



Form of Agreement acc. to Annexure A16
Following RFP no. 104068110

THIS AGREEMENT is made in _____ this ____ day of _____, 202_, by and between:

THE ISRAEL ELECTRIC CORPORATION LIMITED, a corporation registered in Israel, having its registered office at 1 Netiv Haor Street, Haifa, Israel (hereinafter referred to as the “**Purchaser**”) of the one part and,

_____, a company registered in _____ and having its _____ office at _____ (hereinafter referred to as the “**Contractor**”, which expression shall be deemed to include its successors and permitted assigns) of the other part;

PREAMBLE

- A. WHEREAS, the Purchaser intends to purchase [Modular Capacitors Bank & Switching System, 5 MVar, 24 kV & 5 MVar, 36 kV for Substations](#) in Israel according to Specifications [STR-1980 & STR-1996](#); and
- B. WHEREAS, the Contractor agrees to provide design, development, manufacture, tests, delivery of equipment, supply of spare parts and optional services (training, supervision of installation & commissioning, yearly warranty extension), if exercised, and as hereinafter specified;

NOW THEREFORE, THIS AGREEMENT WITNESSETH as follows:

1. The preamble and the following documents attached hereto shall constitute an integral part of this Agreement, and the Purchaser and the Contractor (hereinafter referred to each as a “**Party**” and together as the “**Parties**”) shall observe and abide by them:

ANNEXURE “A16”	General Conditions for the Purchase of Substation Equipment and Related Services, dated May 2026, revised for Contract _____, 202__;
ANNEXURE “B”	Specification _____, (hereinafter the “Specification”);
ANNEXURE “C”	Summary of Prices “C”; and Contractor’s Proposal Documents
ANNEXURE "D"	Special Conditions
ANNEXURE “E1”	Guarantee for the due performance of the Contract in the form of a Standby Letter of Credit (from non-Israeli banks);
ANNEXURE “E3”	Guarantee for the due performance of the Contract in the form of a Bank Guarantee (from Israeli institutions));
ANNEXURE “F2”	Down / Advance Payment Guarantees in the form of a Standby Letter of Credit (from non-Israeli banks) for foreign currency or NIS linked contracts (where applicable);
ANNEXURE “F4”	Down / Advance Payment Guarantees in the form of a Bank Guarantee (from Israeli institutions) for foreign currency contracts (where applicable);
ANNEXURE “G”	Parent Company Guarantee (where applicable);
ANNEXURE “K”	Security Appendix;
ANNEXURE “L”	Insurance Requirements;
ANNEXURE “M”	Reserved
ANNEXURE “N”	Conditions for the Provision of Contractor Personnel’s On Site Services;
ANNEXURE “P”	Preference to Suppliers of Israeli Manufactured Goods (where applicable);

ANNEXURE “R”	Delivery, Shipment and Handling;
ANNEXURE "S"	Safety Appendix
ANNEXURE “U”	ICA Appendix (Mandatory Industrial Co-operation) Undertaking;
ANNEXURE “Y”	List of Potential Guaranteeing Banks and Israeli institutions;
ANNEXURE "Z"	Flexible Frame Contracts/Orders;
FORM 2	- Certificate of Acceptance
FORM 5	- Quality Control Certificate.

All the above documents as revised for Contract _____, 202_.

This Agreement and the said attached Annexures constitute and are hereinafter referred to, collectively, as the “**Contract**”.

The Contract documents are considered complementary to the extent that provisions set forth in one document are with the necessary changes required, binding in all documents. In the event there are any conflicting provisions or requirements in the Contract documents, the documents shall prevail in the following descending order:

- (i) Order/This Agreement
- (ii) Ann. "D" /Ann. "Z"
- (iii) Annexure “A16”
- (iv) Annexure “B” (Technical Specification)
- (v) All other documents

2. In consideration of the payments to be made by the Purchaser to the Contractor as specified in the Contract, the Contractor hereby covenants with the Purchaser that the Contractor shall duly and timely: manufacture and deliver [Modular Capacitors Bank & Switching System, 5 MVar, 24 kV & 5 MVar, 36 kV](#) (hereinafter collectively referred to as “**Equipment**”) [with Set of Spare Parts for each type](#); render related services; all as further defined in Article 1 of Annexure “A16” and subject to all the terms and conditions of the Contract.
3. (a) The Purchaser, in consideration of the undertakings of the Contractor and of the performance of the Work, agrees subject to subclause (b) below, to pay to the

Contractor the sum of _____, being the price of the Equipment of the basic scope (hereinafter “**Basic Contract Price**”) as further detailed in the Contract.

(b) The above sum is broken down approximately as follows:

(i) _____ “**Equipment Price**” is allocated for Equipment as defined in Article 1 of Annexure “A16” in accordance with the following breakdown:

(A) ITEM 1- for Modular Capacitors Bank & Switching System:

(B) ITEM 2 - for Protection and Control Cubicle for one (1) Capacitors Bank & Switching Module : _____

(C) ITEM 3 – for Protection and Control Cubicle for two (2) Capacitors Bank & Switching Modules: _____

(D) ITEM 4 – for Protection and Control Cubicle for three (3) Capacitors Bank & Switching Modules: _____

in accordance with the itemized prices set forth in Annexure "C" as further detailed therein;

(ii) _____ “**Spare Parts Price**” which shall include the price in accordance with the following breakdown:

(A) for Item 5 – Capacitor Units: _____

(B) for Item 6 – Circuit Breaker : _____

(C) for Item 7 – Single-Phase Damping Reactor: _____

(D) for Item 8 – Current Transformer for Unbalance Protection:

(E) for Item 9 – Unbalance Relay for the protection and control chamber : _____

in accordance with the itemized prices set forth in Annexure "C" as further detailed therein;

4. (a) In addition to the basic scope of supply specified in Clause 3 above, the Purchaser shall have the following options amounting to a maximum of _____ (hereinafter “**Options Price**”):

(i) to purchase optional equipment and Spare Parts in accordance with the itemized prices set forth in Annexure “C” as further detailed therein, for an estimated allocation of _____ to be exercised by

_____;

- (ii) to acquire Services of personnel provided by Contractor, either employed by Contractor or by any of its Subcontractors (hereinafter “**Contractor’s Personnel**”) as shall be requested by the Purchaser, if any, at the rates specified in Annexure “C” as further detailed therein, for an estimated allocation of _____ to be exercised by _____;
- (iii) to purchase Warranty extension and any other option(s) as mutually agreed between the parties in accordance with the itemized prices set forth in Annexure “C” as further detailed therein, for an estimated allocation of _____ to be exercised by _____.

- (b) In the event any of the afore-stated options is exercised by the Purchaser, the terms and conditions of this Contract shall apply *with the necessary changes required*, to the option exercised.

5. Subject to the provisions of Article 4 of Annexure “A16” (Change Orders), Price Adjustment if any, and except as may otherwise be expressly provided for in the Contract, all the above prices are firm and shall neither be subject to adjustment nor be affected by any variation in the cost of materials, labor, or transport or any costs of conforming with any laws, orders or regulations of any Government or local or other authority or for any other reason.

- 6. (a) The Basic Contract Price in the amount of _____ together with the Options Price in the amount of _____, shall total a maximum amount of _____, which together with any Change Orders issued and price adjustment (if any), shall hereinafter be referred to collectively as the “**Contract Price**”.

- (b) The Contract Price shall be paid in accordance with Article 18 of Annexure “A16”.

7. The following provisions shall apply to the respective contractual variables:

- (a) With respect to the Warranty Period(s) as specified in sub article 16.3 of Annexure “A16”:

- (i) WP1 is 36 months; WCO1 is 60 months;
- (ii) WP2 is 36 months; WCO2 is 60 months;

(Note: For purposes of this Contract the abbreviation WP means “**Warranty Period**”, WCO means “**Warranty Cut-off**”; sub-article 7(a)(i) refers to Equipment after trial run of a period of 4 weeks of continuous operation, and sub-article 7(a)(ii) refers to Spare Parts).

- (b) With respect to the Terms of Payment as specified in Sub-article 18.3 of Annexure “A16”:

DP1a is 0%;	Delivery is 90%;	RE1a is 10%;
DP2b is 0%;	Delivery is 100%;	RE1b is N/A

(Note: For purposes of this Contract the abbreviation DP means “**Down Payment**”, RE means “**Retention Payment**” suffix 1 above refers to main Equipment . Suffix 2 above refers to all other equipment and Spare Parts. Sub-suffixes: "a" refers to first draw order, "b" refers to all other draw orders)

- (i) DP1b is 0%; RE1b is 0%; (100% after delivery)
- (ii) DP2 is 0%; RE1b is N/A ; (100% after delivery)
- (c) With respect to the rates of Liquidated Damages for delays as specified in sub-articles 11.2, and 11.3 of Annexure “A16”, and the limits specified in sub article 12 of Annexure “A16”:

- (i) Reserved
- (ii) LD2A is 1%; LD2C is 10%
- (iii) Reserved
- (iv) Reserved
- (v) Reserved
- (vi) Reserved

(Note: For purposes of this Contract the abbreviation LD2 refers to Deliveries)

- (d) Without derogating from any specific contractual provision, the Equipment shall be delivered in accordance with the following INCOTERMS 2020 terms of delivery:
- (i) Foreign Equipment FCA/FOB (Port of Export)
- (ii) Local Offerors - Equipment DDP (Purchaser's warehouse/site)

8. The Contract is subject to the approval of the Israeli Industrial Cooperation Authority (“ICA”).

IN WITNESS WHEREOF THE PARTIES HERETO HAVE HEREUNTO SET THEIR HANDS ON THE DAY, MONTH AND YEAR FIRST AFOREWRITTEN.

THE ISRAEL ELECTRIC CORPORATION LTD.

BY _____

BY _____

_____ **COMPANY**

BY _____

BY _____