

Made and signed in Petah Tikva on December 5, 2017

Between: **Anadolu Isuzu Otomotiv Sanayi Ve Ticaret Anonim Sirketi**
Şekerpınar Mah. Otomotiv Cad. No:2 Çayırova, 41435, Kocaeli, Turkey
(Hereinafter: the "Seller")

Of the one part;

And: **Universal Trucks Israel Ltd.**
Company Registration No. 51-200423-5
of 9 Harekevet Street, Petah Tikva
(Hereinafter: the "Buyer")

Of the other part;

Whereas: the Seller is a bus manufacturer; and

Whereas: the Buyer wishes to buy buses from the Seller, and the Seller wishes to sell the buses to the Buyer, all under the terms and for the consideration set out in this agreement hereunder;

NOW THEREFORE, it has been declared, stipulated and agreed between the parties as follows:

1. **PREAMBLE AND APPENDICES**

- 1.1 The preamble to this agreement and the appendices attached hereto constitute an integral part of the agreement itself.
- 1.2 The section headings were solely intended for the convenience of the parties, and shall not serve for the interpretation of this agreement.

2. **THE TRANSACTION**

- 2.1 The Seller will sell to the Buyer, and the Buyer will purchase from the Seller 150 (one hundred and fifty) new Buses made by the Seller in accordance with the technical specifications of the bus, to be attached to this agreement as **Appendix A** (hereinafter: the "Buses").
- 2.2 Concurrent with this Agreement, and with each separate lot as described in article 3.2, the Buyer shall sign and dispatch to the Seller an order form attached to this Agreement as **Appendix B**. The filled-in order form will include a scheduled production completion date (hereinafter: "**Production date**"). The seller will convert the order form into an acknowledged order, within 7 working days of receipt of above order, and will acknowledge the Buyer accordingly.
- 2.3 The order form may include a list of additional equipment to be purchased separately, and to be installed in the buses per the final customer's requirements. The production date as described in the order form will apply here as well.

3. **ORDER AND DELIVERY OF THE VEHICLES**

- 3.1 In this agreement, the term "**Delivery**" refers to the date of acceptance of ready-for-delivery buses by the final customer, in Israel.
- 3.2 Delivery schedule is as follows:
 - 3.2.1 One hundred and ten (110) units to be delivered not later than 15 September 2018; these buses will be ordered by the buyer with the signing of this agreement.

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- 3.2.2 Forty (40) additional units to be delivered, either in one lot or in parts, within six months of the buyer's order, and not later than 15 November 2019.
- 3.3 In the case of a delay in delivery regarding clause 3.2.1, and after 30 days grace (15/10/2017), the Seller will compensate the Buyer for the sum of 500 euros per day for each Bus.
- 3.4 Prior to the shipment of the buses to Israel, they will be inspected at the Seller's premises by the final customer. Shipment will take place only after a written approval of the buses by the final customer and the Buyers' representatives. This approval form is attached to this agreement as **Appendix C**.
- 3.5 First bus will be produced within 4 months after signing the Agreement. The first bus shall be inspected and approved in a written form at the Seller's premises by the final customer. In case changes from the technical specifications (Appendix A) are requested, AIOS keeps the right to postpone the delivery term and no penalty for delay shall be applied.
- In case of non-compliance to the technical specifications (Appendix A), which will be determined by an independent expert (Laboratory of Ariel University), the delivery term will not be postponed and Buyer will be entitled to penalty for delay as stated in this agreement.
- 3.6 Inspection of the buses will take place within 14 working days of a written notice of the Seller to the Buyer, confirming the buses are ready for inspection. The quantity of the inspected buses will not be lower than 35 units at a time.
- 3.7 The duration of the inspection will not exceed six working days, for 35 units. The parties will coordinate and work together in order to meet this time frame.

4. **CONSIDERATION AND TERMS OF PAYMENT**

- 4.1 The Buyer shall pay the Seller for each Bus, produced according to **Appendix A**, a sum of 123,900 euro, EXW Kocaeli. This payment will include a five-year full warranty coverage as defined in the After Sale Agreement signed by the parties in 2012.
- 4.2 The additional list of equipment, as referred to in article 2.3, will be paid in addition to this sum.
- 4.3 Terms of payment:
- 4.3.1 Within 30 days of order placement – 24,000 euro per unit ordered
- 4.3.2 The remainder shall be paid within seven days of the acceptance in Israel, by the Buyer, of a complete set of original shipping documents, to include at least the following documents: bill of lading, shipping list, eur.1 certificate and the invoice/s.
- For the open balance between the consideration for Shipment and the Turkish EXIM bank limit, will be paid by the Buyer on a cash basis against documents of shipment.
- 4.3.3 In case of a delay in delivery, the remainder sum (per article 4.3.2) will be offset according to the mechanism described in article 3.3.

5. **FEES AND SURCHARGES**

The two parties to this agreement will each bear its costs and financial expenses at their respective ends.

6. **Fundamental Breach**

Each of the cases listed below constitutes a fundamental breach of the Agreement, which confers upon the complying party, as the case may be, the right to cancel this Agreement immediately:

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- 6.1 The Buyer has not made any of the payments that it is required to make under this Agreement within 21 business days from the day on which it received notice that it has not made the payment on the due date.
- 6.2 The Seller did not supply the Buses according to the technical specifications.
- 6.3 The Seller's accumulated delay in delivering the buses (that is, the multiplication of bus units by delay days) exceeds 1,000 unit*days.
- 6.4 The Buyer is in breach of another of the terms of the Agreement and has failed to rectify such breach within 21 days from the date on which written notice to this effect is given to the Buyer by the Seller.
- 6.5 The Seller is in breach of any of the terms of this Agreement, and the breach shall not be rectified within 21 days of the day on which written notice is given to this effect to the Seller by the Buyer.
- 6.6 In the event that the Seller and/or the Buyer cancels this Agreement due to a fundamental breach by the other party, the party in breach shall indemnify the injured party, upon its demand, for all costs and/or expenses and/or damages the injured party shall incur as a result of the breach and cancellation.

7. **CERTIFICATION BY ATTORNEY/CPA**

Upon signing this Agreement, the parties shall furnish each other with a certificate signed by their attorney and/or their certified public accountant (CPA), confirming that the signatories on their behalf are authorized to bind them under the terms of this Agreement.

8. **DEVIATION OR WAIVER**

The consent of either party to deviate from the terms of this Agreement in a particular case or a series of cases shall not constitute a precedent and shall not set an example in another case in the future.

Where a party has not exercised and/or has delayed exercising any of the rights conferred upon it under this Agreement, this shall not be deemed a waiver of any of its rights.

To dispel any doubt, the parties agree that no modification of the terms of the Agreement or a waiver of the rights of either party shall be valid unless made in writing and signed by the parties.

9. **PRIOR AGREEMENTS**

This Agreement fully expresses everything agreed by and between the parties regarding the matters discussed therein and it replaces and cancels any representations, undertakings and agreements that existed, if at all, between the parties in said matters prior to the signing thereof. No modification in the provisions of this Agreement shall be valid unless a written document was drawn up and signed by the Seller and the Buyer. In case that a non determined subjects in this agreement, AIOS-UTI Distributorship Agreement dated on 21/02/2012 shall be valid for the parties. In case of contradiction between this agreement and the distribution agreement, the provisions of this agreement will prevail.

10. **JURISDICTION**

All disputes arising out of or in connection with the contract shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce (ICC) by three arbitrators appointed under

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the same rules of Arbitration, in Paris, France. Law of Switzerland shall govern substance of the dispute. Arbitration decision shall be definite and binding upon the parties.

11. **Notices**

Notices for the purpose of this Agreement shall be delivered by hand or sent by registered mail according to the addresses of the parties specified in this Agreement (or any other address to which appropriate written notice shall be given); and any notice delivered or sent as aforesaid shall be deemed to have been received by the addressee on whichever of the following dates is earlier: Upon its actual delivery at the address of the addressee and/or its offer for delivery at said address, in case of refusal to accept it, or after five business days from the date it was delivered for dispatch by registered mail or upon its transmission by facsimile according to confirmation from the fax machine and if by Email delivery – on the date of transmitting the notice.

12. **Force Majeure**

The Parties to the Contract are released from responsibility (except payment) for partial or complete non-fulfillment of their liabilities under the present Contract, if this non-fulfillment was caused by the circumstances of Force Majeure, namely: flood, fire, earthquake, war, civil war, strikes and lockouts. In this case the time of fulfillment of the Contract obligations is extended for the period equal to that during which such circumstances last.

13. **Confidentiality**

The Parties agree and confirms that the possession of all technical, financial, legal and commercial information whether or not legally protected, of which all provided by either Party, are belong to the Party delivering the information and under the scope of this agreement the Parties are obliged to protect Parties property right and keep the said information as confidential.

If a Party violates his obligations in part or in full that are set out in this clause, he accept and undertakes to indemnify the other Party for any loss including cost and expenses it has or will incur thereby, without prejudice the offended Party's termination right.

The Parties agree and undertakes this obligation and Parties right under this clause are for indefinite term

In Witness Whereof the Parties Have Signed at the Place and Date Specified Above:


Seller

KARAYIIVE TIRAZET A.Ş.


Buyer
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Appendix A: Technical Specifications of the buses

Appendix B: Order Form

Appendix C: Approval Sheet

TECHNICAL SPEC APPENDIX A

Subject	General description	Location	Function logic remarks	APPROVED ITEMS & * for TBD
1 Engine	Cummins ISB6.7 E6 OBDC			OK
2 transmission	ZF ECOLIFE		drive mode + shift mode - must be in NORMAL without kikdowne option	OK
3 External color	DAEWOO 64L			OK
4 external METROPOLIN logo	TBD with Yaakov	external body + registration No on the roof		*
5 Internal trim (hand bars)	standart (not basic)			OK
6 Internal trim (hand bars) color	RAL 1003			OK
7 passengers seats fabric	fabric model - TIGER-5555/5125		All internal seats except driver's	*
8 General body layout	bus with 2 doors 36 seats for production order			OK
9 driver left window	manual			OK
10 windows - tinted	all windows - 88% tinted (Except windshield / front door / left driver window)		all windows - 88% tinted (Except windshield / front door / left driver window)	OK
11 Tires	Summer tires			OK
12 ID plate	Meets EC/2007/46		The distribution of loads on the label must be as follows: front 6300 rear 11600 total GVW 17900	OK
13 external antenna	for radio	on the roof		OK
14 7" screen	Two screens - one original on the dashboard and the other on the top left above the driver. Both screens will simultaneously display identical images	located above the driver front left side (as in the att. Pic)	Screen will present as follow: 2ed door all the time . in revers mode - full screen will show revers camera.	OK
15 Tachograph	MTCO Stoneridge, analogue	located under the left driver console		OK
16 Dashboard display	ACTIA		Messages and warnings in Hebrew	OK
17 Destination boards - POLARIS	digital signs * 3 (front + right side + rear window) rear sign - must be bigger - according to POLARIS instruction and rear window must fit to the bigger POLARIS sign.	original for Citiport	digital signs * 3 (front + right side + rear window) rear sign - must be bigger - according to POLARIS instruction and rear window must fit to the bigger POLARIS sign - Software: A. Manual, B. connected with ISR FMS	OK
18 Headlights	Headlights - primary and high lighted only when the engine is working (D +)		Lights on only if engine is working (D+)	OK
19 Air system, automatic water drainage	Required			OK
20 front door	1 valve - 2 wings working in parallel			OK
21 emergency hammers	5 emergency hammers placed over the front door		5 emergency hammers placed over the front door	OK
22 Fuses	Two units, 3kgs each, with specific cover		all fuses with bare shoulders that can we can test them externally - same as in the pic att	OK
23 doors mirrors			Locating inner mirrors for second Dia: 350mm for 2ed + 3ed doors	OK
24 Driver mirror	Dim: 30x70 mm	locat same as in CH - 2000055	The bracket should be changed so that the mirror can be adjusted up and down left and right by the driver. in addition, make sure the mirror does not vibrate while standing or driving gear	*
25 Handrail for dasboard	P/N 387055989001		Design changing of dashboard handrail for protecting passengers from squeezing. Same as in CH - 2000055 part No 387055989001	OK
26 External mirrors	Manual, not heated; to be identical to Israeli-regulation mirrors/brackets		brand : Mekra Lang - MAN part No. : 51.3735.121H + 51.3736.121H / Israeli brackets + rectangular prospectus mirror - you can chek and produce simular . (A detailed explanation was sent in the presentation to Mr. EMRE)	OK
27 Ticketing machine bracket		Locating ticket machine bracket - inside dashboard down to the floor - to be approve by UTI same as in the att pic	The bracket in this picture should be copied - this design is approved by the customers in Israel	*
28 Ticketing machine, electric prep			per installation files UTI sent	*
29 Ticketing machine, adjacent switches	Electrical pre-installation		2 door buttons (operating front/2nd+3rd together), 2 lighting buttons (driver area+ticketing machine), add'l lighting for ticketing machine	OK
30 mobileye sensors radar camera	LDWS/front collision avoidance			OK
31 Armrest, priority seats	Yellow painted (sticker is not accepted)			OK
32 Driver's microphone	Goose neck design - ACTIA	A-pillar / above A pillar		OK
33 Dashboard 7" display (original)	will present all the time 5 cameras pics. (display will be split into 5 cameras)			OK

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34	LCD Screen	total 5 lcd screen- front roof bridge behind driver cab - to keep 19", to add 38" + 19" in lcd on Handycap window area (Metal frame must be covered with a nice plastic material) , keep 2 double LCD center cilling.		front roof bridge behind driver cab - 19", + 2 double LCD center cilling - will be connected in parallel	OK
35	LCD operate	electrical installation - please see tech instolation files that I sand by mail			OK
37	Pre arangement of for fleet management system (ISR)	It is requested to work in same protocol. -Door signal open close -Amplifier-speaker internal and external -Screens -Polaris digital board see tech instolation files that I sand by mail		please see tech info files att that mail	OK
38	13 liter of plastical garbage cans	Locating 13 liter of plastical garbage cans - are mounted inside a bracket and can be easily dismantled to clean them	Locating 13 liter of plastical garbage cans one in the first door, one in the second door area.	Locating 13 liter of plastical garbage cans one in the first door, one in the second door area.	*
39	A/C, driver's outlets		3 additional outlets for driver, 3 additional for front door with 2 blowers (RH+LH)		OK
40	air tanks hatches above the driver - An extra security	Must be harnessed from internal side with steel cables so if it will open it will not fall on the driver / passenger	design similar to that photos att		OK
41	Front door opening, external button	The button will not work under the following condition: a motor running and a vehicle integrated in gear	Under the wiper	The button will not work under the following condition: a motor running and a vehicle integrated in gear	OK
42	Diesel fuel tank	Diesel fuel theft prevention network in the filling opening pipe		Diesel fuel theft prevention network in the filling opening pipe	OK
43	Diesel fuel tank	lid of the fill opening		Tying the lid of the fill opening with an iron chain - so that it will not be lost	*
44	adblue tank	lid of the fill opening		Tying the lid of the fill opening with an iron chain - so that it will not be lost	*
45	Extra Isolation for engine compartment	TBD -MAXIMUM 75 D B END REAR AREA AT 1500 RPM - must be - its mandatory in Israel	The isolation of the rear axle and engine must be increased		*
46	NATO socket for the batteries	Nato socket cover should be colored in red		Cables from the starter or batteries	OK
47	USB socket for driver+ 24 V lighter	USB socket for driver (5V for charging)+ 24 V lighter			OK
48	Validators, electrical pre-installation	Location of validators: 1) Behind the driver on the first seats handrail 2) Two validators on the second door handrails one on the left, one on the right. 3)One on the third door on the right side. UTI will send the exact locations for the wires on the hand bars		UTI to send exact handbars' wiring locations	OK
49	Extra buttons for priority seats (re pro sy)	Extra buttons (in addition to the existing originals)for repeating root anouncement - Buttons and wiring are requested + Braille writing&light on the buttons. Blue base with yellow button - must be Braille	next to all priority seats	. Wiring from the buttons to place of air tanks area above the driver. extra buttons must be placed next to all priority seats. Blue base with yellow button - must be Braille	OK
50	Wifi rooter preparation	Cable preparation on the air tanks area. Terminal 30/15/31			OK
51	USB sockets, passengers	For every seated passenger	Inside the side wall	For every seated passenger and will illuminates	OK
52	Cable and bracket preparation for 38 " + 19" screen above of the handicapped area	Wiring from screen to air tanks area. Bracket and cable - see		tech instolation files att in that mail	OK
53	Automatic engine fire extinguishing system	LEHAVOT	design similar to that photos att	must be connected to SPM of ISR	OK
54	ISRI driver seat	NTS 6860-885 (buttons on the right, armrest on the left, no seat belt)		NTS 6860-885 (buttons on the right, armrest on the left, no seat belt) . Additional to that please shorten the base (bracket) height to the seat by about 50 mm	OK
55	stop sign above doors	1. STOP displays above the doors are required to be in Hebrew and not in English demand - STOP signs in Hebrew – SENAL AOUTO ELECTRONIC TR / HEBREW / GRAY FRAME (maybe they have other colors) – part No. SS1786.G.	original		OK
56	INTERCOM communication	INTERCOM communication of disabled person with the driver		to be instalad according to the tech instolation files that I sand by mail	OK
57	handycap seat belt	long seat belt			OK
58	Shelf, driver's cabin door	Extra shelf for driver's bag. Dim: 30-40 mm X along the door			OK
59	Preheater	remove			OK

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60	AC	KONVEKTA / compressor capacity 650cm3 MINIMUM	COMPRESSOR ON THE ENGINE (MUST) - NOT ON THE BODY		*
61	Ignition key	Master key for all buses		same as the key UTI will provided	OK
62	Handrails, inner	RAL1003 Yellow			OK
63	control panel above the driver	to be re-organized			OK
64	External + Internal service flaps, all	To be provided with square locks			OK
65	roof service hatches	Driver-controlled vents			OK
66	Handicapped entrance ramp	standart			OK
67	Central air pressure board	central air board - for testing the Circuits - all 9 connectors will be locat together at the sam place. (in the pic att ther are 4 - we ask for 9 air connectors at the same central air connections)		all connectors must have fast test outlet and Loops for air drainage as shown in the picture	OK
68	Haldex water oil seperator from air system	to install in the air system Haldex water oil seperator from .signal for operation - every time that the driver will open one of the doors. (please see general photo)		to install in the air system Haldex water oil seperator from .signal for operation - every time that the driver will open one of the doors. (please see general photo) / with pressior differences	OK
70	Cancel button for stop sign	to be add - same logic as chassis 2000055			OK
71	Speed limiter	80 km/h			OK
72	lost air pressior buzzer	under 5.5 BAR			OK
73	cummins diagnostic connector	chang location	A more accessible place in the driver's area		OK
74	stop button	to add for the 2 first seats			OK
75	Acceleration pedal and brake pedal	to move	Move in 5-10 cm towards the driver's seat		OK
76	engine mount brackets	change desgin			OK
77	Opening of fuel filling	with a fuel-theft network			OK
78	VOIP	to install			OK
79	skylock	according to tech file we send			OK
80	Cancel button for stop sign	to be add - same logic as chassis 2000055			OK
81	BRACKET FOR FUSES				OK
83	ACTIA SW aplications	updat according customer demand		updat according customer demand	OK
ADDITIONAL SPECS					
1	two external vertical orange LED marking lights on the side wall	Add two external vertical LED marking lights on the side wall - left and right (1 in every side) at the end corner of the side wall (will let the driver to see the end of the bus in turns)	end of side wall - vertical position	Add two external vertical LED marking	*
2	Communication center compartment	Must be insulated with a unique lock compatible with all buses (master), air conditioned, easy access	TBD	This switchboard will concentrate all co	*
3	Preparation for passenger counting system HELLA	Preparation for a passenger counting system to be installed in all doors		UTI will provide in the coming month th	*
4	Multi-line ticket loading machine TBO	Prepare place + wiring required - and fix brackets	TBD		*
5	rear door light	Two strong LEDs will light each time a door opens - a tender requirement		Two strong LEDs will light each time a	OK
6	Switches in Dashboard	Description in per switch - according to user manual		Undemeath each button on the dashbo	OK
8	handycap seat belt	2 strips for handycap seat wheels			OK
9	Shelf, driver's cabin - light	switchable lighting for Shelf, driver's cabin door		Shelf, driver's cabin - light (left side dr	OK
10	Interior lighting cab	Lighting is controlled by automatic dimmer - 50% When doors are closed and when the door is opened (each door) the lighting is 100%. driver must have also manual control on light dimmer		Lighting is controlled by automatic dimr	OK
11	Driver's left side, curtain	Scrolling curtain with bar brackets - must be made of completely sealed material		Scrolling curtain with bar brackets - mu	OK
12	Driver's windshield, curtain	Scrolling curtain and full sealed + The margins will be leading from the edge of the curtain to the dashboard on both sides		The width of the curtain should be 1.5 t	OK
* To be agreed mutually on a later date. If additional cost occurs, it will be reflected to Buyer.					

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