation of the provisions of the Israeli Securities Law.
4. Not to make any unnecessary use of the information, which is not required under the Contract, neither for the benefit of the Supplier or for the benefit of others nor for any benefit whatsoever.
5. Not to harm and/or remove and/or change the identifying markings of the Israel Electric Corporation appearing on the Information.
6. To notify the Israel Electric Corporation promptly and without delay of any person and/or entity to whom the Information may have been disclosed and/or who was exposed to it and/or who came into possession of it, contrary to the provisions of this letter of undertaking.
7. To provide the Israel Electric Corporation any information, of any kind, which may be for its benefit, that comes to the attention of the Supplier, in connection with the execution of the Contract (insofar as such is signed), and not to use such information, in any way, other than for the Israel Electric Corporation

8. To provide the Israel Electric Corporation all of the information in the possession of the Supplier immediately upon receipt of a written demand to provide it from the Israel Electric Corporation security officer, and in any case no later than one week from the termination of the Contract, for any reason.
9. The Supplier shall inform all of his managers, employees, sub-contractors, agents and any party acting on his behalf, which shall execute the services contemplated under the Contract on his behalf, pertaining this and his undertaking of non-disclosure as contemplated under the Contract and in this Appendix. The Supplier shall make its best efforts to assure that the aforesaid entities shall, as aforesaid, keep and maintain in absolute confidence and shall fulfill their undertakings in accordance with his undertaking.
10. The Supplier acknowledges that any use of the Information and/or of the Service Material and of the deliverables, by the Supplier and/or any party acting on his behalf and/or any transfer of information or any part of it, to any third party, not for the purpose of the execution of the obligations under the Contract, may cause detrimental damages to the Company and/or any affiliated company. Therefore, the Supplier shall be responsible for any damages or losses incurred by Company and/or any third party, if such incurred, resulting from the aforesaid infringements of undertakings, directly or indirectly (including, without derogating from the generality of the forgoing, loss of revenue and/or profit, reputational damage, attorneys' fees and costs).
11. Notwithstanding the forgoing in this undertaking, it is hereby agreed that the Information (as defined above) shall not include information which the Supplier can demonstrate that the said information is one or more of the following:
 - a. information, in which the Supplier can prove by written records, which was in the Supplier's possession prior to the signing of the tender and/or the Contract provided that such information was not obtained through a breach of the provisions of this Appendix and/or the tender and/or the Contract by the Supplier or anyone on its behalf and only insofar as, the Supplier has been provided with a prior written notice of such said possession, and shall delay the transfer of such Information by 7 business days, to enable the Israel Electric Corporation with a duration to prevent the transfer of Information;
 - b. Information, which according to written records, is generally available in the public domain provided that such publication is not resulted from any breach of any provisions of this Appendix and/or the tender and/or the Contract by the Supplier or anyone on its behalf;
 - c. Information, in which its disclosure is required by an order of a court, governmental standards or any other authority, authorized by law to request such Information, and provided that such disclosure is limited to the minimal scope required explicitly under the said order and that the Israel Electric Corporation was provided with a prior written notice, detailing the upcoming disclosure of Information, the scope and details required to be disclosed, in a reasonable timeframe to enable the Israel Electric Corporation to seek a protective order or otherwise prevent such transfer of Information, and to present its arguments before the court or the said authority, as applicable;
 - d. Information, in which its disclosure was approved, in writing, by the Israel Electric Corporation's authorized representative;
 - e. Information, which was disclosed to the Supplier by a third party, without a breach of any provisions of this Appendix and/or the tender and/or the Contract, by the Supplier or anyone on its behalf.

On behalf of the Supplier, I confirm that the Supplier is aware that the Israel Electric Corporation is a supervised entity, as defined in the State Comptroller Law, 5718 – 1958 [Consolidated Version] and that the Supplier's attention was directed to the Penal Law, 5737 – 1977 Chapter G, and in particular to the provisions of sections 118 and 119 of the Law.

In witness whereof I have signed:

Today Month Year,
(Name and signature)