

## - - Agreement - -

Written and signed on the \_\_\_\_\_ of \_\_\_\_\_

- Between -

**Delek Motors Ltd.**  
**P.C. 51-094715-3**  
**of Industrial Park, Nir Tzvi**  
(Hereinafter: "**Delek Motors**" and/or "**the Company**")

**On the one hand**

- And -

**Name:** \_\_\_\_\_  
**ID/P.C.** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Tel:** \_\_\_\_\_  
**Mobile:** \_\_\_\_\_  
(Hereinafter: "**Owner of the Service Center**" and/or "**the Owner**")  
**Workshop Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Tel:** \_\_\_\_\_  
**P.C.:** \_\_\_\_\_  
**Ministry of Transport license number:** \_\_\_\_\_

**On the other hand**

- Whereas** the Company is, inter alia, the owner of an indirect importer license for NIO cars (hereinafter: "**the Cars**" and "**the Carmaker**" and/or "**the Manufacturer**", respectively (hereinafter: "**the Cars**");
- And whereas** the Company imports the Cars to Israel, and it also imports, directly and/or through affiliated companies, accessories and Spare Parts for these Cars (hereinafter: "**the Spare Parts**");
- And whereas** the Company seeks to ensure provision of high-quality service to the Cars through Service Centers, which will operate as independent contractors for the sake of providing repair and servicing services for the Cars, while remaining compliant with the requirements and standards set by the manufacturer and the Company;
- And whereas** the owner of the service center has offered that the Company appoint him as an authorized workshop for the Cars, and the Company agrees to accept the Service Center's proposal, subject to the directives and terms in this Agreement;

**Therefore, the following has been agreed and stipulated between the parties:**

**1. General**

- 1.1. The introduction to this Agreement and the appendices attached to it, are an integral part of it.
- 1.2. The headings to this Agreement have been provided for convenience purposes only, and should not be used for any interpretive use.

**2. Service Center Owner Declarations**

The Service Center Owner hereby declares and confirms the following:

- 2.1. He is the Owner of the Service Center, and he possesses and controls a location suitable for running a workshop, at a location and on an area as specified in Appendix A of this Agreement (hereinafter: "**the Workshop**").
- 2.2. He has the knowledge, experience and expertise in providing Workshop services for cars, including air conditioning services, bodywork, paintwork and electricity (hereinafter: "**the Services**").
- 2.3. He has at his disposal all the means, the equipment (see the Equipment Appendix), the instrumentation and Manpower necessary for running a Workshop according to the Company's requirements.
- 2.4. He has all the permits, licenses and certifications required for running and maintaining a business in general and a Workshop in particular, including a Factory Management license from the Ministry of Transport and professional certificates of the professional employees.
- 2.5. All the employees that have been certified and who hold a certificate, as per the legal requirements, including the requirements of the Ministry of Transport, including subcontractors, will in fact be working at the Workshop and will be present there on a daily basis and they will undergo training on servicing the cars.
- 2.6. He is aware of all the Company procedures and its requirements regarding the existence of a car workshop.
- 2.7. He has all of the insurances required by the Company in accordance with this Agreement.
- 2.8. He is aware that Delek Motors has a code of ethics and it has rules of business conduct, which are posted on the Company's website (hereinafter: "**the Code of Ethics**"), which specifies the proper rules of conduct in its business dealings, and which are binding to Delek Motors and its employees and also in conduct with suppliers, service providers and contractors. The Owner confirms that he is aware of the directives of the Code of Ethics and that he will avoid any action which contradicts this Code of Ethics.

### 3. **Authorization**

- 3.1. Based on the declarations of the Owner of the Service Center as per the abovementioned, the Company hereby grants the Owner of the Service Center authorization for the Workshop to serve as an Authorized Service Center for the cars.
- 3.2. The Owner of the Service Center undertakes to maintain and run the Workshop as an Authorized Workshop for cars according to this Agreement and according to the Company's procedures and/or those of the car manufacturer and their requirements, as these may be from time to time.
- 3.3. The Owner of the Service Center declares and confirms that he is aware that since this is indirect import of cars, which have not been imported to Israel so far, and since the Company's engagement is with the Manufacturer's primary agent, there is no certainty as to the future import volume to Israel and the models thereof, including the duration and frequency of the importation and the terms the primary agent will determine from time to time regarding the importation of the cars.
- 3.4. The Owner of the Service Center declares and confirms that he is aware that since this is indirect import, the manufacturer may, in the future, require changes to the nature of the engagement with the Company. Whether or not the nature of the engagement has changed, it is possible that in the future there will be requirements for criteria, work procedures etc. which the Owner of the Service Center will be required to comply with in order to continue receiving the permission. Should the Owner of the Service Center choose not to comply, the engagement shall be terminated as per Clause 15 of this agreement hereinafter.
- 3.5. the Owner undertakes to work and fulfill the directives of the Licensing of Services and Professions in the Vehicle Industry Law, 5776-2016 (hereinafter: "**Licensing Law**"), regulations, directives and instructions as have been, and will be, issued by the authorities having jurisdiction and/or the Company, and to possess, at all times, the licenses, certificates and permits required under the provisions of any applicable law and/or according to the directives of this Agreement, to operate and maintain the Workshop and for servicing the cars.
- 3.6. The Company grants authorization to the Owner of the Service Center as per Clause 3.1 above, subject to the terms and directives listed below.

### 4. **Form, appearance and location of the Workshop**

- 4.1. The Owner of the Service Center shall possess, maintain and manage the Workshop at his expense, with a form, appearance and location as will be determined by the Company and according to its instructions and subject to the provisions of any applicable law, including the instructions of the local authority.
- 4.2. The Owner of the Service Center shall not alter the appearance and/or form and/or location of the Workshop unless prior written consent has been given by the Company.

4.3. The Owner of the Service Center shall expand and/or alter, paint and/or refresh paint, at his expense, the Workshop structure and/or the Spare Parts warehouse both from the exterior and from the interior. This shall be done according to the guidelines provided from time to time by the Company. The Owner of the Service Center also undertakes to carry out all of the improvements, repairs and additions to the paintwork as will be required by the Company and/or by any authority and/or by the car manufacturer.

**5. Agreement based on the identity of the Owner of the Service Center**

5.1. The Owner of the Service Center hereby declares that he is aware that the Agreement has been signed with him on a personal basis only and through the confidence in him only, and therefore he shall not be permitted to assign to others any right of his rights and/or duty of his duties under this Agreement, whether paid or unpaid.

Additionally, no right granted him under this Agreement may be transferred and/or assigned and/or endorsed and/or attached, in any way, to others, whether voluntarily or according to the law (including due to inheritance), unless advance written consent has been given by the Company.

The transfer of a right and/or duty of the Owner of the Service Center by him, and/or endorsement, assignment and attachment of this right and/or duty, shall trigger annulment of this Agreement, at the Company's discretion and at a time to be determined by the Company.

5.2. If the Owner of the Service Center is a company, it undertakes not to enable transfer of shares in it to others and not to permit issuance of shares in the Company, not to alter the share rights and not to change the managers of that company without obtaining advance written agreement for this from the Company.

All this - without derogating from the personal guarantee of the Owner of the Service Center toward the Company according to the instructions of this Contract.

5.3. The Owner of the Service Center shall obtain advance written consent of the Company for any change in the makeup of the business managers of the Workshop and/or any change in the identity of the Workshop managers, including the acting professional manager, who will also be in possession of a certificate of qualification.

5.4. In the event the Owner of the Service Center is an individual and he seeks to incorporate and register a company, the provisions of Clause 5.2 above, mutatis mutandis, shall apply, provided advance written consent has been given by the Company and on condition that the Owner of the Service Center will be personally accountable to the Company for fulfilling all of the obligations according to this Agreement.

- 5.5. The Owner of the Service Center hereby declares, that his business managers and the Workshop Manager, and, if it is an incorporated body - the owners of rights therein and/or its stockholders and its managers - are those listed in Appendix B of this Agreement, and that with the exception of the workshop employees (regarding whom the Workshop will be reporting as per Clause 5.6 below), there is not, and will not be any other person or body involved in the Workshop's business and/or an interested party, whether directly or indirectly, in the Workshop's business, in whole or in part thereof.
- 5.6. The Owner of the Service Center shall report to the Company on the Workshop's professional employee roster, who are qualified in bodywork and paint (their names and roles) and also of any changes which will take place in this makeup, even if the Company has not demanded such reporting. The Owner of the Service Center undertakes not to employ a substitute worker without obtaining the Company's approval and/or without receiving training at the Company.
- 5.7. The Owner of the Service Center shall not employ a worker that has previously worked in one of the Chain's workshops, unless he has been given permission to do so from the Company's Service Division and permission from the Workshop where he had previously been employed.

**6. Responsibilities of the Workshop and its employees**

To dispel any doubt, it is hereby explicitly agreed and declared that:

- 6.1. The Owner of the Service Center will manage his business under his exclusive responsibility and exclusively at his expense as an "independent contractor".
- 6.2. The Owner of the Service Center and anyone working at the Workshop (including the business managers and the Workshop Manager) shall be Workshop employees exclusively, and to dispel any doubt the Owner of the Service Center hereby declares that he and the abovementioned employees shall not be an employee and/or authorized and/or proxy and/or partner and/or agent and/or representative of the Company, and that nothing in this Agreement shall constitute the formation of any employer-employee relationship, or proxy and dispatcher, authorized and authorizer, between the Workshop or its employees and the Company.  
The Owner of the Service Center undertakes to inform the abovementioned to each and every employee.
- 6.3. The Owner of the Service Center shall not present himself and/or anyone acting on his behalf as an authorized person or as a representative or employee of the Company and/or of the manufacturer of any of the Company's cars, and he shall not make any undertaking and shall not operate in any way whatsoever on behalf of or for the Company and/or the car manufacturer.
- 6.4. In any case where the Workshop describes his relations with the Company, he shall make it clear that he serves only as an Authorized Workshop on behalf of the Company, authorized to service vehicles manufactured by the manufacturer.

- 6.5. No liability whatsoever shall be imposed on the Company and/or its representatives and/or anyone operating on its behalf and/or who are affiliated with it and/or its employees and/or the car manufacturer (hereinafter for the purpose of this Clause - "the Company and its Affiliates") regarding any act or omission that may be committed by the Owner of the Service Center and/or his employees and/or his representatives and/or the Workshop.
- 6.6. In the event that the Company and its Affiliates will be sued and/or forced to pay any amount whatsoever related to the delivery of services and/or repairs and/or sales of Spare Parts at the Workshop and/or related to the running of the Workshop's business and/or related to any action, act or omission of the Workshop, the Owner of the Service Center undertakes to compensate and indemnify the Company and its Affiliates for any damages and/or losses and/or expenses incurred it as a consequence, including legal fees.
- 6.7. The Owner of the Service Center undertakes to take vigorous action to immediately remove any claim for payment, which will be served to the Company and its Affiliates and also - to reimburse and pay the Company and its Affiliates any amount it will be required to pay as per the above, immediately upon receiving the first demand, including bank interest at the maximum rate and under the calculation method prevailing on the day the Company sends the demand, at Bank Leumi Lelsrael Ltd., for any exceptional overdrafts, and this shall be from the day it is paid and until the actual reimbursement of the Company and its Affiliates.

**7. Auditing and inspection**

- 7.1. The Owner of the Service Center declares and confirms his agreement to be continually audited and supervised by the manufacturer and/or the Company and that he will enable the representatives and/or agents of the manufacturer and/or the Company to visit the Workshop, the Spare Parts warehouse, and the Workshop offices at any time to inspect and ensure that the repair and servicing work done on the cars, and all the other activities taking place at the Workshop are consistent with the Agreement and also that they are in compliance with all of the guidelines and instructions of the manufacturer and/or the Company; and also -
- 7.2. The Owner of the Service Center undertakes to provide the car manufacturer's and/or the Company's representatives and/or the agents any information that will be required for investigation of claims against the Company with respect to the warranty for the cars, information concerning servicing of the vehicle that has been provided by the Workshop, and also -
- 7.3. The Owner of the Service Center and anyone operating on his behalf shall cooperate with the Company and/or the manufacturer and shall provide any information required by the Company and/or the manufacturer, including all the data and documents that will be required from time to time with regard to the Workshop's business and/or activities, under any law.

7.4. Nothing in this Clause and/or in its execution and/or non-execution, whether regularly or in a particular case, shall confer liability of any kind whatsoever to the manufacturer and/or the Company and/or anyone operating on their behalf.

**8. Licenses and permits**

8.1. The Owner of the Service Center hereby declares that he has in his possession all of the licenses, permits and certificates, from the Government, the local authority or others, which are required according to the provisions of any applicable law and/or according to the instructions of this Agreement, for the operation and maintenance of the Workshop, and that they are valid and that at any time in the future the Workshop shall possess all of the said licenses, permits and certificates, for the operation and maintenance of the Workshop, whether in its current condition or in the condition it will be in the future. The Owner of the Service Center undertakes to produce a copy of them to the Company immediately following the signing of this Agreement.

Furthermore the Owner of the Service Center undertakes to fulfill, and to ensure the fulfillment, precisely and in full, of all of the terms and instructions of the permits and certificates as per any applicable law and/or as per this Agreement.

8.2. All of the expenses that will be needed to obtain all of the licenses and permits as listed in subclause 8.1 above shall apply to the Owner of the Service Center and shall be payable by him.

**9. Insurance**

9.1. Without derogating from the responsibilities of the Owner of the Service Center under this Agreement and/or under any law, the Owner of the Service Center undertakes to purchase, at his expense, and to keep valid for the entire duration of this Agreement Period, from a legally authorized, and reputable insurance company, insurance policies at least as detailed in Clause 9.2 below, and to meticulously fulfill all of the instructions of these insurance policies. It is made clear and agreed that a policy that is prepared based on a claim shall be kept, additionally, for a period following the Agreement Period, for as long as liability of the Owner of the Service Center under any law still exists.

9.2. The insurance policies.

9.2.1. Property Insurance

Insurance of the Workshop structure and its contents including vehicles being serviced and repaired - against any loss or damage as a result of fire, smoke, lightning, explosion, earthquake, storm, wind, flood, fluid damage and pipe ruptures, accident damage (Impact), damage by an aircraft, strikes, riots and damage due to willful misconduct, including burglary.

The insurance shall include an explicit condition according to which the Insurer waives the right of substitution vis-à-vis the Company and/or affiliated companies, provided the abovementioned regarding waiving the right of substitution will not be applied in favor of a person that has caused the damage out of willful misconduct. The Owner of the Service Center undertakes to update from time to time the insurance amount for the insurance issued under this Clause 9.2.1, so as to always reflect the full value of the object of the insurance being insured according to it.

9.2.2. Third-party Liability insurance

Third-party Liability insurance, with a liability limit of no less than \$ 1,500,000 per event and for the insurance period.

This insurance shall not be subject to any restriction regarding liability due to fire, explosion, panic, lifting, loading and unloading machines, faulty sanitary fixtures, poisoning, any harmful substance in food or drink, strikes and industrial action and also any substitution claims from the National Insurance Institute.

The insurance coverage shall be extended to cover the Company and/or its affiliates due to its liability for the Workshop's acts or omissions, subject to a cross liability clause, according to which the insurance shall be considered to have been issued separately for each one of the insured's individuals.

9.2.3. Workshop Liability Insurance

Workshop Liability insurance, with a liability limit of no less than \$ 500,000 per event and for the insurance period. To dispel any doubt, this insurance shall cover damages incurred while the vehicles are in the possession of the Workshop and it shall also cover damages resulting from the works the Workshop has done after the vehicles have left the Workshop's possession.

The insurance coverage shall be extended to cover the Company and/or its affiliates due to its liability for the Workshop's acts or omissions, and a cross liability clause shall be added, according to which the insurance shall be considered to have been issued separately for each one of the insured's individuals.

9.2.4. Employer Liability insurance for the Workshop's liability toward all those employed by and on behalf of the Workshop, with a liability limit of \$ 5,000,000 per employee per event and for in total for the duration of the insurance. This insurance shall not include any restriction regarding work hours, baits and poisons and also regarding youth employment.

The said insurance shall be extended to indemnify the Company and/or its affiliates in case they will be considered to be the employers of the Workshop employees.

9.2.5. Car trading insurance - mandatory and comprehensive.



- 9.3. Should the Owner of the Service Center believe there is a need to obtain complementary and/or additional insurance, in addition to the abovementioned insurance, the Owner of the Service Center undertakes to obtain the said additional and/or complementary insurance. The Owner of the Service Center further undertakes that any additional and complementary property insurance he may obtain, shall include a clause waiving the right of substitution vis-à-vis the Company and its affiliates and concerning any additional liability insurance and/or complementary insurance, the Owner of the Service Center shall extend the name of the insured to include the Company and its affiliates against the acts or omissions of the Owner of the Service Center subject to the cross liability clause, as the case may be.

The insurer undertakes that the Workshop insurance shall not be reduced or cancelled unless written notice to that effect will be served to the Company by registered mail 60 days in advance. The Workshop further undertakes that the Owner of the Service Center's insurance shall include a Primacy Clause, according to which the insurer of the Owner of the Service Center waives any claim or demand from any insurer of the Company.

- 9.4. The Owner of the Service Center undertakes to submit to the Company, upon signing the Agreement, or at the start of works, the earlier of the two, an insurance certificate regarding the issuance of insurance in accordance with the wording of the "Workshop Insurance Certificate", which is attached to this Agreement and identified as Appendix C, legally signed by the insurer. Upon expiry of the Owner of the Service Center's insurances, the Owner of the Service Center undertakes to deposit with the Company a Workshop Insurance Certificate for extension of the insurance policy for an extra year and throughout the duration of the validity of this Agreement.
- 9.5. The Company is at liberty to inspect the insurance certificates that will be provided by the Owner of the Service Center and the Owner of the Service Center undertakes to make any change that will be required in order to adapt them to the commitments made by the Owner of the Service Center.
- It is hereby declared and agreed that nothing in the abovementioned may impose any liability or responsibility whatsoever on the Company or anyone acting on its behalf regarding the said insurance and policy certificates, their scope and validity or concerning the absence thereof, and nothing in the abovementioned will serve to reduce and/or absolve in any way whatsoever of any of the Owner of the Service Center's liabilities according to this Agreement.
- 9.6. The Owner of the Service Center undertakes to fulfill the terms of the policies, to pay the insurance premiums in full and to make sure that the insurance policies get renewed from time to time as needed and that they shall remain valid for the entire Agreement Period.

**10. Payments**

10.1. The Owner of the Service Center shall cover and pay all of the taxes, fees, and other compulsory payments related to the Workshop and/or its maintenance and/or operation.

This shall include, without derogating from the general nature of the abovementioned, rental fees and everything related to the employment of employees therein, whether these will be imposed on the Owner of the Service Center and/or of the Workshop, or whether they will be imposed on the Company (in the event that they will be so imposed); and also -

10.2. The Owner of the Service Center shall pay and bear all of the expenses of any kind for the operation, upkeep and maintenance of the Workshop, including, but without derogating from the general nature of the abovementioned, wages and payments to the Workshop employees.

**11. Manner of management of the Workshop and delivery of customer service**

11.1. The Workshop shall be managed to an exceptional level of professionalism, faithfully and in an orderly, proper fashion in accordance with the rules and guidelines set out and which will be specified from time to time by the Company, and subject to the provisions of any applicable law, including with regard prices, credit terms, use of forms, contracts, receipts, reporting, work procedures, circulars, level of maintenance of the Workshop and the engagement with customers.

11.2. The Owner of the Service Center undertakes to serve every car-owning customer, as per the definition thereof in the preamble to this Agreement above, of any model and to carry out all of the repairs and/or servicing that will be required, except in those cases where the Company has confirmed, in writing, to the Workshop, that it is not required to serve that particular customer and/or that particular vehicle.

Such confirmation by the Company shall not incur any liability to the Company whatsoever and, should such be given, it shall apply to that case only and shall not constitute a precedent of any kind.

11.3. The Owner of the Service Center undertakes to handle customer inquiries in accordance with the Company's guidelines.

11.4. The Owner of the Service Center undertakes to maintain and run the Workshop to a high level of professionalism and to this end, to employ employees and professionals of a high level of professionalism, and to employ a sufficient number of such employees. The Owner of the Service Center shall be permitted to employ subcontractors after obtaining the Company's prior approval of their identity, provided that the Owner of the Service Center will remain accountable toward the Company and provided that the fact of employing the subcontractors will not serve as grounds for failure to fulfill his duties and undertakings under this Agreement.

- 11.5. The Owner of the Service Center undertakes to maintain the Company's good reputation and the good reputation of its cars.
- 11.6. The Owner of the Service Center shall devote all of his time, energy, knowledge and experience to managing the Workshop.
- 11.7.
  - 11.7.1. The Owner of the Service Center undertakes to post and/or use signs and advertising material the Company will provide him, and he will bear the cost thereof. The size of the signage and its location shall be determined by the Company or by an architect on its behalf. The internal signage in the Workshop shall be in accordance with the Company's procedures.

The Owner of the Service Center shall bear all the expenses involved in operating the said advertising and signs, including the costs of licensing, electricity and taxes, without derogating from the general nature of the abovementioned.
  - 11.7.2. The Owner of the Service Center undertakes to use - in the Workshop's signs - logos and trademarks the Company has granted him the right or permission to use.
  - 11.7.3. The Owner of the Service Center undertakes not to use signs, advertisements, and other means of advertisement and documents that have not been approved in advance and in writing by the Company in all matters concerning the cars.
  - 11.7.4. The Owner of the Service Center shall be permitted to use signs, advertisements and documents referring to other vehicles, provided he has followed the Company's guidelines on separation between the cars and other vehicles, when using them.
- 11.8. As a precondition for approving the Workshop as an Authorized Workshop, the Owner of the Service Center and another senior employee of his, shall take part, at the expense of the Owner of the Service Center, in a (paid) course provided by the Company. In addition, the Owner of the Service Center shall send foremen and senior employees on courses and/or workshops that will take place from time to time at the Company's Main Workshop and/or which will be scheduled by the Company and/or the manufacturer from time to time, and he shall also be in close contact with the Company's Service Department to obtain information and knowledge needed with regard to the Workshop's services for the cars. In any case where an employee, who has undergone such workshops and/or courses, ceases to work in the Workshop, the Owner of the Service Center shall see to it that a replacement employee will take part in the first workshop/course that the Company will hold after the employee has left. The participation shall be paid in full in accordance with the prices of the workshops and courses that will be valid at the Company at that time.

- 11.9. The Owner of the Service Center undertakes to possess and operate in accordance with the professional literature and other instructions provided by the manufacturer and/or the Company. The professional literature will be provided by the Company to the Owner of the Service Center, at his expense.
- 11.10. The Owner of the Service Center will keep the location where the Workshop is run, orderly and clean and he shall also be responsible for the honest, courteous conduct of his employees vis-à-vis the Customers and he shall make sure they keep up a decent appearance.
- 11.11. The Owner of the Service Center will purchase, at his expense, technical literature, tools and instruments, according to the Company's instructions and subject to the provisions of any law, and he shall keep and use them as instructed by the manufacturer and/or the Company.
- 11.12. The Owner of the Service Center will, at his expense, purchase work clothes and he shall require his employees to wear them. This shall be done in accordance with the manufacturer instructions and/or the Company instructions.
- 11.13. The operating routines of the Workshop, including the opening and closing times, will be coordinated with the Company and subject to the provisions of any applicable law.
- 11.14. The Owner of the Service Center undertakes to immediately report to the Company's Service Division Manager (or whoever will be appointed by it for this purpose), by phone and then in writing, of any incident related to the Workshop's business and which is outside the Workshop's normal order of business conduct. This shall be in addition to reports that the Company will require from time to time.
- 11.15. The Owner of the Service Center undertakes to immediately report to the Company's Service Division Manager (or whoever will be appointed by it for this purpose), in writing, of any change of ownership of the cars that were being maintained by him.
- 11.16. Prior to any repair and/or servicing, the Owner of the Service Center and/or anyone acting on his behalf shall have the customers sign the repair order and/or the servicing order as is the practice in the Company, and in accordance with the regulations applicable to this matter and to the Ministry of Transport procedures, and he shall obtain the Customers' consent prior to performing any repair and/or servicing, including prior to performing any additional repair.
- 11.17. The Owner of the Service Center undertakes to keep and maintain a repair and servicing log according to the guidelines and instructions the Company will be providing from time to time.
- 11.18. The Owner of the Service Center undertakes to forward in writing any complaint received from a customer regarding the Workshop's occupations. This shall be done within three days after the complaint has been received at the Workshop office.

- 11.19. In any case where the Company receives a written complaint from a customer regarding a servicing and/or repair and/or service provided by the Workshop, the Owner of the Service Center undertakes to produce for the Company all of the details and information concerning the event and also to take part in all the inquiry meetings the Company will be scheduling with respect of any such complaint, and he alone shall bear any payment to the Customer, depending on the outcome of the inquiry, including refunding of the payments, as will be determined by the Company. However any such handling of a complaint by the Company shall not incur any liability whatsoever on the Company and/or anyone operating on its behalf, and the Owner of the Service Center alone shall bear the consequences of any such claim of the Customer. The ruling by the Company's Service Division Manager that the Workshop must refund money to the Customer shall be binding to the Owner of the Service Center and he shall have no right of appeal.
- 11.20. To dispel any doubt, the Owner of the Service Center hereby declares that in the event that the Company will be sued due to any matter related to the Workshop's business, including Customer claims, the Owner of the Service Center undertakes to indemnify and compensate the Company for any such suit immediately on demand by the Company.
- 11.21. The Owner of the Service Center undertake, in the event he will be required to do so, to carry out, as instructed by the Company and at its expense, works for customers free of charge on their part.
- 11.22. The Owner of the Service Center undertakes to purchase the "Musachit 2000" software or any other software the Company will require him to purchase, and to use it in accordance with the Company's instructions and according to the data the Company will provide him from time to time. The Owner of the Service Center undertakes to forward to the Company all of the reports regarding servicing and repairs done on the vehicles by the Workshop in order for these to be input into the Company's main computer. The Owner of the Service Center undertakes to log in, online, to the Company's computer immediately after having received notice by the Company that this is possible. This shall be done at the expense of the Owner of the Service Center.

## **12. Spare Parts**

- 12.1. The Owner of the Service Center undertakes to use only Spare Parts, parts and accessories (hereinafter: "Spare Parts") compliant with the quality and compatibility requirements specified by the manufacturer. The Company will be permitted to require the Workshop to use a Spare Part of a specific type, including determination of its type, quality, suitability, make, and source, under any one of the following circumstances:

- 12.1.1. When the Workshop is providing service for a vehicle under that vehicle's warranty, when the Company or the manufacturer or anyone acting on their behalf bears 90% or more of the cost for the said service or half or more of the payment for the said service, insofar as this relates to servicing the vehicle's assemblies listed in Appendix D of this Agreement.
- 12.1.2. When the Company warrants a Spare Part, as stated in the regulations of the Licensing of Services and Professions in the Vehicle Industry Law, and provided the Company or anyone acting on its behalf bears the entire cost of the said Spare Part.
- 12.1.3. When the Workshop is servicing a vehicle as part of an invitation by the Company, to owners of a vehicle of a model in which defects have been found, to arrive at its Service Workshops for repair as part of a recall, provided the Company or anyone acting on its behalf bears the entire cost of the said Service.
- 12.1.4. The Owner of the Service Center will be required to inform a vehicle owner that he can choose between an original Spare Part and an alternative Spare Part, and he is required to state in the invoice he issues for the Customer that an alternative Spare Part has been used, and to specify the warranty period given for each part. The Owner of the Service Center undertakes to warrant Spare Parts made by the manufacturer for a period not shorter than the warranty period given by the manufacturer.

The Owner of the Service Center shall display the Spare Parts at his place of business in a purpose-built warehouse, the area of which shall be no less than 20 square meters, and he shall make sure they are stored in good, serviceable and clean condition, well-kept.

The Owner of the Service Center shall appoint an employee of the appropriate training and skills as a "Stores Manager", and he undertakes to report that person's identity to the Company and make sure he takes part in any professional training that the Company will require.

## 12.2.

- 12.2.1. The Owner of the Service Center undertakes to maintain minimum requirements and to meet the standards set by the Company or the manufacturer in all matters concerning Spare Parts inventory levels that are compliant with the quality and compatibility requirements.

- 12.2.2. Spare Parts the Owner of the Service Center chooses to purchase from the Company and/or from one of its authorized distributors, will be provided according to the prices and terms that will be in force at the Company, from time to time, in the Customer Sales (hereinafter: "the Price List"), minus a discount, the size of which will be determined from time to time. The Company reserves the right to change this discount (hereinafter: "Acceptable Discount").
- 12.3. The spare parts a Workshop Owner purchases from the Company shall be purchased by means of a purchase order, that will be delivered in accordance with the procedures the Company will set from time to time (hereinafter: "Ordering Method").
- 12.4.
- 12.4.1. The Owner of the Service Center shall purchase and stock, on a regular basis, an inventory of Spare Parts, which shall be compliant with the quality requirements and at the inventory levels that will be determined from time to time by the Company, whether for all the Service Centers or specifically for the Workshop (hereinafter: "Spare Part Inventories").
- 12.4.2. The Owner of the Service Center shall maintain the Spare Parts Inventory through a computerized system, such that there will be an on-line match between the inventory on the shelves and the inventory as it appears on the computer. The Owner of the Service Center shall provide to the Company, on demand, a Spare Parts Inventory report, a customer invoicing report, and any other information concerning the Spare Parts upon demand from the Company and according to any applicable law.
- 12.5. The Spare Parts ordered from the Company will be transported by the Company's courier service and at the expense of the Owner of the Service Center.
- 12.6. The cost of the Spare Parts shall be paid to the Company according to the terms of payment as determined by the Company from time to time.

### **13. Warranty Service**

- 13.1. The Owner of the Service Center hereby declares that he is aware that the Company and/or the car manufacturer provide the car buyers warranties, according to which the Company and/or the car manufacturer commits to provide the buyers service and to perform various servicing and repairs free of charge, throughout the warranty periods and under the terms specified in the different warranties (hereinafter: "the warranty terms").  
The Warranty Terms will be taught during the course the Owner of the Service Center will pass as per Clause 11.8 above, and a copy of the Warranty Terms will be provided to the Owner of the Service Center when completing the course.

- 13.2. The Owner of the Service Center declares and undertakes that he is aware of and understands the Warranty Terms and that he is subject to them, and that the Company and/or the car manufacturer will be permitted, at any time, to change the Warranty Terms, and that these changes will apply to the Workshop from the date the notice of the said change has been served to the Owner of the Service Center.
- 13.3. The Owner of the Service Center undertakes to repair, at no cost to the Customer for parts and/or labor, any car for which a manufacturer's warranty certificate from the Company is presented to the Workshop Manager, provided the repair is included in the Company's warranty as per the Company's and/or the manufacturer's warranty manual and provided he has received the Company's approval prior to doing the repair under the warranty.
- 13.4. The Workshop undertakes to repair, at no cost to the Customer for parts and/or labor, any car for which a Service Agreement is presented to the Workshop Manager, provided the repair is included in the Service Agreement between the Company and the vehicle owner, and provided he has received the Company's approval prior to doing the repair under the Service Agreement.
- 13.5. Clause 13.3 and 13.4 notwithstanding, the Customer will in any case pay the Workshop for materials or parts, whose replacement is necessary and for which the Customer would have paid even under warranty.
- 13.6. The Owner of the Service Center will submit to the Company, no later than the 5th of every calendar month, a listing of all the services and/or maintenance and/or repairs of a part or accessory done by the Service Center in the preceding calendar month, and which under the Warranty Terms the Company and/or the car manufacturer was liable to carry out free of charge (hereinafter: "the Warranty Service"), according to the procedures the Company will determine from time to time.

Any part and/or accessory replaced by the Workshop under the Warranty Service according to the warranty will be handed over to the Company, free of charge, along with the submission of the said listing, with a "Faulty Part" label attached to it, in which all of the required details have been filled in. Copies of the invoices regarding the purchase of the replacement part and/or accessory will be attached to the invoices.
- 13.7. The Company will pay the Owner of the Service Center the following amounts for the service provided under the Warranty and/or service agreement, as detailed above:
  - 13.7.1. For each spare part and/or part and/or accessory (hereinafter: "Spare Part") the Workshop will replace in the car under the Warranty Service - an amount equal to the list price for that Spare Part minus a discount, the amount of which will be determined from time to time by the Company.



- 13.7.2. For the labor the Workshop will perform under the Warranty Service - an amount equal to the product (x) of the number of hours specified in the Manufacturer's Standard Time for performing the relevant work times (y) the Company Tariff per work hour under the Warranty Service, the amount of which will be determined from time to time by the Company.
- 13.8. The Owner of the Service Center will record the repairs done under this Clause in the work card. The computerized records will be sent to the Company's main computer.

**14. Pricing and Payment**

- 14.1. The Owner of the Service Center shall perform the repair and servicing works on the cars at a per work hour price to be determined by the Owner and in accordance with the provisions of any applicable law.
- 14.2. In any case where the Owner of the Service Center will be performing works for Customers as per Clause 11.21 above, the payment due for the work as per Clause 13.7.2 shall be paid, with a deduction of the Company's Acceptable Discount applied at that time. Payment for the Spare Parts shall be paid to the Owner of the Service Center as per Clause 13.7.1 above.
- 14.3. The Workshop payments to the Company for the purchase of Spare Parts, tools, professional literature and/or any other product shall be subject to account debiting authorization, using the Direct Debit method (Automated Clearing House). The signed Direct Debit form shall be submitted to the Company at the time the Agreement is being signed.

**15. Agreement Period and Subsequent Provisions**

- 15.1. Subject to Clause 15.4 below, this Agreement is valid for one year from the day it is signed. It will be extended automatically for one additional year each time. The above notwithstanding, each Party can serve notice to the other party, at any time, of their desire to terminate the Agreement. Should such notice be served, this Agreement shall expire three months subsequent to the serving of the notice.
- 15.2. To dispel any doubt it is hereby declared, that with the expiry of this Agreement, the Owner of the Service Center shall have no claim and/or demand whatsoever from the Company in any matter concerning the Agreement and/or the Workshop and/or the expiry of this Agreement and/or the termination of the workshop's certification as an Authorized Workshop and/or concerning the termination of the Workshop's activities, with the exception of sums due to the Workshop for the period up until the expiry of the Agreement, which are part of the ongoing financial settlement between the parties.

- 15.3. Upon expiry and termination of this Agreement for any reason whatsoever, the Workshop shall cease to serve as an Authorized Workshop, as authorized by the Company, to perform repairs and servicing and the Workshop undertakes as follows:
  - 15.3.1. To cease, with immediate effect following the date of the termination, to serve and present itself as an Authorized Workshop. This includes making entries in the vehicle's Warranty Servicing Book.
  - 15.3.2. To remove, with immediate effect, any signs identifying or which might identify it with the Company and/or the manufacturer, whether or not this includes the use of the cars' registered trademarks.
  - 15.3.3. To cease using the manufacturer's domain and to return it to manufacturer ownership.
  - 15.3.4. Upon demand from the Company, the Owner of the Service Center shall return all of the publications, other advertising materials and all the documents provided to him by the Company, and which will be in his possession, and he undertakes not to use them, the trademarks, the symbols and logos of the Company or of any such item which the Company is authorized or permitted to use and/or which the Company uses.

To dispel any doubt - once this Clause takes effect, the Workshop's rights of use for the trademarks and symbols shall expire with immediate effect as stated in this Clause.
  - 15.3.5. The Owner of the Service Center undertakes to return to the Company all of the data he received for use on his computer and workshop software, including hourly rates, spare part catalog numbers, details of the cars (license plate number, owner details etc.).
  - 15.3.6. Upon expiry of this Agreement, the Company will be permitted to publicize the fact of the termination of the Agreement and/or the fact that the Workshop has ceased to serve as an Authorized Workshop on its behalf - in the press and/or through any other media the Company will see fit.
- 15.4. Clause 15.1 notwithstanding, the Company will be at liberty to cancel this Agreement at any time whatsoever without serving prior notice. This shall be without derogating from any other remedy due to the Company under the Agreement and/or according to any law, should one or more of the following occur:
  - 15.4.1. The Owner of the Service Center and/or anyone acting on his behalf fails to remit and/or pay the moneys due from him to the Company in a timely manner. This, despite having been served notice by the Company, 14 day prior to cancellation of the Agreement and in the event that the failure has not been rectified.
  - 15.4.2. The Company believes the Workshop is experiencing financial difficulties, which will prevent it from meeting its commitments under this Agreement.

- 15.4.3. The Owner of the Service Center deals, directly or indirectly, himself or together with or through others, in the sale of other cars on the Workshop premises without fulfilling the Company's instructions regarding physical partitioning between the Workshop premises dedicated to the cars and the space dedicated to other cars.
- 15.4.4. Spare parts, accessories and materials are present in the Workshop, which do not meet the quality and compatibility requirements.
- 15.4.5. The Owner of the Service Center does not have tools and/or equipment in accordance with this Agreement and he has failed to purchase them within 30 days after the Company has demanded he do so.
- 15.4.6. The Owner of the Service Center has relocated his place of business to a new location, which has not been approved by the Company in advance and in writing, and the Company has not approved the new location within 30 days after the day the Workshop relocated to its new premises.
- 15.4.7. The Workshop and/or the Owner of the Service Center's assets and/or its business managers (or any one thereof) will be under a foreclosure order; and if the Owner of the Service Center is an incorporated entity - its stockholders (or any one thereof) and/or the rights holders therein (or any one thereof) and/or his managers (or any one thereof); And/or if repossession proceedings will be initiated against the abovementioned (or any one thereof) and if the foreclosure and/or repossession proceedings will not be cancelled within 10 days after the foreclosure or repossession proceedings (as the case may be) were imposed;
- 15.4.8. A Receipts of Assets order has been issued against the Owner of the Service Center and/or a Request for Liquidation will be filed for the Workshop (in case it is a corporation).  
And/or if a request to appoint a Receiver for the Workshop's assets and/or the Owner of the Service Center; and/or if the Owner of the Service Center is an incorporated entity - on its assets or on the assets of its managers (or any one thereof) and/or on the rights holders therein (or any one thereof) and/or its stockholders (or any one thereof).
- 15.4.9. Upon the death or incapacitation of one of the individuals constituting the Owner of the Service Center, or if it is an incorporated entity - one of its stockholders and/or managers and/or business managers.
- 15.4.10. If the Owner of the Service Center is an incorporated entity - should any change whatsoever, whether directly or indirectly, whether voluntarily or through a court ruling (including through inheritance), occur in the makeup of the stockholders and/or the rights owners and/or the management and/or the business managers.

- 15.4.11. The Owner of the Service Center will do something, through act or omission, which the Company believes may tarnish the Company's reputation and/or the reputation of the car manufacturer and/or might harm the Company's interests and/or the interests of the car manufacturer.
- 15.4.12. The Owner of the Service Center has been convicted of a moral turpitude offense. Without derogating from the general nature of the abovementioned, has been caught stealing from the Company, and/or has made false entries in all matters concerning his business as an Authorized Workshop.
- 15.4.13. The Company has ceased for any reason whatsoever serving as the importer of the cars in Israel.
- 15.4.14. There will be any change in the laws governing the relationship between the parties concerning legal situation which prevailed at the time this Agreement was signed.
- 15.4.15. Expiry of the validity of the permit issued by the Ministry of Transport and/or any other license and/or permit and/or certificate required for running the Workshop's business under this Agreement for any reason whatsoever.
- 15.4.16. The Owner of the Service Center has effectively ceased to manage his business or has ceased to provide service to the cars.
- 15.4.17. And without derogating from the abovementioned - the Owner of the Service Center and/or anyone acting on his behalf will violate and/or fail to fulfill any one of the provisions of this Agreement and/or any provision of any other engagement between the parties (or between entities affiliated with the Company and the Workshop) and/or bodies affiliated with the Company and/or a provision and/or guideline and/or written circular which the Company has served to the Workshop.
- 15.5. Upon cancellation of this Agreement, as per Clause 15.4 above, the provisions of Clause 15.3 above will apply, and the Owner of the Service Center will have no claim and/or demand and/or complaint of any kind whatsoever as per Clause 15.2 above.
- 15.6. In this Clause - "Expiry of Agreement Validity" - means cancellation of the Agreement and/or non-extension of the Agreement.

## **16. General Terms**

- 16.1. The Owner of the Service Center and anyone working with him, including the Workshop employees, shall uphold the confidentiality of all of the information they receive as part of their work at the Workshop and which is related to the Company and/or the manufacturer, whether directly and/or indirectly. They shall use the said information solely for their work under this Agreement and shall not disclose any information as per the abovementioned to any other person (including a corporation) without advance written approval from the Company.

- 16.2. To guarantee payment of the payments due from the Owner of the Service Center for Spare Parts and/or any other equipment purchased from the Company, and/or any monetary debt the Workshop may owe the Company and/or anyone acting on its behalf, the Owner of the Service Center shall surrender, at the time this Agreement is being signed, an Autonomous, Unconditional Bank Guarantee, the amount of which shall be determined from time to time by the Company, indexed to the US Dollar, payable on demand, without duty of disclosure.
- The Company will be permitted to use and exercise this Guarantee and/or to endorse it and/or to treat it as any owner's custom any way it sees fit in order to collect any amount due to it from the Owner of the Service Center and which has not been paid on time.
- Additionally, the Owner of the Service Center undertakes, for the same purpose and under the same terms, to take all measures necessary to insure himself with credit insurance, which is done through the Company. The Owner of the Service Center hereby authorizes the Company to charge him for credit insurance, and he undertakes to sign any document that may be required for this purpose.
- At the end of the first year of the parties' engagement under this Agreement, and subject to the payment in full of all the amounts the Owner of the Service Center owes the Company at that time, the Owner of the Service Center will be able to have the Bank Guarantee returned to him, and to be insured with credit insurance only, to secure payment of the payments he will be required to pay the Company under this Agreement. If the credit insurance will not cover the full amounts demanded by the Company, the Workshop shall produce a Bank Guarantee for the outstanding balance.
- 16.3. The Company shall be permitted, at its exclusive discretion, without having to obtain advance consent from the Workshop, to convert and/or endorse its rights and commitments in all matters concerning the delivery of Spare Parts or any other entitlement under the terms of this Agreement to a third party, provided the Workshop's entitlements shall not be infringed.
- Should the Company decide to convert and/or endorse any of its aforementioned rights, notice shall be served to the Workshop, and from the day the notice has been received, the Workshop shall proceed in accordance with the said Company notice.
- 16.4. Any amount payable by any party whatsoever to another party, which will not be paid on time, shall carry Linkage Differentials and Bank Interest at the maximum rate and it shall be calculated as is commonly done on the specified deadline date for payment at Bank Leumi Lelsrael, Ltd. of overdrafts - from the due date until the actual payment date.
- 16.5. In any dispute concerning the settlement between the parties, the Company's books shall be the deciding books, and they shall, with all their details, serve as de-facto proof.

- 16.6. Nothing in this Agreement may confer to the Owner of the Service Center any exclusivity whatsoever within the city limits of the local authority in which he is located and/or in any other city limits.
- 16.7. The Company alone has the right to offset any amount due to it from the Workshop whether under the terms of this Agreement or in any other way, any amount that may be owed it, and/or the Delek Motors Spare Parts Company (1987) Ltd. and/or any other authorized distributor on its behalf, from the Workshop and/or from the Owner of the Service Center, whether under this Agreement or in any other way whether or not these are fixed debts.  
The Company alone shall be authorized to withhold any amount payable to the Workshop until it is convinced the Workshop has settled all of its commitments to the Company and/or to Delek Motors Spare Parts (1987) Ltd. and/or to the Customers.
- 16.8. The Parties agree that in any case where one of the parties does not exercise its rights under this Agreement or related thereto, in whole or in part, this fact of the delay shall not be considered to be a waiving of rights and/or agreement and/or admission of any kind on its part, or a precedent, and that party is permitted to exercise its rights under this Agreement or related thereto, or which stand under any law at any time it sees fit.
- 16.9. The concession by any of the parties, of a prior violation or non-fulfillment of one or more of the undertakings of the Owner of the Service Center under this Agreement or resulting therefrom, shall not be regarded as justification or grounds for an additional violation or additional non-fulfillment of any term or undertaking under the Agreement or related thereto.
- 16.10. This Agreement includes and expresses all of the agreed undertakings between the parties and nulls any previous agreement or document between the parties.
- 16.11. The parties hereby confirm their agreement that the jurisdiction for all intents and purposes concerning the execution of the provisions of this Agreement or resulting therefrom, shall lie exclusively with the relevant court of law in the city of Tel Aviv.
- 16.12. The parties' addresses for this Agreement are as stated in the introduction.
- 16.13. Any notice sent by one party to the other shall be regarded as having been received after three business days from the day it was handed in to be mailed by registered mail, duly addressed and stamped, or immediately if delivered by hand, as the case may be.

**And in witness whereof the Parties have signed:**

\_\_\_\_\_  
**The Company**

\_\_\_\_\_  
**Owner of the Service Center**

We, the Undersigned:

1. \_\_\_\_\_ ID No. \_\_\_\_\_ Of (address) \_\_\_\_\_

Tel: \_\_\_\_\_ Mobile \_\_\_\_\_

2. \_\_\_\_\_ ID No. \_\_\_\_\_ Of (address) \_\_\_\_\_

Tel: \_\_\_\_\_ Mobile \_\_\_\_\_

Hereby vouch, jointly and severally, for the fulfillment of all the obligations of the Owner of the Service Center as per specifications of this abovementioned Agreement and we explicitly waive any protections given a voucher under the Guarantors Law, 5727-1967.

\_\_\_\_\_  
**Guarantor No. 1 Signature**

\_\_\_\_\_  
**Guarantor No. 2 Signature**

## **Appendix C**