



Confidential - Commercial

Purchasing Process No.: 104111970
Subject: **Metering Cabinets**
Specification No.: NPS-120, NPS-328

ANNEXURE “Z” - CONDITIONS FOR FRAME CONTRACTS/ORDERS (2 years Basic Frame Contract Period) Revision 12.03.2024

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

1. DEFINITIONS

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

- 1.1. "Basic Contract Price" - unless specified otherwise in this document, shall mean the total purchase price of the entire quantity (100%) of the Equipment, specified in the tender/inquiry documents (not including options) and flexibilities, in the currency, designated by the Supplier and approved by the Purchaser.
- 1.2. "Basic Frame Contract Period" - shall mean a period of 24 months, beginning on the date specified in the frame contract/order for the supply of the Equipment.
- 1.3. "Option Period" - shall mean the total period of 36 months during which the Purchaser shall be entitled to exercise the Options in whole or in part.
- 1.4. "Equipment" - shall mean all or part of the equipment, described in the Order/Contract.

2. FRAME ORDER/CONTRACT FLEXIBILITIES

2.1. PRICE OF THE PURCHASE

During the Basic Frame Contract Period (and the “extension period”, detailed in paragraph 2.2.1.1, below, if applicable), the Purchaser will purchase from the Supplier and the Supplier will sell to the Purchaser, Equipment of a total price, which is equal to the “Basic Contract Price”, including the Purchaser's right to increase the Basic Contract Price by up to 40% or decrease the Basic Contract Price by up to 20%.

2.2. EXTENSION PERIOD AND OPTION TO PURCHASE

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

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

2.2.1.2. The Purchaser shall have an Option to extend the Basic Frame Contract Period by up to additional 3 year/s (hereinafter referred to as the "**Option Period**" or "**Option Exercise Period**"), each time for a period of one year.

During the Option Exercise Period, the Purchaser shall be entitled to purchase additional Equipment from the Equipment specified in the Order/Contract, in an

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additional monetary value which shall not exceed 50% of the Basic Contract Price.

The Option shall remain valid during the Extension Period.

- 2.2.1.3. It is hereby clarified that partial exercise of an Option (in scope and/or period) will not derogate from the Purchase's right to exercise the Option in full.
- 2.2.2. In no event shall the total Order/Contract period (including the Basic Frame Contract Period and Option Periods and applicable Extension Periods) exceed 60 months from the beginning of the Basic Frame Contract Period.
- 2.2.3. Regardless of that stated above, where the Purchaser estimates that it shall utilize the entire contract price, prior to the end of the contract period, the Purchaser shall be entitled, at its sole discretion, to precede the commencement date of the Option Period, to a date to be determined by the Purchaser by providing the Supplier a written notice at least ten days prior to the commencement of the Option Period.
- The early exercise of the Option Period will not derogate from the Purchaser's right to extend the Contract/Order in time only and/or exercise additional options (as far as such options were included in the Contract/Order), provided that the total of the Contract Period, including the period of the Basic Frame Period and Option Periods and applicable Extension Periods shall not exceed 5 years.
- Similarly, where the Purchase anticipates, to the best of its understanding, the utilization of the full monetary value prior to the end of the Option Period, if exercised, the Purchaser will be entitled to precede the commencement date of the Option Period (if any), or terminate the Order/Contract, on a date to be determined by the Purchaser, at its sole discretion.
- 2.2.4. Exercising one of the options listed under sub article 2.2.1 above, with the exception of the exercise of the flexibility, shall be made by a written notice, no later than one month prior to the end of the Basic Frame Contract Period or the Option Period or the Extension Period, as the case may be.
- 2.2.5. During the period of the Option Period or during the Extension Period, the Purchaser shall be entitled, at its sole discretion, to increase the monetary value of its purchases according to the Order, by up to 40% or decrease it by up to 20% of the Basic Frame Contract Price and/or the Option, as set forth under sub-articles 2.1 and 2.2.1 above.
- 2.2.6. Refusal of the Supplier to exercise the Option (including the exercise of the Extension Period in time) will be considered a breach of the Order/Contract for all intents and purposes, and will entitle the Purchaser to the remedies set forth in the tender/ inquiry documents, including exercising the performance guarantee provided by the Supplier in accordance with the instructions of the inquiry /tender documents, (to the extent that a performance guarantee is required according to the terms the tender/ inquiry), as well as the remedies according to the law.
- 2.2.7. It is hereby clarified that should the Purchaser wish to exercise an option in parts, the Purchaser's commitment to a minimum purchase scope (to the extent that such commitment is included in the Contract/Order), will be calculated for the entire Option Period that is exercised and not for each part of it separately.
- 2.2.8. Should the Purchaser decide in the future to enter into further contracts with the Supplier, the maximum prices, (including during the Option Periods), shall be at the same price or better than those in this Contract/Order, under the linkage conditions listed in this contract.
- The exercise of the continuing contract is subject to the prior consent of the Supplier and is subject to the issuing of a separate company order for the subject or an addendum to this order.
- 2.2.9. If the option is duly exercised, the sale of the "Optional Equipment" to the Purchaser shall be at the same price and under the same terms as the sale of the Equipment purchased during the Basic Frame Contract Period, subject only to such modifications as are set forth herein.

3. SCHEDULE OF DELIVERY

- 3.1. The Equipment shall be supplied to the Purchaser in accordance with written draw orders, issued by the Purchaser to the Supplier. The draw orders will be issued by the Purchaser at such times as it chooses, within the Basic Frame Contract Period, the "Extension Period" or the Option Period (under paragraph 2 above as applicable).
- 3.2. Each draw order shall specify the type/s and quantities of Equipment, required by the Purchaser and the Supplier shall deliver to the Purchaser such type/s and quantities as required according to the following:
 - 3.2.1. First draw order for the suppliers who are required to undergo the type test and prototype process - delivery within 237 days of issuance of the draw order for the supply DDP directly to Purchaser's stores including 147 days for the type test and prototype process (based on Paragraphs 9.4 of Specifications NPS120 and NPS-328) and 90 days for the supply DDP directly to Purchaser's stores.
 - 3.2.2. First draw order for the suppliers who are not required to undergo the type test and prototype process - delivery within 90 days of issuance of the draw order for the supply DDP directly to Purchaser's stores. Exemption reasons are listed in Paragraph 8 below.
 - 3.2.3. For all other draw orders - delivery within 90 days of issuance of the draw order for the supply DDP directly to Purchaser's stores.
- 3.3. The final date for delivery, as set forth in the Purchaser's draw order/s, within the framework of the Contract, shall be no later than six (6) months from the end of any of the following: the Basic Frame Contract Period, Extension Period or the Option Period, whichever occurs later.
- 3.4. The Purchaser reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender/inquiry, to modify or update the abovementioned schedule of delivery and lead time.

4. QUANTITIES TO BE PURCHASED

- Subject to the Purchaser's obligation to purchase Equipment in the quantities specified in paragraph 2.1, above:
- 4.1. In the event that the Equipment consists of various, non-identical items, the Purchaser shall have a right to purchase some of the items and not the others.
 - 4.2. The Purchaser reserves the right, prior to proceeding to the second (pricing) stage of the abovementioned tender/inquiry, to modify or update the quantities.

5. PERFORMANCE GUARANTEE

- 5.1. Where the value of the Order/Contract is in excess of NIS2,000,000 (excluding options and/or flexibilities and/or VAT) or the equivalent of the foreign currency in NIS (in accordance with the applicable exchange rate, as set forth by the Bank of Israel, on the first working day prior to the date of submission of the price proposals to the tender/inquiry) and without in any way derogating from Supplier's duty to perform its obligations under the purchase Order/Contract, the Supplier shall, at its expense, within 30 (thirty) days from the issuance of an Order, provide the Purchaser with a guarantee for the due performance of the Contract/Order, in the form of an unconditional standby letter of credit (in the form, attached to the tender/inquiry documents), to be given by the entities stated in Annexure Y, in an amount equal to 5% (excluding options and/or flexibilities and/or VAT) of the annual value of the Contract/Order Price.
- 5.2. In the event of an extension of the "Basic Frame Contract Period" in accordance with paragraph 2, above, the Supplier shall deliver to the Purchaser, within the first fourteen days of the "Extension Period", an extension of the performance guarantee for an additional period equal to the Extension Period.
- 5.3. Where Purchaser has decided to exercise an option and its price exceeds NIS2,000,000 (excluding flexibilities and/or VAT) or the equivalent of the foreign currency in NIS (in accordance with the applicable exchange rate, as set forth by the Bank of Israel, on the first working day prior to the date of the Tender Committee's decision to exercise the option), the

Supplier hereby undertakes to provide to the Purchaser, at Supplier's expense, immediately upon receipt of notice of Purchaser's exercise of the option, a performance guarantee for the due performance of the option, in the form of an unconditional standby letter of credit (in the form, attached to the tender/ inquiry Documents), to be given by the entities stated in Annexure Y, in an amount equal to 5% (excluding option and/or flexibilities and/or VAT) of the Option Price.

- 5.4. The guarantee shall remain in effect until sixty (60) days after the warranty period or in the event there is no warranty period, the guarantee shall remain valid up to 60 days after the last date of delivery
- 5.5. Said guarantee shall be amended from time to time to reflect the adjusted option price, due to the issuance of change orders.

6. PROVISION OF RAW MATERIALS

In the framework of the present procurement procedure IEC is required to provide the Suppliers with materials, parts or components required for the purposes of manufacturing the goods, products and/or facilities (hereinafter referred to as "**Raw Materials**") the following shall apply:

6.1. Materials Guarantee:

- 6.1.1. The Supplier shall provide IEC with a separate and autonomous guarantee (hereinafter referred to as the "Materials Guarantee") in the form of Annexure F according to Paragraph 8.2 of Annexure A, in the amount equal to 100% of the value of the Raw Materials + VAT and related costs incurred by IEC in their purchase. IEC shall notify the Supplier of the value of the Raw Materials and the costs prior to issuing the order or the frame order.
- 6.1.2. The Materials Guarantee shall be submitted to IEC by no later than seven (7) days prior to the date set forth by IEC for providing of the Raw Materials to the Supplier.
- 6.1.3. The purchaser is obliged to provide the Supplier with raw materials at least 60 days prior the date set for delivery of the items in the order, subject to the submission of the Materials Guarantee.
- 6.1.4. The cost and responsibility of transporting raw materials to the Supplier's plant shall be borne by the Supplier.
- 6.1.5. The Materials Guarantee shall be valid from the date of provision of the Raw Materials to the Supplier by IEC and maintained in full force until sixty (60) days after date of delivery of all goods manufactured and/or services provided, for which the Raw Materials were delivered.
- 6.2. Where IEC has provided the Supplier with Raw Materials, as set forth in the Order/Contract, for purposes of manufacturing goods or commencing the Order/Contract, at no charge to the Supplier, the Supplier is obliged to provide the Purchaser with all processed materials or all products and/or the attached to them, all in accordance with the Order/Contract/tender documents. Unless stated otherwise by the parties, the Supplier shall return to the Purchaser, all remaining and unused Raw Materials which are not required due to changes incurred or surplus.
- 6.3. The Supplier is obliged to use the Raw Materials supplied by the Purchaser for the purposes of manufacturing the equipment, goods, materials and/or the facilities and/or the installation as specified in the Order/Contract, and shall not use the Raw Materials for any other purpose.
- 6.4. Until the delivery of the Purchaser's goods/ materials and/or facilities incorporating the Raw Materials, the Supplier shall be solely liable for any damage caused to the Raw Materials as a result of loss/theft/fire or for any other reason.
- 6.5. In the event of any damage caused, the Purchaser shall be entitled to claim from the Supplier the damage cost caused to the Raw Materials. The amount of damage caused shall be estimated by the Purchaser's representatives and deducted from the amount due to the Supplier. In the event it is necessary to purchase new Raw Materials, the Supplier shall purchase such Raw Materials on their account in the same aggregate quantities as those provided initially to the Supplier by the Purchaser.

- 6.6. Delivery certificates duly signed by an authorized representative of both Purchaser and the Supplier shall be deemed to constitute conclusive binding evidence that the goods, materials and/or facilities were delivered.
- 6.7. At the end of the fiscal year, the Supplier shall conduct an inventory inspection of the Raw Materials in its possession and report to the Purchaser the quantity which has not been returned or redelivered to the Purchaser.
- 6.8. Where failure by the Supplier to deliver the Raw Materials to the Purchaser will result in postponement of the delivery date, the Supplier is obliged to notify the Purchaser of such postponement as well as the orders affected by it.
- 6.9. In accordance with Specifications NPS-120 and NPS-328, cabinets will be equipped with the following components (where applicable) which will be provided to the winning supplier by IEC:

IEC P/N	Description	Unit Price in NIS excluding VAT
3414398	White semi-cylinder locks	35.00
3414372	Green semi-cylinder locks	33.00

7. WARRANTY: 12 months after the date of the supply.

8. EXEMPTION FROM TYPE TEST AND PROTOTYPE PROCESS AFTER THE AWARD

The winning supplier might be exempt from the process of type test and prototype as described in Paragraphs 9.4 of Specifications NPS-120 and NPS-328, in case all the following applies:

- 8.1 The bidder has supplied the proposed cabinet to IEC during five (5) years prior to the technical stage submission date
- 8.2 The bidder has undertaken to equip the cabinets with the main components approved by IEC, as detailed in Paragraphs 10.5 of Specifications NPS-120 and NPS-328
- 8.3 The bidder has submitted all valid Type Test certificates as listed in Paragraphs 11.1.1 of Specifications NPS-120 and NPS-328 during the technical stage.