

Agreement

Entered into on ___ of _____, 202_

Between Europe Asia Pipeline Co. Ltd.
POB 801 Ashkelon 78101
(hereinafter: "**EAPC**")

of the first part

And _____
(hereinafter: the "**Builder**" or "**Shipyard**")

of the second part

WHEREAS EAPC operates a sea port and other infrastructure systems used, among other things, for the discharging, loading, storing and transporting of fuels and other energy products; and

WHEREAS EAPC wishes to purchase a multipurpose work boat (the "**Vessel**" or "**Boat**") in accordance with the Technical Specifications attached as **Appendix A** to this Agreement (the "**Technical Specifications**");

WHEREAS The Builder submitted a bid to EAPC (the "**Builder's Bid**"), which was accepted by EAPC following a request for proposals procedure conducted by EAPC, attached as **Appendix B** to this Agreement;

WHEREAS The Builder warrants and confirms that it fully understands the Technical Specifications and EAPC's needs and requirements, as set forth in this Agreement and the appendices hereof, and has the capacity to meet the same;

WHEREAS EAPC has decided to purchase the Vessel from the Builder based on the Builder's Bid and subject to the conditions set forth in the Specifications;

WHEREAS EAPC therefore wishes to enter into an agreement with the Builder for purchase of the Vessel in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein, the Parties hereby agree as follows:

1. Preface and appendices

- 1.1 The preamble to this Agreement, including all declarations therein, shall form an integral part of this Agreement and shall have full force and effect as if specified herein.
- 1.2 The appendices specified below constitute an integral part of this Agreement:

Appendix A:	Technical Specifications Rev10
Appendix B:	Builder's Bid and EAPC RFP
Appendix C:	General Arrangement/Plans
Appendix D:	Protocol of Technical Delivery
Appendix E:	Protocol of Physical Delivery and Acceptance
Appendix F:	Form of Bank Guarantee
Appendix G:	Form of Warranty Guarantee – 12 months
Appendix H:	Form of Warranty Guarantee – second year

2. **The Vessel**

2.1 The Vessel shall have the Builder's Hull No. _____ and shall be designed, constructed, equipped and completed in accordance with the provisions of this Agreement, the Specifications and the Plans. All of the works envisaged by this Agreement shall be undertaken by the Builder in a good, sound and workmanlike manner, in accordance with usual shipbuilding and marine engineering standards and practice and in accordance with the rules, regulations and requirements of the Israel Ministry of Transport (“**IMOT**”) and the Flag State, as communicated to the Builder by EAPC, including all applicable treaties. The Vessel shall be delivered safely afloat at Haifa or Ashdod Port in Israel following successful completion of sea trials and upon the Vessel being ready for delivery in accordance with the provisions of this Agreement and the Specifications.

2.2 The Builder shall be solely responsible for all aspects of the design of the Vessel, whether or not such design has been approved by EAPC and/or the Classification Society, and/or derived from drawings, calculations or other materials or information supplied by or on behalf of EAPC. The Builder shall construct, erect and assemble the Vessel under cover at the Shipyard, with the Builder to retain at all times sole liability therefor.

2.3 The Vessel shall have the following dimensions:

Length O.A:	Up to 16.00 m.(Excluding fenders)
Beam(mulded):	About 4.0 – 5.60 m
Draft (Navigational):	About 1.5 m
Max Air draft height	Up to 3.9m

(Air draft will be measured between WL to top of wheelhouse while the mast is in folded (laying horizontally on top of wheelhouse) position)

- 2.4 The Vessel shall be designed and constructed under the Lloyd's Register Rules for Special Service Craft, "+100 A1 +LMC, Pilot & SPECIAL PURPOSE BOAT" as determined by Lloyds Register (the "Classification Society"). The Vessel shall comply with all relevant IMOT regulations and Maritime and Coastguard Agency requirements (UK) for pilot and work boats. The Vessel's classification status and certificates are to be clean and free of all recommendations, restrictions and qualifications whatsoever.
- 2.5 Decisions of the Classification Society as to compliance or non-compliance with the classification shall be final and binding upon both parties hereto.
- 2.6 Fees and charges incidental to the Classification and with respect to compliance with the above referred rules, regulations and requirements of the Classification Society, the Flag State and IMOT shall be for the account of the Builder.
- 2.7 The Builder shall, in respect of those items of equipment specifically listed in the Makers List forming part of the Specifications (the "Makers List"), contract only with those named makers specifically listed therein as approved in respect of such equipment. The Builder and EAPC may from time to time by mutual agreement in writing add, remove or replace named makers listed in the Makers List.
- 2.8 The Builder shall complete and deliver the Vessel to the Port in Haifa or Ashdod in Israel in CIF Terms no later than 20 calendar months following the signature of the Agreement and issuance of Purchase of Order by EAPC (the "Delivery Date").
- 2.9 The Vessel shall be registered by EAPC at its own cost and expense under the laws of the Flag State at the time of its delivery and acceptance hereunder.

3. Approval of Drawings; EAPC Supervisor

- 3.1 The Builder shall submit two (2) hard copies and one (1) electronic copy of all plans and drawings for which EAPC's approval is required in accordance with the Specifications, and shall also submit such other technical information as EAPC shall reasonably require, to EAPC. EAPC shall, within fourteen (14) calendar days after receipt thereof, return to the Builder one (1) copy of such plans and drawings with EAPC's approval or comments (if any) written thereon. Plans and drawings submitted through facsimile or electronic means such as email shall be acceptable and binding upon both parties.

- 3.2 The Builder shall take due note of EAPC's remarks and amendments (if any) on plans and drawings submitted pursuant hereto and, if such remarks or amendments are not of such a nature or extent as to constitute modifications of the Specifications, then the Builder shall commence or continue construction of the Vessel in accordance with the corrected or amended plans and drawings. If such remarks or amendments are not clearly specified or detailed, the Builder shall in all cases seek clarification of the same from EAPC before implementing the same. If EAPC or its Supervisor (as defined below) shall fail to provide the Builder with such clarification within fourteen (14) calendar days after receipt thereof, any delay thereafter shall be added to the delivery schedule.
- 3.3 EAPC's approval, correction or amendment of any plans and drawings shall not imply any alteration of the Builder's responsibilities and obligations under this Agreement unless otherwise agreed upon between the parties.
- 3.4 EAPC shall engage an external supervisor to supervise construction of the Vessel (the "**Supervisor**"). EAPC shall be solely responsible for all payments to be made in connection with the services provided by the Supervisor, except as specified herein.
- 3.5 At all times during construction, the Supervisor shall be given free and ready access to the Vessel, its machinery and equipment, and to any other place where work is being done, or materials are being processed or stored in connection with the Vessel, including the Builder's shipyard and all workshops, stores and offices of the Builder, and the premises of subcontractors of the Builder.
- 3.6 The Builder shall provide to the Supervisor, free of charge, suitably sized and furnished, air-conditioned office facilities at the Builder's shipyard. Such office facilities shall include desks, chairs, filing cabinets, appropriate computer connections, wi-fi and internet access, reasonable cleaning, telephone facilities and the use of drawing tables, changing rooms, lavatory facilities and running water. EAPC shall bear all costs and charges from making overseas telephone calls.

4. Confirmation of identity of employees and subcontractors

- 4.1 The engagement of any subcontractors to perform any services in relation to the Vessel shall be subject to EAPC's prior written consent.
- 4.2 In the event that EAPC gives its consent to the performance of any part of the Services to a subcontractor, such consent shall not relieve the Builder of its liability for the performance of those services as provided in this Agreement and the Builder shall continue to be fully liable for any act or omission of the subcontractor, its representatives, employees or agents.

- 4.3 Builder shall notify EAPC in any case of removal and replacement of any personnel performing the services in relation to the Vessel on behalf of the Builder.
- 4.4 The Builder or anyone on its behalf shall perform the Services for EAPC under the direct supervision of the Supervisor.

5. Builder's Undertakings and Warranties

- 5.1 The Builder will construct the Vessel as described in the Specifications and shall carry out its obligations hereunder in a safe and professional manner with due diligence and efficiency, in accordance with the Technical Specifications, Flag State and IMOT regulations as well as the best professional techniques and practices used in the industry and shall observe sound management and technical and engineering practices, and employ appropriate advanced technology.
- 5.2 The Builder shall obtain and maintain at its own expense all licenses, authorizations, approvals and permits (including work permits for its personnel, if needed) (the "**Licenses**") required by any applicable law for the performance of the services subject of this Agreement from date on which it begins to perform the services until it has delivered the Vessel to the satisfaction of EAPC, and through the Warranty Period, as defined below (the "**Contract Period**").
- 5.3 The Builder warrants that all its representations and declarations in the Bid are complete and accurate as of the date hereof and shall so remain for the duration of the Contract Period. The Builder hereby declares that it is aware that EAPC's agreement to enter into this Agreement with the Builder is based on the accuracy of the Builder's representations and declarations, and that EAPC would not have agreed to enter into this Agreement had it been aware that the Builder's representations and declarations, or any part thereof, were in any way partial, inaccurate or incorrect.
- 5.4 The Builder undertakes to comply with all provisions of the applicable law and/or the instructions of any competent authority and/or the standards and/or professional instructions and/or acceptable practices in any relevant industry, regardless of whether or not these have not been set forth in this Agreement or the appendices hereof. If the Builder fails to act according to all the above-mentioned requirements, it shall be deemed to have caused any damage and/or defect resulting therefrom.
- 5.5 The Builder acknowledges and agrees that it is aware that the Supervisor may provide it with instructions regarding provision of the services, and the Builder shall act in accordance with such instructions.
- 5.6 The Builder declares and warrants that it has the requisite qualifications, professional skills, knowledge, experience, financial ability, personnel,

equipment, materials, know-how and other required to fulfill its obligations under this Agreement and to fully and timely perform the Services in a proper and profession manner in accordance with EAPC's requirements in the Technical Specifications. All the aforementioned will continue to be at the Builder's disposal in a manner guaranteeing proper construction of the Vessel.

- 5.7 The Builder will provide adequate facilities for the provision of the Services, including a suitable protected area for storage of the Spare Parts (as defined below).
- 5.8 The Builder, including anyone providing the Services on its behalf and all subcontractors, shall comply with all safety measures required by national safety laws, rules, regulations, standards, professional guidelines, and instruction of any competent authority applicable to the Services and any aspect thereof as well as with all of EAPC's safety instruction.
- 5.9 The Builder hereby declares that it is aware that it is not the sole provider of services to EAPC and that EAPC may at any time allow others to provide services similar or parallel to the Services.
- 5.10 The Builder shall appoint the project personnel as well as the project manager on its behalf, all of whom are to be approved by EAPC. The project manager appointed by the Builder shall undertake to monitor the Services until the completion thereof. Without derogating from the aforesaid, any replacement of the project manager by the Builder and of any of the personnel and/or subcontractors proposed on its behalf shall only be made subject to the EAPC's prior approval.

6. Modifications

- 6.1 At any time during the performance of the Works, EAPC may order the Contractor to change the performance of the Works, whether by alternation, omissions or additions to the performance of the Works, provided that the value of the change does not exceed 50% of the total amount of the Contract Price (the “Changes”).
- 6.2 In the event that, after the date of this Agreement, any requirements as to class, or as to rules and regulations to which the construction of the Vessel is required to conform, are altered or changed by the Classification Society or the other regulatory bodies authorised to make such alterations or changes, either of the parties hereto, upon receipt of such information from the Classification Society or such other regulatory bodies, shall promptly transmit the same to the other in writing. The Builder shall notify EAPC of any adjustment to the provisions of the Agreement and/or Technical Specifications reasonably occasioned by such alteration or change, within five (5) working days of the transmission of such notice in writing, and EAPC shall within seven (7) working days thereafter notify

the Builder in writing whether EAPC accepts the adjustments so proposed, in which event the Builder shall proceed immediately to implement the required changes, provided that EAPC shall first agree to adjustments required by the Builder in the Consideration, the Delivery Date and other terms and conditions of this Agreement and the Technical Specifications occasioned by or resulting from such alternations or changes.

7. Trials and Technical Delivery of the Vessel

- 7.1 When construction and fitting out of the Vessel have been substantially completed in accordance with the Agreement and Technical Specifications, and factory acceptance trials and harbor acceptance trials were successfully completed- the Builder shall carry out, in compliance with the Technical Specifications, sea trials (the “**Trials**”) in respect of the Vessel, its machinery and equipment, including without limitation its engine , generators, pumps, fittings and components.
- 7.2 At least 45 calendar days prior to the scheduled commencement thereof, the Builder shall submit to EAPC for its approval a detailed program for the Trials.
- 7.3 The Trials shall be undertaken at builder’s shipyard in accordance with the Technical Specifications. In the event of unfavourable weather on the date specified for the Trials, the same shall take place on the first available day thereafter that weather conditions permit.
- 7.4 The Trials shall be carried out at the entire risk of the Builder and the safe management, operation and navigation of the Vessel to, during and from the Trials shall be the sole responsibility of the Builder. The Trials shall be conducted in the manner prescribed in the Technical Specifications, and shall prove fulfilment of the performance requirements for the Vessel as set forth in the Technical Specifications.
- 7.5 The Builder shall notify EAPC in writing at least ten (10) calendar days in advance of the time, date and place of each Trial of the Vessel.

- 7.6 EAPC shall have its representatives on board the Vessel to witness each Trial. For avoidance of any doubt, each Trial will not be conducted without the attendance of EAPC's representatives. However, attendance of EAPC's representatives during any of the Trials, shall not diminish the responsibility of the Builder according to this Agreement and the Technical Specifications.
- 7.7 All expenses and risks in connection with the Trials are to be for the account of the Builder and the Builder shall provide at its own expense the necessary crew to comply with conditions of safe navigation.
- 7.8 The Builder shall supply lubricating oil and fuel oil for tests and trials. Any remaining fuel on board the Vessel at the physical delivery shall be purchased by EAPC at the price paid by the Builder net of any taxes and duties.
- 7.9 The Builder shall supply all other consumable stores, including fresh water, required for the Trials and EAPC shall pay to the Builder the cost of any of the same remaining on board at the time of the physical delivery, net of any taxes and duties.
- 7.10 On completion of the Trials in accordance with the Technical Specifications, the Vessel shall be brought back to the shipyard, or elsewhere as may be agreed, for inspection of the Vessel and her machinery and equipment as required by the Technical Specifications. EAPC shall have the right to carry out an inspection of a defective part of the Vessel, if any. All defects or omissions found in the Vessel shall be remedied and made good by the Builder.
- 7.11 If EAPC considers that the results of the Trials indicate that the Vessel or any part or equipment thereof does not conform to this Agreement and/or the Technical Specifications, EAPC shall indicate in reasonable detail in its notice of rejection in what respects the Vessel or any part or equipment thereof, does not in its opinion conform to this Agreement and/or the Technical Specifications. In such case, the Builder shall take all the necessary steps to correct such non-conformity, at its own expense. Upon completion of correction of such non-conformity, the Builder shall, if required by EAPC by notice in writing, conduct further tests and/or trials to the extent necessary to demonstrate that correction of such non-conformity has been made and the Builder shall give EAPC notice thereof by email confirmed in writing.

Upon successful completion of the acceptance tests, Trials and submission to EAPC of the results thereof and if the Vessel fully conforms EAPC's

requirements according to this Agreement and the Technical Specifications, EAPC and the Builder shall sign the Protocol of Technical Delivery in the form attached as **Appendix D** to the Agreement.

8. Physical Delivery of the Vessel and transfer of ownership

8.1 The Vessel shall be delivered by the Builder to EAPC at Haifa Or Ashdod Port safely afloat, following successful completion of the Trials, free from all encumbrances, mortgages, charges, claims, liens and debts and in accordance with the provisions of this Agreement and the Technical Specifications on or before the Delivery Date except that, in the event of delays in the construction of the Vessel or any performance required under this Agreement due to causes which under the terms of this Agreement permit postponement of the date for delivery, the aforementioned date for delivery of the Vessel shall be postponed accordingly. The aforementioned date, or such later date to which the requirement of delivery is postponed pursuant to such terms, is herein called the "Delivery Date".

8.2 Delivery of the Vessel shall be effected by the concurrent delivery by each of the parties hereto to the other of the Protocol of Physical Delivery and Acceptance in a form attached as **Appendix E** confirming the date and time of delivery of the Vessel from the Builder to EAPC, as well as the following documents, which shall accompany the Protocol of Delivery and Acceptance:

- a. Power of attorney authorizing such party's representatives to execute any necessary documentation and to effect any acts required for delivery or acceptance of the Vessel, as applicable.
- b. Protocol of tests and Trials of the Vessel made pursuant to the Technical Specifications.
- c. Protocol of Inventory of the equipment of the Vessel, including spare parts and the like, all as specified in the Technical Specifications
- d. Protocol of fuel oil, lubricating oils, fresh water, greases and consumable stores on board the Vessel following the arrival to Haifa/Ashdod port, including the original purchase price thereof.
- e. All certificates and letters of compliance including the Builder's Certificate, Class Certificates and Flag State certificates required to be furnished upon delivery of the Vessel pursuant to this Agreement and the Technical Specifications.
- f. Declaration of warranty of the Builder that the Vessel is delivered to EAPC free and clear of any liens, charges, claims, mortgages, or other encumbrances upon

EAPC's title thereto, as well as of all liabilities of the Builder to its subcontractors, employees and crew, and of all liabilities arising from the operation of the Vessel in trial runs, or otherwise, prior to delivery.

- g. Final drawings and plans pertaining to the Vessel as stipulated in the Technical Specifications, as well as manuals which are on board the Vessel.
- h. Commercial invoice, in triplicate, for the Vessel.
- i. Commercial invoice, in triplicate, for all consumables purchased from the Builder.
- j. Bill of sale, to be notarised and legalised if the same is required for registration of the Vessel.
- k. Such other documents as EAPC may reasonably require, and which the Builder can reasonably provide, to obtain financing and/or for registration of the Vessel. EAPC shall reimburse any reasonable expenses incurred by the Builder in obtaining such documentation.
- l. In case that the supplied Vessel carries a foreign flag, the Builder undertakes to do all the necessary steps upon the physical delivery of the Vessel, which will enable EAPC to register the Vessel under the Israeli Flag, including a de-flag procedure and supplying all the necessary documents .

8.3 Title to and risk of loss of the Vessel shall pass to EAPC only upon delivery and acceptance, it being expressly understood that, until delivery and acceptance are affected, title to and risk of loss of the Vessel and its equipment shall be on the Builder.

9. **Insurance**

9.1 The Builder will maintain during the term of this agreement and until delivery and acceptance of the Vessel, policies of insurance of the type and in the minimum amounts stated below and with financially responsible Insurance companies as indicated by a minimum rating of A-, covering its responsibilities arising under this Agreement including:

- 9.1.1 General third party legal liability insurance (including shipyard keepers liability, product liability and premises liability) with combined single limit of \$10,000,000 per occurrence, to cover physical damage to the Vessel or other property of EAPC and/or the

work in process for which the Builder has agreed to retain risk of loss under this Agreement.

9.1.2 Property insurance of the shipyard to cover the Vessel and/ or the work in process against all risks of loss or damage.

9.1.3 Employer's liability insurance with limits of \$1,000,000, as well as compliance with applicable local workers' compensation legislation.

9.1.4 Commercial automobile liability insurance to cover owned, non-owned or other used automobiles with limits of not less than \$1,000,000 each occurrence.

9.1.5 All risks Marine cargo Policy to cover the transportation of the vessel from the premises of the Builder until to the delivery and acceptance point at Ashdod or Haifa port.

9.2 No later than 7 days of the date of execution of this agreement, The Builder shall provide EAPC with certificates of insurance evidencing compliance with the terms and conditions of this Article 9.

9.3 The Builder shall be responsible for insurance premiums for the above coverage and for any self-insured retentions through deductibles.

9.4 The certificates of insurance shall specify:

9.4.1 EAPC shall be named as an additional Insured in the policies.

9.4.2 Waiver of of subrogation against EAPC and/ or its employees, directors , agents and insurers.

10. Permissible Delays

10.1 If, at any time before the Delivery Date, (i) either the construction of the Vessel or any performance required as a prerequisite of delivery of the Vessel is delayed due to Acts of God; war or other hostilities or preparations therefor; blockade; revolution, insurrections, military mobilisation, civil war, civil commotion or riots; acts of terrorism; strikes, lockouts (other than strikes or lockouts confined to the shipyard or its immediate vicinity), vandalism, sabotages; plague; flood; typhoons; hurricanes; earthquakes; tidal waves; landslides; fires, explosions, collisions or strandings; embargoes; prolonged

failure of electric current; delays caused by the Classification Society or other bodies whose documents are required; destruction of or substantial damage to the Shipyard or works of the Builder, its subcontractors or suppliers, or of or to the Vessel or any part thereof, by any causes herein described; all the foregoing irrespective of whether or not these events could be foreseen on the day of signing this Agreement; and (ii) the Builder is not responsible at law for such event having occurred and could not reasonably have been expected to make provisions of such delays or to have overcome the delay caused by reasonable means, then and in any such case, the Delivery Date shall be postponed by the number of days of delay in completing or delivering the Vessel caused by any of the contingencies listed above.

For the avoidance of doubt, delays attributable to two (2) or more concurrent events shall not be aggregated or counted more than once.

- 10.2 Immediately upon the date of occurrence of any cause of delay on account of which the Builder claims that it is entitled under this Agreement to a postponement of the Delivery Date, the Builder shall notify EAPC in writing or by email confirmed in writing of the date such cause of delay occurred.
- 10.3 Immediately upon the date of ending of such cause of delay, the Builder shall notify EAPC in writing or by email confirmed in writing of the date such cause of delay ended. The Builder shall use its best efforts to minimise any delay caused and shall also notify EAPC of the period by which it contends the Delivery Date is postponed by reason of such cause of delay, with all reasonable despatch after it has been determined.
- 10.4 Failure of the Builder to give notification in accordance with the provisions of this Section within the periods set out above shall be deemed a waiver by the Builder of its right to claim any extension hereunder.
- 10.5 Delays on account of such causes as specified Section 9.1 and any other delays which under the terms of this Agreement expressly permit postponement of the Delivery Date shall be understood to be Permissible Delays.
- 10.6 If the total accumulated time of all delays on account of the causes specified in Section 9.1 amounts to ninety (90) days or more, then, in such

event, EAPC may rescind this Agreement and the Builder will return to EAPC all the payments which have already transferred to the Builder till that stage.

11. Consideration

11.1 The consideration for the Vessel, in the amount of [\$] (the “**Consideration**”) shall be payable as follows:

11.1.1 Twenty Percent (**20%**) of the Consideration shall be payable within 7 business days of execution of this Agreement, against a tax invoice or commercial invoice (in case the Builder is a foreign entity) (the “**invoice**”) and against a bank guarantee in the amount of thirty Percent (**30%**) of the Consideration the payment, provided by a first-class international bank as stipulated below, in the form attached hereto as **Appendix F** (the “**Guarantee**”) which shall be remained in force and maintained at EAPC fully until the Physical delivery and acceptance of the Vessel to the port of Haifa or Ashdod to EAPC’s satisfaction and against a Warranty Guarantee as specified in Sec. 13.4 bellow. The Builder shall bear any expenses in connection with the Bank Guarantee .

11.1.2 Fifteen Percent (**15%**) of the Consideration shall be payable, against an invoice, upon presentation of a signed Certificate by the Classification Party as stipulated in the Technical Specifications, confirming that the Vessel’s keel has been laid.

11.1.3 Fifteen Percent (**15%**) of the Consideration shall be payable, against an invoice, upon presentation of a signed Certificate by the Classification Party as stipulated in the Technical Specifications, confirming that the main engines of the Vessel arrived to the Builder’s shipyard.

11.1.4 Twenty Percent (**20%**) of the Consideration shall be payable, against a tax invoice, upon the signature of the Protocol of Technical Delivery.

11.1.5 Thirty Percent (**30%**) of the Consideration shall be payable, against an invoice, upon the signature of the Protocol of Physical Delivery.

11.2 It is hereby clarified that each installments mentioned in Sec. 11.1.2- 11.1.4 of the Consideration will be within thirty (30) days of the end of the month in which EAPC received the invoice. Installment mentioned in Sec.11.1.5 will be within 10 working days following the day EAPC received the invoice.

11.3 The Builder is aware that the Consideration is the final price for Services rendered pursuant to the Tender’s documents.

EAPC may set-off any amount due to from the Builder to EAPC whether under this Agreement or any other agreement, including from the

Consideration. The Builder shall not have, and it hereby waives, any set-off rights.

12. **Liquidated Damages**

- 12.1 Without derogating from the generality of the foregoing, in any event of a material breach of this Agreement by the Builder as defined below, the Builder shall pay EAPC pre-agreed liquidated damages of **200,000 Euro** as (the “**Liquidated Damages**”), this without derogating from any other relief or remedy available to EAPC under the provisions of this Agreement or pursuant to any law.
- 12.2 In case that the Vessel will not be supplied to Haifa or Ashdod Port till 20 calendar months following the signature of the Agreement by EAPC and the delay will not constitute a permissible delay, as defined in Sec.9 above, the Builder shall pay EAPC pre-agreed liquidated damages as following, this without derogating from any other relief or remedy available to EAPC under the provisions of this Agreement or pursuant to any law. :
- In case of delay beyond first 30 calendar days- the Builder shall pay EAPC a liquidate damage equal to 0.1% of the Consideration for each calendar day of delay.
 - In case of delay beyond 60 first calendar days- the Builder shall pay EAPC a liquidate damage equal to 0.5% of the Consideration for each calendar day of delay.
 - In addition, in case of delay beyond 90 first calendar days- the delay will constitute a material breach of the Agreement and EAPC will be entitled to terminate the Agreement accordingly.
- 12.3 If the speed of the Boat, as determined at the Trials in accordance with and in the manner provided in the Specifications is less than 23 knots but more than 20 knots, the Builder shall pay EAPC, as Speed Deficiency Liquidated Damages, the amount of Euro 1,000 (One Thousand Euro) for each full 0.1 knot (one-tenth of a knot), this without derogating from any other relief or remedy available to EAPC under the provisions of this Agreement or pursuant to any law.
- 12.4 If the speed of the Boat, determined as aforesaid, is 20 knots or less , then such deficiency shall be deemed a material breach by the Builder of this Contract and EAPC shall have the right to terminate the Agreement accordingly, this without derogating from any other relief or remedy available to EAPC under the provisions of this Agreement or pursuant to any law, provided that Builder shall have a period of 4 (four) calendar

weeks to correct such deficiency after notice by EAPC of that deficiency and the Builder failed to correct such deficiency during the aforesaid period

- 12.5 If the Noise Level in the Boat's wheel house , as determined at the Trials in accordance with and in the manner provided in the Specifications is more than 63 dB(A) but less than 68 dB(A) , the Builder shall pay EAPC, as Noise Deficiency Liquidated Damages, the amount of Euro 1,000 (One Thousand Euro) for each full 0.1 dB(A) (one-tenth of dB(A)). this without derogating from any other relief or remedy available to EAPC under the provisions of this Agreement or pursuant to any law.
- 12.6 If the noise level will exceed 68 dB(A) , such deficiency shall be deemed a material breach by the Builder of this Contract and EAPC shall have the right to terminate the Agreement accordingly, this without derogating from any other relief or remedy available to EAPC under the provisions of this Agreement or pursuant to any law.

13. Warranty of Quality

- 13.1 As stipulated in the Technical Specifications, the Builder shall give a full guarantee to the Vessel and its components for a period of twelve (12) months and a full guarantee to the main engine of the Vessel and to the generator for a period of twenty four (24) months which will start from the delivery to the port of Ashdod or Haifa to the satisfaction of EAPC (the “**Warranty Period**”).
- 13.2 All repairs made to the Vessel and its components during the Warranty Period shall be performed at the EAPC port of Ashkelon by Builder or its subcontractors. The Builder shall be solely responsible for all Licenses and travel expenses for any of its employees or subcontractors.
- 13.3 The Builder agrees upon the expiry of the Warranty Period to assign (to the extent which it may validly do so) to EAPC, or as EAPC may direct, all the right, title and interest of the Builder in and to all guarantees or warranties given by the supplier of any of the materials used in provision of the Services.
- 13.4 The Builder shall provide a warranty guarantee in favour of EAPC from a first-class international bank in the amount of ten percent (10%) of the Consideration in the form attached hereto as **Appendix G** . This warranty guarantee shall be valid from the beginning of the Warranty Period and during the period of twelve (12) months.
- 13.5 The Builder shall provide a warranty guarantee in favour of EAPC from a first-class international bank in the amount of ten percent (5%) of the

Consideration in the form attached hereto as **Appendix H**. This warranty guarantee shall be valid during the second year of the Warranty Period.

14. Confidentiality and Security

- 14.1 The Builder undertakes not to disclose to others, or use for its own benefit or for the benefit of anyone other than EAPC, or otherwise copy any document, plan, drawing, software, work order, performance procedure and any information or other detail to come to its attention or possession in the course of or in connection with the performance of this Agreement either directly or indirectly or which was created under the terms of this Agreement for EAPC, whether by the Builder or any other party (the "**Confidential Information**") except as required in the lawful performance of the Services.
- 14.2 The Builder undertakes to return the Confidential Information to EAPC within two weeks of the termination of this Agreement or at EAPC's first demand, and with respect of information or data stored in electronic form or which may not be returned to EAPC for any reason, the Builder undertakes to delete or erase or cause the deletion or cancellation thereof such that they cannot be recovered or restored.
- 14.3 The Builder is aware and acknowledges that access of the Builder's employees and/or subcontractors to any sites operated by EAPC, including the Confidential Information, shall be subject to the prior consent of EAPC with security screening conducted by EAPC's security unit. The Builder acknowledges that EAPC may, at its sole discretion, determine which of the personnel of the Builder, its subcontractors or any other party on its behalf may be allowed to perform the Services and/or to access any site operated by EAPC, this without providing any reasons for such determination.
- 14.4 The Builder declares that refusal of EAPC to grant security clearance to any of its employees, subcontractors, or any other party acting in its behalf which prevents or delays the performance of the Services on the Services Commencement Date shall not constitute a breach of this Agreement on the part of EAPC or otherwise grounds for the Builder not to fulfill any of its undertakings under this Agreement.
- 14.5 The Builder undertakes to fully comply with all instructions (oral or written) of EAPC's security personnel and of any other EAPC representative or other party on its behalf and not to allow any of its employees into any of EAPC's facilities if security clearance is denied to such employee, subcontractor or any other third party on its behalf. The Builder shall have no claim for damages or any other claim in this regard.

Without derogating from the above, the Builder shall immediately comply with the instructions of EAPC's security personnel to remove any of its

employees, subcontractors, or other party on its behalf from any EAPC site if required by EAPC's security unit; the Builder undertakes to return the access permits issued to such personnel to EAPC's security unit immediately upon request.

14.6 The Builder shall instruct its employees, subcontractors and any party on its behalf to fully comply with all instructions of EAPC's on-call security officers at any of EAPC's facilities and allow them to conduct a search of their vehicles and person and to present EAPC's officers with valid identification.

15. Parties' Relations

15.1 The parties agree that the Builder is an independent contractor and nothing in this Agreement or any of the terms hereof shall create or be deemed to create employer-employee relations between the Builder and EAPC.

15.2 All employees to be engaged on the Builder's behalf for the purpose of performing its undertakings under this Agreement will be deemed to be employees of the Builder alone, and no employer-employee relations will exist between them and EAPC.

15.3 The Builder hereby declares that it shall notify all those employed by it in the performance of this Agreement, either directly or indirectly, that there shall be no employer-employee relations between such employees and EAPC.

15.4 Nothing in this Agreement is intended, or shall be deemed to create a partnership or joint venture of the Parties and neither Party may bind or hold itself out as being authorized to bind the other Party without such Party's prior written consent.

16. Assignment of rights

The Builder may not transfer or assign, in whole or in part, any of its rights or obligations under this Agreement without the express prior written consent of EAPC. Any transfer or assignment, or attempted transfer or assignment, in contravention of this Clause, whether by operation of any applicable law or otherwise, shall be null and void. Approval of any such transfer or assignment by EAPC of the Builder's rights or obligations under this Agreement shall not release the Builder from its responsibility to EAPC hereunder.

17. Waiver

Any waiver, extension, forbearance, concession, indulgence or delay (each, a "**Waiver**") on the part of EAPC in the exercise of any of its rights under this Agreement shall be of no force or effect if it has not been made and signed in

writing by EAPC, and it shall not be deemed a Waiver of any subsequent breach of the same or similar right.

18. Term and Termination

18.1 This Agreement shall enter into force on the date hereof and shall continue through the Warranty Period.

18.2 EAPC may terminate this Agreement or perform any of the services itself or using a third-party if the Builder (1) commits a material breach as defined in the applicable law or as stipulated in this Agreement or (2) commits a breach of any of the other terms of this Agreement which is not cured within 7 days of delivery of notice thereof to the Builder. The performance of the services or any part thereof by EAPC or any third party shall be at the expense of the Builder and in addition to any and all of other rights of EAPC pursuant to any applicable law and in accordance with the other provisions hereof.

18.3 For the purpose of this Section, a breach of the following provisions shall be deemed a material breach of the Agreement:

18.3.1 Failure by the Builder to meet any Milestone or any such anticipated failure, including a Permissible Delay lasting for a period exceeding ninety (90) days.

18.3.2 The Builder's material and equipment, or parts pertaining to the Vessel, are seized or encumbered and such event materially affect the completion of the Vessel, arising from debt incurred by or claims against the Builder.

18.3.3 Failure by the Builder to comply with any requirement of the Technical Specifications or any such anticipated failure.

18.3.4 Failure by the Builder to comply with its undertakings in Clauses 2,3, 5, 6, 7, 8, 9, 11, 12, 13 and 14.

18.4 EAPC may terminate this Agreement without prior notice to the Builder upon the occurrence of any of the following events:

18.4.1 If a special, interim or permanent administrator, examiner, receiver, liquidator or similar officer is appointed over any the Builder, its property or over the Builder's rights under this Agreement;

18.4.2 If the Builder ceases to conduct its business for a period exceeding 30 consecutive days;

18.4.3 The Vessel becomes, before delivery, a total or constructive total loss, or is regarded as such by the parties.

18.4.4 The Builder, without prior written consent of EAPC, removes the Vessel from the shipyard or assigns, sub-lets or subcontracts

performance of all or a material part of its obligations, except as provided for in this Agreement.

18.4.5 If the Builder assigns this Agreement, in whole or in part, to another or employs a subcontractor in performing the services without EAPC's prior written consent; or

18.4.6 If the Builder ceases to perform this Agreement or any of the services hereunder.

18.5 In the event of termination of this Agreement by EAPC pursuant to Sec. 18.2 or 18.2 above, EAPC shall be entitled to a refund of the full amount of all sums paid by EAPC to the Builder on account of the Vessel plus minimum agreed damages of 10%, in addition and without derogating from any other relief or remedy available to EAPC under the provisions of this Agreement or pursuant to any law .

19. Miscellaneous

19.1 This Agreement, including its appendices, contains the entire agreement and understanding between the parties as to the subject matter of this Agreement and supersedes all prior agreements, arrangements, commitments, representations, writings and discussions between them. Neither of the parties will be bound by any other prior obligations, conditions, warranties, or representations with respect to the subject matter of this Agreement.

19.2 In the event of any conflict between this Agreement and any other document, including, *inter alia*, the Builder's Bid, the terms of this Agreement shall prevail, other than in the event of any contradiction between this Agreement and the Technical Specifications, in which case the Technical Specifications will prevail.

19.3 Headings have been inserted as a matter of convenience for reference only and shall not control or affect the meaning or construction of any of the terms or provisions of this Agreement.

19.4 No variation or modification of this Agreement shall be effective or binding unless reduced to writing and signed by both Parties.

19.5 Any notice sent to a Party's address specified in this Agreement shall be deemed to have reached its destination within 3 days of the date it was delivered and, if delivered in person, upon delivery.

19.6 This Agreement and the Parties' rights and obligations thereunder shall for all purposes be solely and exclusively governed by, and construed and enforced under, the laws of the State of Israel and any dispute hereunder

shall be subject to the exclusive jurisdiction of the competent civil court in the southern district of Israel.

19.7 Each of the Parties shall comply with the provisions of the applicable federal, state and local laws, regulations, rules and ordinances applicable to this Agreement, including, without limitation, any applicable sanctions or embargo laws and anti-corruption rules and regulations, including the US Foreign Corrupt Practices Act. Each Party shall, following the other Party's reasonable request, certify such compliance to the other Party in writing.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement.

EAPC

Builder

.....

.....

Signature & Stamp

Signature & Stamp

Appendix A – Technical Specifications

Appendix B – Builder’s Bid

Appendix C- Plans and Drawings

Appendix F to the Agreement – Bank Guarantee

Bank

Branch

Address

Date: _____

Europe Asia Pipeline Company Co. Ltd.

POB 801

Ashkelon 78101

Dear Sir/Madam,

Re: Bank Guarantee No. _____ in the amount of

At the request of(the "**Applicant**"), we, the undersigned, hereby guarantee to you the payment of any amount that is or will be due to you up to the amount of(.....) (the "**Guarantee Amount**"), in connection with the agreement entered into by you and the Applicant as of..... in connection with a Purchase a Multipurpose Boat.

We will pay you the above Guarantee Amount within 5 days of receipt of your first written demand, without any conditions, without imposing on you the duty of establishing and/or proving your demand, without your having to request the payment from the Applicant first and/or without regard to any defenses the Applicant may have with respect to your demand or of your claims.

Your demand for payment from us may be made once or several times, for the entire Guarantee Amount or any part thereof, all providing your demand shall not be for more than the Guarantee Amount.

This guarantee will remain in force until the date upon the signature of the Protocol of Physical Delivery and full acceptance which will take place in Haifa or Ashdod Port in Israel .

This guarantee will be null and void thereafter This guarantee is autonomous, irrevocable and cannot be cancelled other than following receipt by us of a written notice thereof from you.

Yours sincerely

Bank Branch
.....

Name & Signature

Appendix G to the Agreement – Warranty Guarantee - 12 months

Bank

Branch

Address

Date: _____

Europe Asia Pipeline Company Co. Ltd.

POB 801

Ashkelon 78101

Dear Sir/Madam,

Re: Bank Guarantee No. _____ in the amount of \$ ____.

At the request of [NAME OF BUILDER] (the "**Applicant**"), we, the undersigned, hereby guarantee to you the payment of any amount that is or will be due to you up to the amount of \$_____[10% of the Contract Price] (_____ US dollars) (the "**Guarantee Amount**"), in connection with the agreement entered into by you and the Applicant as of [] 2021.

We will pay you the above Guarantee Amount within 5 days of receipt of your first written demand, without any conditions, without imposing on you the duty of establishing and/or proving your demand, without your having to request the payment from the Applicant first and/or without regard to any defenses the Applicant may have with respect to your demand or of your claims.

Your demand for payment from us may be made once or several times, for the entire Guarantee Amount or any part thereof, all providing your demand shall not be for more than the Guarantee Amount.

This guarantee will remain in force until _____ [**30 DAYS FOLLOWING THE END OF THE WARRANTY PERIOD**] inclusive and every requirement according to it must be sent to us at the above address by that date. This guarantee will be null and void thereafter.

This guarantee is autonomous, irrevocable and cannot be cancelled other than following receipt by us of a written notice thereof from you.

Yours sincerely

Bank Branch
.....

Name & Signature

Appendix H to the Agreement – Warranty Guarantee – second year

Bank

Branch

Address

Date: _____

Europe Asia Pipeline Company Co. Ltd.

POB 801

Ashkelon 78101

Dear Sir/Madam,

Re: Bank Guarantee No. _____ in the amount of \$ ____.

At the request of [NAME OF BUILDER] (the "**Applicant**"), we, the undersigned, hereby guarantee to you the payment of any amount that is or will be due to you up to the amount of \$_____[5% of the Contract Price] (_____ US dollars) (the "**Guarantee Amount**"), in connection with the agreement entered into by you and the Applicant as of [] 2021.

We will pay you the above Guarantee Amount within 5 days of receipt of your first written demand, without any conditions, without imposing on you the duty of establishing and/or proving your demand, without your having to request the payment from the Applicant first and/or without regard to any defenses the Applicant may have with respect to your demand or of your claims.

Your demand for payment from us may be made once or several times, for the entire Guarantee Amount or any part thereof, all providing your demand shall not be for more than the Guarantee Amount.

This guarantee will remain in force until _____ [**30 DAYS FOLLOWING THE END OF THE WARRANTY PERIOD**] inclusive and every requirement according to it must be sent to us at the above address by that date. This guarantee will be null and void thereafter.

This guarantee is autonomous, irrevocable and cannot be cancelled other than following receipt by us of a written notice thereof from you.

Yours sincerely

Bank Branch
.....

Name & Signature