

1.1. Appendix B – Genral Conditions:

1.1.1. Approvals

The supply of the ordered System (and components thereof) (“the Ordered Equipment”) and/or the provision of related services in respect of the Ordered Equipment, including installation services as specified in the customer’s purchase order, are subject to the approval of Lehavot Production and Protection (1995) Ltd. (“the Company”) and according and subject to changes and updates, insofar as specified in the Company’s approval as stated.

That stated in this document supersedes any instruction and/or general undertaking (if any) included in the customer’s purchase order, including in the event of a contradiction and/or inconsistency.

1.1.2. Supply and installation

The supply and/or installation dates of the Ordered Equipment will be according to that specified in the customer’s purchase order as approved by the Company as stated. In this regard, only actual workdays will be counted, excluding religious holidays, Saturdays, collective vacations at the Company or any other official holiday.

Without derogating from that stated above, the supply and/or installation date of the Ordered Equipment might be postponed due to circumstances and/or factors not under the Company’s control and/or due to circumstances of force majeure, including, but not limited to, strikes, military call-ups, wars, military operations, natural disasters, fires and more. The customer shall not be allowed to cancel its purchase order, due to a postponement and/or delay in the supply and/or the installation date as specified above in this clause and shall not be entitled to any compensation as a result.

1.1.3. Consideration

The consideration that the customer shall pay to the Company in respect of the supply and/or installation services of the Ordered Equipment and the terms of payment of the consideration are as specified in the customer’s purchase order, as approved by the Company as stated above.

The consideration is subject to the rates of the taxes, levies and all other compulsory payments that apply pursuant to the provisions of the law relating to the Ordered Equipment and the services being provided by the Company in relation thereto as of the purchase order date as approved by the Company and until the actual full payment of the consideration to the Company. Any difference deriving from a change in taxes and/or levies and/or the compulsory payments referred to above, including VAT differentials resulting from these changes shall be paid by the customer immediately upon being instructed to do so by the Company, against a corresponding tax invoice. Until the actual

payment in full of the consideration in respect of the Ordered Equipment and the services being provided by the Company in relation thereto, the Ordered Equipment shall remain the sole property of the Company and under the Company's full ownership, and the customer shall not have any right to duplicate/move and/or encumber and/or pledge and/or transfer it to any third party.

Any payment not paid on time by the customer shall be linked to the consumer price index, as published from time to time by the Israel Central Bureau of Statistics, and shall bear arrears interest at the Accountant-General's interest rate, from the payment due date until the payment is actually paid – all without derogating from any other right and/or remedy available to the Company by virtue of these General Conditions and/or by law.

1.1.4. Product warranty

The Company's warranty as it pertains to the Ordered Equipment that it supplied to the customer is according to the Warranty Deed attached as **Appendix B.1** to these General Conditions.

1.1.5. General liability and indemnity

The Company covenants that the equipment to be supplied by it to the customer was manufactured according to the technical specifications provided by the customer and complies with that stated in Israeli Standard 6278, according and subject to the findings of the SII's tests, which were conducted on the model of the System specified in the Ordered Equipment, as shown in the relevant SII test certificates.

It is hereby clarified that, notwithstanding the System's compliance with the requirements of Israeli Standard 6278, subject to that stated above in this regard, the operation of the System depends on numerous variable factors, such as the source of the outbreak of fire, the location of the source of the fire, the location inside the engine compartment where the fire originated, the intensity and characteristics of the fire, the magnitude of the fire event and more. The System is not designed and does not purport to provide a solution to all fire hazards and scenarios that are liable to occur in the bus's engine compartment, and this shall not be deemed a failure, deficiency or defect in the System's operation, and the customer hereby releases the Company and all parties on its behalf from liability for any damage that might be caused to it and/or that was caused to it and/or to any third party in relation to that stated above.

Without derogating from that stated above, and to dispel any doubt, it is hereby clarified that the Company and/or any party on its behalf shall not bear liability for any loss, expense, injury and/or damage caused to the customer and/or to any party on its behalf that derive from and/or relate to any of those exclusions described in section 5.1 of the Warranty Deed in respect of the System, which is attached as



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Appendix B.1 to these General Conditions and/or that derive from and/or relate to an installation that was executed other than according to the Company's guidelines and/or to the issuance of a certificate of the proper working order of the System other than according to the Company's guidelines and/or by persons who were not authorized to install the System and/or to approve the installation of the System, and/or in instances whereby the fault in the System was caused due to installation of the System in a way that does not comply with the instructions of the System's manufacturer and/or the Company.



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Furthermore, the Company shall not bear liability for any direct or indirect, express or implied loss, expense, injury and/or damage, including consequential damages, that might be caused to the customer and/or to any third party, including bodies and parties with whom the customer engages for the purpose of supplying a product/vehicle/bus in which the System is installed (“the End-Customer.”)

It is agreed that, in any case, the Company’s maximum financial liability in respect of damages, and the sole remedy available to the customer, for any cause whatsoever (contractual or torts), shall not exceed the cumulative sum of NIS 50,000. Indemnity by the Company as stated shall also be subject to and contingent upon the following conditions: (a) the customer shall notify the Company immediately about any complaint and/or demand and/or claim in respect whereof the Company is liable to owe an indemnity obligation to it as stated above (including details about the sum of the indemnity required and a full and reasoned explanation for its demand), and shall enable the Company to defend itself against the claim and shall cooperate with the Company in relation to anything required for this purpose; (b) subject to the issuance of a conclusive judgment and/or decision of a competent authority; (c) the customer and/or any party on its behalf shall not be allowed to reach a compromise with any third party, unless it receives the Company’s express prior written consent; and (d) insurance receipts in respect of the indemnity event that the customer shall receive shall reduce the sum of the indemnity in respect of that same event by the sum of those receipts.

That stated above expresses the Company’s entire liability in respect of the Ordered Equipment and the services being provided by the Company in relation thereto, and the Company shall not bear any additional liability or obligation.

The Company shall not bear liability towards the customer in respect of any claim filed by any third party (expressly, including by the End-Customer or any party on its behalf) against the Company and/or the customer and/or any party on their behalf, due to a loss, expense, injury and/or damage from which the Company is released as stated above, and the customer hereby releases the Company from liability as stated, and covenants to indemnify and/or compensate the Company for any claim filed against the customer and/or against the Company by a third party and/or by an End-Customer as stated.

Appendix B.1 to the General Conditions

Warranty Deed

This Warranty Deed anchors the warranty of Lehavot Production and Protection (1995) Ltd. (“**the Company**”), subject to any law, in relation to all matters pertaining to the Automatic Fire Detection and Suppression System in a Bus Engine Compartment, as specified hereunder.

1. Recitals and definitions

1.1. For the purposes of this appendix, the following terms shall have the definitions specified alongside them:

“ The Customer ” –	A purchaser of the System from the Company.
“ The System ” –	Automatic Fire Detection and Suppression System in a Bus Engine Compartment, which was manufactured by the Company for the Customer according to the technical specifications provided by the Customer, and complies with the requirements of Israeli Standard 6278, according and subject to the findings of the tests of the Standards Institution of Israel (SII), which were conducted on the model of this System as shown in the relevant SII test certificates.
“ The Components ” –	Components of the System that were supplied by the Company [as specified in Appendix 1 to this Warranty Deed].
“ The Company’s Offices ” –	The Company’s offices, which are located in Kibbutz Lehavot Habashan, 1212500.
“ The System Manual ” –	The instructions for operation, use and maintenance of the System, which were issued to the Customer on the System purchase date, including the System’s technical specifications.
“ Work Hours ” –	Sundays through Thursdays from 08:30 to 17:00, excluding Israeli religious holidays, national holidays and holiday eves.
“ Fault Repair Services ” –	Services as specified hereunder in clause 2.1.1.
“ Warranty Services ” –	Maintenance services and Fault Repair Services.
“ Periodic Services ” –	Periodic services that must be performed on the System, as specified in the System Manual.
“ Warranty Period ” –	In relation to the System – a period of 12 months as of the System purchase date by the Customer; in relation to the Components specified in Appendix 1 – the warranty period as specified there.



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2. Description of the Warranty Services
 - 2.1. During the Warranty Period and subject to the fulfillment of all other conditions of this Warranty Deed, the Company shall provide the Customer with the following services for the System during Work Hours, as specified hereunder:
 - 2.1.1. Fault Repair Services, including the supply of replacement parts needed to complete repair services as stated.

To dispel any doubt, it is hereby clarified that the Warranty Services do not include any other or additional services beyond those specified above, and the Warranty Services encompass the full and sole warranty of the Company in relation to the System and the Components.
 - 2.2. The Warranty Services will be provided at the Customer's site.
 - 2.3. In the event of a repair or replacement of a product and/or Component, the Company shall be allowed to use new products or parts equivalent in value to new or refurbished.
 - 2.4. The Warranty Services are contingent upon the issue to the Company: (a) of the System (or the Component) about which a fault is being claimed; and (b) an original purchase receipt in which the name and address of the seller, the date and place of purchase and the product type are clearly legible.
3. The Customer's obligation to report faults; response times and times for the provision of the Warranty Services
 - 3.1. The Customer must immediately report to the Company's Customer Service Department about any instance of a fault in the Components and/or an abnormal phenomenon in the operation of the System and/or the Components. During the Warranty Period, the Company shall provide the Warranty Services to the Customer solely during the Work Hours, and these hours only will be counted in the Company's response time to a service call, as specified hereunder:
 - 3.1.1. In the event of a malfunction that causes the System to be inoperable – if the Company receives a service call during Work Hours, the Company undertakes to respond to the service call within one business day of the date of its receipt. If the Company receives a service call other than during Work Hours, the Company undertakes to respond to the service call within four hours of the opening time of the Company's Offices on the first business day after receiving the service call, and all, provided that the service itself will be provided solely during Work Hours.
 - 3.1.2. In the event of a malfunction that does not cause the System to be inoperable – if the Company receives a service call during Work Hours, the Company undertakes to respond to the service call within three business days of the date of its receipt. If the Company receives a service call other than during Work Hours, the Company undertakes to respond to the service call within three business days of the opening time of the Company's Offices on the



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first business day after receiving the service call, and all, provided that the service itself will be provided solely during Work Hours.



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- 3.2. You may open a service call at the Company in relation to the Warranty Services in the following ways: telephone: 04-6905020; e-mail: shirut@lehavot.com; fax: 04-6952119.
 - 3.3. The Company is not issuing a representation or any undertaking regarding the timeframe that might be needed to repair a malfunction.
4. Consideration
 - 4.1. During the Warranty Period and subject to the fulfillment of Customer's undertakings pursuant to this Warranty Deed, the Warranty Services shall be provided for no additional payment (the cost of this service is included in the cost of purchasing the Components).
 - 4.2. Insofar as work and/or repair is requested that is not included within the scope of this Warranty Deed and/or in relation to a Component that is not included in the Warranty Services, the Company shall be allowed to perform the requested work and/or repair, subject to the receipt of a consideration and under the conditions to be agreed upon between the parties.
5. Exclusions from the Warranty Services and the Company's undertakings
 - 5.1. Without derogating from the general purport of that stated, Warranty Services shall not be provided in relation to defects, malfunctions and problems in Components, depending upon the context, that were caused as a result of or in relation to one or more of the following: (a) modification, repair, adjustment, dismantling or work done on Components and/or on the System by any party who was not authorized to do so by the Company in advance and in writing; (b) use, storage, maintenance or transport of the Components contrary to the Company's instructions that shall be issued from time to time, and/or contrary to that stated in the System Manual; (c) keeping the System and/or the Components under unsuitable environmental conditions; (d) event of force majeure or events deriving from factors not under the Company's absolute control, including (but not derogating from) regulations, orders, actions or directives of the competent authorities, weather damages, damages from conflagrations, fire, water, earthquakes or other natural disasters, strikes, embargos, warfare and hostilities, disruptions, malfunctions or disturbances in the communications, electricity and/or internet networks and/or in the operation of other critical services; (e) breakage, liquid permeation, fire, sabotage and/or accident; (f) act or omission of a third party; (g) the use of parts or components that were not authorized by the Company in advance and in writing; (h) breach of any of the provisions of this Warranty Deed and/or the System Manual and the Technical Specifications and/or the General Conditions by the Customer; (i) unreasonable or abnormal use of Components and/or the System; (j) use of Components and/or the System in a way that is inconsistent with their intended purposes and the manufacturer's instructions, or other than in a professional, reasonable, safe and cautious manner and pursuant to the provisions of any law; (k) if the Company's



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representatives are not given reasonable access to the System and/or to the Components for the purpose of carrying out its undertakings pursuant to this Warranty Deed.

In instances as stated, the Company shall be allowed (but not obligated), at its sole discretion, to provide the Warranty Services for a consideration to be agreed upon between the parties.



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6. Liability and limit of liability

- 6.1. This Warranty Deed constitutes the sole and exclusive remedy against the Company, and the sole and exclusive liability of the Company in relation to all matters pertaining to a defect in the Components and/or the System. This Warranty Deed supersedes any warranty and other obligation of the Company, whether in writing, orally, statutory liability (that is not compulsory), liability pursuant to contract or torts law or in any other way or manner, including, but without limiting the general purport of that stated above, if the matter is permitted pursuant to the applicable law, any condition or implied liability or any other conditions or undertakings pertaining to satisfactory quality or suitability for a particular purpose.
- 6.2. The Company is responsible for the System's compliance with Israeli Standard 6278, according and subject to the test findings of the SII, which were performed for this model of the System as attested to in the SII's relevant test certificates. Any modification made in the System, with or without the Company's knowledge, which is not defined as compulsory pursuant to Israeli Standard 6278, is not included in the Warranty and shall not be binding upon the Company.
- 6.3. To dispel any doubt, the Company clarifies and the Customer acknowledges that, notwithstanding that stated above, the operation of the System depends on numerous variable factors, such as the source of the outbreak of fire, the location of the source of the fire, the location inside the engine compartment where the fire originated, the intensity and characteristics of the fire, the magnitude of the fire event and more. The System is not designed and does not purport to provide a solution to all fire hazards and scenarios that are liable to occur in the bus's engine compartment, and this shall not be deemed a failure, deficiency or defect in the System's operation, and the Customer hereby releases the Company and any party on its behalf from liability for any damage that might be caused to it and/or that was caused to it and/or to any third party in relation to that stated above.
- 6.4. Without derogating from the above, out of warranty Systems (including due to breach of warranty pursuant to 5.1 above), do not and will not operate according to specifications. In addition, any change in the structure of the compartment to be protected, dismantling and/or adjustment of the System or a Component, and (in case of engines) the closures of the engine, may deem the System ineffective.

7. Miscellaneous

- 7.1. Solely the provisions of Israeli law shall apply to this Warranty Deed. The competent courts in Tel-Aviv – Jaffa shall have sole jurisdiction relating to any matter pertaining to this Warranty Deed or deriving therefrom and no other court shall have jurisdiction.

1.2. Appendix 1



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1.2.1. System Components for which Warranty Services are provided:

- 1.2.1.1. Detector – Warranty Period of 36 months;
- 1.2.1.2. Extinguisher cylinder – Warranty Period of 12 months;
- 1.2.1.3. Control box – Warranty Period of 12 months.