



THE ISRAEL ELECTRIC CORPORATION LTD. - ANNEXURE "A"
GENERAL CONDITIONS FOR PURCHASES OF STANDARD GOODS
(SHORT VERSION) 05.08.2026

1. DEFINITIONS:

- a) "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 from the Supplier, as specified in Annexure B.
- 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 from the Supplier.
- c) "Goods" - shall mean all or part of the goods/products/equipment described in the Order/Contract.
- d) "Purchaser" - shall mean the Israel Electric Corporation Ltd.
- e) "Supplier" shall mean the party, whose offer in the Tender/ RFP has been accepted by the Purchaser.
- f) "Tender/RFP" shall mean the process, by which the Supplier's proposal has been solicited, including any documents attached as part of the Purchaser's invitation to submit/solicit proposals.
- g) Unless otherwise stated in the Order/ contract, all Supplies shall be delivered in accordance with Incoterms 2020 FCA to the place stated in the Order.

2. QUALITY INSPECTION, DELIVERY AND LIQUIDATED DAMAGES:

- a) 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.
- b) 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.
- c) 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.
- d) Where the value of the Order/Contract 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/Contract, 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, 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.
- e) Where the Supplier has been required to supply a sample or prototype or Type Test reports and/or an approval of the Standards Institution of Israel, regarding compliance with the official Israeli standard, prior to delivery of the Goods and because of delay in the delivery of the approved sample or prototype or Type Test reports and/or approval of the Standards Institution of Israel, as applicable, 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 or Type Test reports and/or approval of the Standards Institution of Israel, as applicable until the contractually scheduled date of delivery of the Goods in respect of which the prototype or Type Test reports have been requested as follows:
Liquidated damages shall be paid at the rate of 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 - up to a maximum of 5% of the Contract/Order value.
In the event the Supplier previously supplied to IEC an identical product to the Product required and suggested by the Supplier, IEC 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 prototype or Type Test reports from the Supplier, provided such request was included in the tender.
Please note the following: should IEC decide to revoke its request that the Supplier submits a sample or a prototype or Type Test reports, 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.
- f) Liquidated damages shall not be the Purchaser's only remedy in the event of delays in excess of ten (10) weeks.
- g) RESERVED
- h) 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 to.
Delivery will become effective only upon the actual delivery of the Goods to IEC and receipt.

- i) 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 to IEC and/or compliance with the terms of the Contract.

3. 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) No shipment shall be made, except through the Purchaser's freight forwarders, designated in the Order/Contract. In the event no freight forwarder is designated, the Purchaser's Import Manager should be contacted for instructions.
- 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/contract, 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 for 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/Contract, 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 airtailed to the Purchaser, containing the data, set forth below, as applicable:
 - i. One set of shipping documents (invoice, packing list and Bill of Loading) is to be delivered to the Purchaser's freight forwarder. A copy is to be sent to the purchaser.
 - ii. Purchaser's Order number (the invoice shall relate only to one of Purchaser's Orders and display such number next to the invoice number),
 - iii. Detailed description of the Goods (as fully itemized as possible);
 - iv. Quantity of each item in the metric system, weights and measurements;
 - v. 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;
 - vi. Consecutive shipment/consignment number;
 - vii. Package number, gross and net weights and measurement of each package, and the volume of each container;
 - viii. Inland freight, packing and other additional charges if not included in the price;
 - ix. All applicable discounts, cash and/or trade and payments made on account. The final figure must be the NET amount;
 - x. An indication whether the prices shown are EXW, FCA, FAS, FOB, DAP, DAT, DDP, or otherwise, as applicable.
 - xi. Delivery Terms as per Incoterms 2020.
 - xii. The country of origin of the Goods;
 - xiii. 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.
 - xiv. A printout of the name and title of the signatory.
 - xv. 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 and Jordan, 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) 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.

The following must be submitted unless specifically stated otherwise by IEC (relevant for all delivery terms):

- i. For U.S.A. manufacture: starting January 2018, FTA Certificate is not required. Instead, Supplier's Export Declaration stating origin of Goods on the original invoice is to be submitted as follows:

"I, the undersigned, hereby declare that unless otherwise indicated, the goods covered by this document fully comply with the rules of origin and the other provisions of the Agreement on the Establishment of a Free Trade Area between the Government of Israel and the Government of the United States of America." It should be stated whether supplier is The Exporter or The manufacturer.

The declaration must include tax identification, name, title, e-mail and signature; or
- ii. Original EUR1 Certificate for E.E.C. manufacture; or
- iii. Supplier's Export Declaration (for European suppliers only) stating origin of Goods on the original invoice up to EUR 6,000; For invoices exceeding EUR 6,000: The declaration may only be used by Suppliers having a customs authorization number.

Declaration wording: "The exporter of the products covered by this document (customs authorization no. ...) declares

that, except where otherwise indicated, these products are of preferential origin."

The declaration must include name, title, signature, place and date; or

- iv. In the event that goods are being dispatched from a country other than the place of manufacture, a Non-Manipulation Certificate, signed by local Custom Authorities and Chamber of Commerce, must accompany the relevant original Certificate of Origin.

For all /Products/Equipment 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) 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/Products/Equipment is different from the one specified by the Supplier in its original offer, or in the certificate/declaration of origin, or elsewhere, as applicable, or if the Supplier fails to deliver a certificate/declaration of origin, when appropriate, or required and consequently, the Purchaser is required to pay customs in excess of the customs, that the Purchaser would otherwise have been required to pay, the Supplier shall reimburse to the Purchaser the amount of such excess customs.

- l) Where the Supplier provided IEC with a certificate of origin and as a result IEC 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 IEC and/or the Israeli customs authorities with all the necessary documents required; and
- (ii) reimburse IEC for custom payments paid by IEC 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 IEC, IEC shall be entitled to deduct from any Contract/Order signed with the Supplier, the customs due to IEC.

3A Compliance with Israeli Ministry of Energy Regulations

(Applicable only to non-synchronized three-phase electric motors as defined in the specification)

"The Supplier acknowledges that it has been duly informed of the 'Compliance with Israeli Ministry of Energy Regulations' article (the "**Article**"). The Supplier hereby undertakes to strictly adhere to the terms of said Article, as published on the IEC website at:

<https://www.iec.co.il/en/content/suppliers/filespages/general-terms-conditions-and-annexures>. Version 08.03.2026.

4. WARRANTY:

- a) Supplier warrants that the Goods, supplied to the Purchaser shall be of good quality, shall be unused in all cases;
- b) The Supplier agrees, subject to the 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, 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/Products/Equipment, the Purchaser may repair the Goods at Supplier's cost.
- c) Supplier's warranty shall extend for a period of 12 months, beginning at the time of delivery unless stated differently in the Tender/RFP documents. In such event, the period set forth in the Tender/RFP documents, shall prevail.
- d) Notwithstanding the provisions of Sub-articles (c) 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.

5. 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 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.

6. PAYMENT:

6.1. Digital platform

- 6.1.1 The Purchaser shall upload the orders, services sheets and/or confirmation of receipt of goods, to the digital platform.
- 6.1.2 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.

6.2. 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.

6.3. Invoice submission

- 6.3.1 An Invoice shall be submitted for each order separately, upon receiving the Goods or completion of the Services
- 6.3.2 The Supplier shall submit a separate Invoice for each type of service (services abroad, services in Israel, software, legal services, professional literature, equipment repair, rent equipment) and a different one for Goods.
- 6.3.3 In the case of an Invoice for Services, the Invoice submission shall be linked to the service sheets.
- 6.3.4 The Supplier shall not split the Invoices for the Services or Goods delivered.
- 6.3.5 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.

6.4. 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.

6.5. 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.

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 Provisional Acceptance Certificate, unless otherwise agreed upon by the parties.

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

6.6. 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.

7. RIGHT TO RETAIN OR WITHHOLD PAYMENT:

- a) 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 Contractor under the Order/Contract in the event of the occurrence of any of the following:
breach of Contract in whole or in part by the Supplier,
lawsuits filed against Purchaser and/or in the event of damages (including but not limited to re-occurring defects in the Goods/Products/Equipment) caused to Purchaser and/or any other person as a result of the Order/Contract.
- b) The Supplier shall have no right of lien over Purchaser's Goods for any reason whatsoever, during the Contract/Order period or during the option period (where exercised) or thereafter, regardless whether the Goods have been supplied to him by Purchaser or supplied to Supplier by anyone else.

8. GUARANTEES:

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**.

8.1 PERFORMANCE GUARANTEE

8.1.1 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).

8.1.2 Where Purchaser has decided to exercise an option and its value exceeds NIS2,000,000 (excluding options, 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).

8.1.3 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).

8.1.4 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

8.1.5 Failure to provide the guarantee as specified in Articles 8.1.1, 8.1.2 and 8.1.3 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.

8.1.6 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.

8.1.7 In the event of an addition in an amount exceeding NIS2,000,000 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.

8.2 DOWN PAYMENT GUARANTEE

- i. Where the Purchaser is required by the terms of the purchase Order/ Contract to make down payments prior to delivery, such payments shall be secured by guarantee as follows:
 - 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;
 - issued or established against the receipt of down payment, in an amount, which is not less than that being drawn;
 - valid until 60 days after the scheduled delivery of the last shipment of Goods/Products/Equipment (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).
- ii. 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.
- iii. 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.

9. PRICES:

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

10. TAXES:

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

- i. Foreign Supplier for tax purposes shall have the meaning ascribed to the term "foreign resident" under the Israeli Income Tax Ordinance 1961.
- ii. Israeli Supplier 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 Supplier for tax purposes, the taxes will be dealt with in accordance with Israeli laws.
2. Foreign and Israeli supplier 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 Supplier for tax purposes, will present a written approval issued by the competent Israeli authority confirming that the Foreign Supplier for tax purposes, is exempt from such withholding tax in whole or in part.
4. Foreign and Israeli Supplier for tax purposes shall bear all costs and expenses incurred in obtaining any required certificates of exemption, and the Foreign Supplier for tax purposes shall have no claim against Purchaser for reimbursement of such costs and expenses.

Purchaser shall have no obligation to reimburse or indemnify the Foreign Supplier 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 Supplier for tax purposes

11. FORCE MAJEURE:

- a) 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").
- b) 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.
- c) Any delays resulting from any such cause shall extend performance time, unless it shall become impossible to perform the Contract/Order 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.
- d) 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 60 days in the aggregate, the Contract/Order may be cancelled in writing by either party.

12. 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.

13. 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/Products/Equipment. Supplier shall defend all suits or proceedings, instituted against Purchaser for the infringement of any intellectual property rights, associated with the supplied Goods/Products/Equipment 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.

14. TERMS OF THE TENDER/RFP:

Terms and conditions of a Contractual nature, set forth in the tender/RFP documents, shall be a part of the Order/Contract (even if not inserted in or attached to the Order/Contract document), unless excluded by express and specific provision/s of the Order/Contract.

For the removal of doubt, in the event of conflict between the provisions of the tender/RFP documents including the specification and these General Terms and Conditions (as well as any amendments agreed with the Supplier) and the provisions of the Order/Contract documents the former provisions shall prevail.

In the event of any contradiction between the provisions of the Order/Contract and these General Terms and Conditions (as well as any amendments agreed with the Supplier), these General Terms and Conditions shall prevail.

15. EFFECT OF UNSIGNED ORDER/CONTRACT:

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

16. ASSIGNMENT:

16.1. 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.

16.2. 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.

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.

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

17. INSURANCE:

Supplier shall acquire and maintain such insurance, if any, as required in the tender/RFP, if required and shall comply with all other requirements, pertaining to insurance, if any, as set forth therein.

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

Upon failure to submit the Insurance Annexure required, on the date set forth above, IEC shall be entitled to resort to all remedies available to it under the Order/Contract or by law, including the right to cancel the award, at IEC's sole discretion.

18. PREFERENCE FOR ISRAELI MANUFACTURED GOODS:

a) Where the Supplier has declared that he is entitled to be granted a preference in the tender/RFP for the supply of Israeli Manufactured Goods or goods manufactured in the Gaza Strip 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".

b) 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" shall prevail.

19. GOVERNING LAW AND SETTLEMENT OF DISPUTES:

19.1 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.

19.2 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/Products/Equipment 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.

19.3 Both Parties shall attempt to resolve their disputes pertaining to the Order amicably between themselves.

19.4 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.

20. 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: [Terms, Conditions and Annexures - Israel Electric \(iec.co.il\)](#) version 04.08.2026.

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

21.1. 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).

- 21.2. The Supplier shall bear all costs related thereto and shall be responsible to ensure that the Goods/Product/Equipment 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 Equipment is approved by such bodies.
- 21.3. In the event that the Purchaser (having notified the Supplier in the Tender/Inquiry documents as mentioned above) is required to pay any fines or penalties to the Israeli customs authorities because the Goods/Products/Equipment fails 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.
- 21.4. 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)**

22. 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 article 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.

23. TERMINATION:

- 23.1 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.
- 23.2 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).
- 23.3 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:
- 23.3.1 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.
- 23.3.2 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 Goods fully or partially.

24. WORK SAFETY ON PURCHASER SITE:

The Supplier hereby undertakes and declares that it is aware that a preliminary condition for the entry of a Supplier and/or any of its employees for the performance of any service at Purchaser's site/s, if such service is required during the course of the Contract/Order, is that the Supplier and/or any of its employees will complete a safety briefing and/or receive a written summary of safety information, as the case may be. The Supplier undertakes to approach IEC's representative in order to coordinate the time of the safety briefing and/or receipt of a written summary of safety information, and to act and to cause its employees to act in accordance with IEC's safety instructions that will be provided to it as stated.

25. 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" (Technical Specification)

- (v) All other docs

26. 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.

27. USE OF ARTIFICIAL INTELLIGENCE-BASED TOOLS:

27.1. In this section, "Artificial Intelligence System" (AI) or the "System" means a computer system capable of, on the basis of objectives or variables predefined by humans, inferring predictions, recommendations, decisions, outputs, or choices from the input provided to it, and which operates with varying levels of autonomy and adaptivity. This includes systems utilizing deep learning models, machine learning, language models, prediction engines, third-party components, plugins, agents, or any similar technological component, including hardware and ancillary equipment.

27.2. The Supplier agrees and undertakes that any use of AI-based systems regarding Israel Electric Corporation ("IEC") data within the framework of the engagement (hereinafter: "Use of Company Data") shall be conducted solely for the purpose of providing the services under this Contract/Order, subject to the following conditions:

27.2.1 The Supplier shall provide IEC, upon its request, with details regarding the AI tools used, including responses to any clarifications required in connection with such use.

27.2.2 Use of Company Data shall be subject to compliance with applicable law and strict adherence to appropriate information security and confidentiality rules in accordance with the terms of the engagement, its annexes, and IEC's instructions.

27.2.3 Use of Company Data in AI tools shall be conducted under an enterprise-level business license only. It is clarified that the Supplier is prohibited from using free versions, private versions, or services that do not include adequate contractual commitments regarding privacy and information security.

27.2.4 Company Data shall not be used, directly or indirectly, for the purposes of training, learning, improving, or developing models, and shall not be transferred to any third party without IEC's prior express written consent.

27.2.5 Access to Company Data shall be restricted to authorized employees only who require such access for the performance of the engagement.

27.2.6 Company Data shall not be saved, stored, or held beyond the minimum period required for the execution of the action. A full deletion shall be performed immediately upon the conclusion of processing and at the end of the engagement, including the deletion of backups. A confirmation of deletion shall be presented to IEC upon its request. It is clarified that the storage and/or processing of Company Data outside the borders of Israel is contingent upon IEC's prior express written consent.

27.2.7 The Supplier shall report any security incident or data breach immediately to IEC.

27.2.8 The Supplier shall ensure human oversight of the AI system's operation at all times. It is clarified that the Supplier shall bear sole responsibility for the examination, verification, and control of the AI tool's outputs before their delivery to IEC or any reliance upon them for the purpose of providing the services.

27.2.9 AI tool outputs shall be considered "Service Material" and, in accordance with the provisions of the relevant ownership section, shall constitute the exclusive property of IEC. IEC shall be entitled to treat and use such outputs at its sole discretion, for any purpose whatsoever and without limitation.

27.2.10 The Supplier shall document the system's operation and provide IEC with documentation and logs upon its request for audit, compliance with applicable law, and explainability purposes.

27.2.11 Regarding liability and the obligation of indemnification in connection with any damage, loss, claim, or demand arising from the use of data in AI tools, the provisions of the "Liability and Indemnification" section within the procurement documents shall apply.

END