

- - Agreement - -

Written and signed on the _____ of _____

- Between -

Delek Motors Ltd.
P.C. 15-517451-3
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 Workshop**")
Workshop Name: _____
Address: _____
Tel: _____
P.C.: _____
Ministry of Transport license number: _____

On the other hand

Whereas	the Company is, inter alia, the importer and general, exclusive distributor in Israel of cars manufactured by BMW and Mini (Hereinafter: " the Cars ");
And whereas	the Company imports and/or distributes in Israel, directly and/or through affiliated companies, inter alia also accessories and Spare Parts for these Cars (hereinafter: " the Spare Parts ");
And whereas	the Owner of the Workshop has offered that the Company appoint him as an authorized workshop for the Cars, and the Company agrees to accept the Owner of the Workshop'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. Workshop Owner Declarations

The Owner of the Workshop hereby declares and confirms the following:

- 2.1. He is the Owner of the Workshop, 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, the instrumentation and Manpower necessary for running a Workshop according to the Company's requirements.
- 2.4. He has all the permits, licenses and certificates required by the Ministry of Transport to run a Workshop, including certificates of qualification of the professional employees, and he is attending to obtaining the missing permits and authorizations for a business license, which he will present to the Company by no later than July 1, 2013.
- 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.

3. Authorization

- 3.1. Based on the declarations of the Owner of the Workshop as per the abovementioned, the Company hereby grants the Owner of the Workshop authorization for the Workshop to serve as an Authorized Workshop for the cars.
- 3.2. The Owner of the Workshop 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 its requirements, as these may be from time to time. Without derogating from the aforementioned, **it is hereby made clear and agreed that failure to fulfill the requirements specified under this Agreement, will result in cancellation of the authorization.**

- 3.3. The Company grants authorization to the Owner of the Workshop as per the abovementioned Clause, subject to the terms and directives listed below.

4. Form, appearance and location of the Workshop

- 4.1. The Owner of the Workshop 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 Workshop 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 Workshop 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 Workshop 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.
- 4.4. The Owner of the Workshop declares and confirms that he is aware that the Car Manufacturer may impose penalties on the Company in case of non-compliance with the Manufacturer's requirements on all matters concerning the form, appearance and operation of the Workshop. Therefore the Owner of the Workshop declares and confirms that in the event of a penalty being imposed on the Company as per the above due to his violation of these or other commitments, including due to act or omission on his part in contradiction of the Manufacturer's procedures and/or the Company's procedures, the Owner of the Workshop will be penalized respectively and will indemnify the Company for any damage and/or loss incurred due to this, and provided that the said Manufacturer requirements were known to the Owner of the Workshop in advance through circulars/letters/procedures and/or other means through which Delek Motors usually informs the Service Centers of such requirements.
- 4.5. It is made clear that the Company will be permitted to perform inspections at the Workshop from time to time, in the form of Manufacturer Inspections, and imposition of penalties on the Owner of the Workshop. The performance, or the lack of performance of such inspections shall not impose any liability on the Company and/or release the Owner of the Workshop from the duty to fulfill his commitments.

5. **Agreement based on the identity of the Owner of the Workshop**

- 5.1. The Owner of the Workshop 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.
- 5.2. 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.
- 5.3. The transfer of a right and/or duty of the Owner of the Workshop by him, and/or its 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.
- 5.4. If the Owner of the Workshop 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 Workshop toward the Company according to the instructions of this Contract.
- 5.5. The Owner of the Workshop 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. The Company shall not refuse to grant its consent unless this is due to reasonable concerns only.
- 5.6. In the event the Owner of the Workshop is an individual and he seeks to incorporate and register a company, the provisions of the abovementioned Clause, mutatis mutandis, shall apply, provided advance written consent has been given by the Company and on condition that the Owner of the Workshop will be personally accountable to the Company for fulfilling all of the obligations according to this Agreement.
- 5.7. The Owner of the Workshop 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 (the Workshop will be reporting as per the Clause 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.

- 5.8. The Owner of the Workshop shall report to the Company on the Workshop's professional employee roster, with certifications for all the Workshop departments and also of any changes which will take place in this makeup, even if the Company has not demanded such reporting. The Workshop owner shall immediately report any departure of a certified employee, who is listed in the Workshop's license, to the Company, and shall recruit a substitute employee within 2 months. The Owner of the Workshop undertakes to report the changes to the Ministry of Transport according to the provisions of any applicable law.
- 5.9. The Owner of the Workshop 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 Workshop will manage his business under his exclusive responsibility and exclusively at his expense as an "independent contractor".
- 6.2. The Owner of the Workshop 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 Workshop 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 Workshop undertakes to inform the abovementioned to each and every employee.
- 6.3. The Owner of the Workshop 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.
- 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 Workshop 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 Workshop 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 Workshop 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. The abovementioned shall apply only in case of a Demand for Payment which falls under the Workshop's responsibility as per the above.

7. Auditing and inspection

- 7.1. The Owner of the Workshop 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 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 Cars that has been provided by the Workshop, the total inventory quantities kept at the Workshop and automotive parts purchased by the Workshop directly from the Company. The Owner of the Workshop undertakes that every three months, he will provide the Company with information regarding the types of automotive parts that have been purchased by the Workshop during the past three months, their catalog number and the name of the manufacturer of the said automotive parts; and also -

- 7.3. The Owner of the Workshop 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 Workshop hereby declares that he has in his possession all of the licenses, permits and certificates required by the Ministry of Transport to run and operate the Workshop, and that he undertakes to produce without delay, and no later than July 1, 2013, 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, to maintain their validity at all times in the future, 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 Workshop undertakes to produce a copy of the permits in his possession to the Company immediately following the signing of this Agreement.
- 8.2. Furthermore the Owner of the Workshop undertakes to fulfill, and to make sure 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.
- 8.3. 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 Workshop and shall be payable by him.

9. Insurance

- 9.1. The Owner of the Workshop 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 as detailed in Clause 9.2 below, and to meticulously fulfill all of the instructions of these insurance policies.
- 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.

9.2.2. Third-party Liability insurance

Third-party Liability insurance, with a liability limit of no less than \$ _____ 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 and 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 Including Professional Liability
Workshop Liability insurance and professional liability insurance, with a liability limit of no less than \$ _____ per event and for the insurance period. This insurance shall not be subject to any limitation as to the liability resulting from a fire and/or explosion, theft, burglary, products sold by the Insured or supplied by the Insured, crane elevator and lifting devices, employee dishonesty and professional liability of any kind.

The insurance coverage shall be extended to cover the Company and/or its affiliates due to its liability for the Workshop's acts and 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 \$ _____ 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.

- 9.3. Should the Owner of the Workshop believe there is a need to obtain complementary and/or additional insurance, in addition to the abovementioned insurance, the Owner of the Workshop undertakes to obtain the said additional and/or complementary insurance. The Owner of the Workshop further undertakes that any additional and complementary insurance he may obtain, shall include a clause waiving the right of substitution vis-à-vis the Company and its affiliates or will extend the name of the insured to include the Company and its affiliates subject to the cross liability clause, as the case may be.
- 9.4. 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.
- 9.5. The Owner of the Workshop undertakes to update from time to time the insurance amount for the insurance issued under Clause 9.2.1 above, so as to always reflect the full value of the object of the insurance being insured according to it.
- 9.6. The Owner of the Workshop undertakes to submit to the Company, within 30 days after signing the Agreement, 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.
- 9.7. The Company is at liberty to inspect the insurance certificates that will be provided by the Owner of the Workshop and the Owner of the Workshop undertakes to make any change that will be required in order to adapt them to the commitments made by the Owner of the Workshop.
- 9.8. 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 Workshop's liabilities according to this Agreement.
- 9.9. The Owner of the Workshop 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 Workshop shall cover and pay all of the taxes, fees, and other compulsory payments related to the Workshop and/or its maintenance and/or operation.

- 10.2. 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 Workshop 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 -
- 10.3. The Owner of the Workshop 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 Workshop 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. To dispel any doubt, the obligation of the Owner of the Workshop to provide the said service shall apply even on a free import Car as per the Company's definitions.
- 11.3. 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.
- 11.4. The Owner of the Workshop undertakes to handle customer inquiries in accordance with the Company's guidelines.
- 11.5. The Owner of the Workshop undertakes to maintain and run the Workshop to a high level of professionalism and to this end, to employ employees with the required certifications and professionals of a high level of professionalism, and to employ a sufficient number of such employees. The Owner of the Workshop shall not be permitted to employ subcontractors, with the exception of special cases, if the Company will permit the employment of such individuals in writing and after obtaining the Company's prior approval of their identity, provided that the Owner of the Workshop 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.

- 11.6. The Owner of the Workshop undertakes to maintain the Company's good reputation and the good reputation of its cars.
- 11.7. The Owner of the Workshop shall devote all of his time, energy, knowledge and experience to managing the Workshop.
- 11.8. The Owner of the Workshop 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. Any signage and other means of advertising which the Owner of the Workshop will seek to add inside the Workshop or outside it, shall require the Company's advance approval.
- 11.9. The Owner of the Workshop 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.
- 11.10. The Owner of the Workshop undertakes to use - in the Workshop's signs - logos and trademarks the Company has granted him the right or permission to use.
- 11.11. The Owner of the Workshop 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 and the service.
- 11.12. The Owner of the Workshop shall be permitted to use signs, advertisements and documents referring to other Cars, provided he has followed the Company's guidelines on brand separation as the Company will define and according to the law.
- 11.13. The Owner of the Workshop shall send foremen and senior employees on courses and/or workshops that will take place from time to time by the Company and/or which will be scheduled by the Company and/or the manufacturer from time to time, whether or not the training is free or charge, 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 Workshop 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.
- 11.14. The Owner of the Workshop 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 Workshop, and the monthly payment shall be determined at the time of the delivery, similarly to the way it will be determined concerning the Company's authorized Workshops.

- 11.15. The professional literature will be provided by the Company to the Owner of the Workshop, at his expense.
- 11.16. The Owner of the Workshop will keep the location where the Workshop is run, orderly and exceptionally 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.
- 11.17. The Owner of the Workshop 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.
- 11.18. The Owner of the Workshop 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.
- 11.19. 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.
- 11.20. The Owner of the Workshop undertakes to immediately report to the VP Service or the Customer Service 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.
- 11.21. The Owner of the Workshop undertakes to immediately report to the Company's Service Division (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.
- 11.22. Prior to any repair and/or servicing, the Owner of the Workshop 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 of the Ministry of Transport, and he shall obtain the Customers' consent prior to performing any repair and/or servicing, including prior to performing any additional repair.
- 11.23. The Owner of the Workshop 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.
- 11.24. The Owner of the Workshop 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.

- 11.25. 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 Workshop 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 Workshop alone shall bear the consequences of any such claim of the Customer.
- 11.26. The ruling by the Company's VP Service that the Workshop must refund money to the Customer shall be binding to the Owner of the Workshop and he shall have no right of appeal.
- 11.27. To dispel any doubt, the Owner of the Workshop 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 Workshop undertakes to indemnify and compensate the Company for any such suit immediately on demand by the Company.
- 11.28. The Owner of the Workshop undertakes, 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.
- 11.29. The Owner of the Workshop 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 Workshop 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 Workshop 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 Workshop.
- 11.30. The Owner of the Workshop undertakes to provide his customers a substitute BMW vehicle and a MINI in cases where the Customer's vehicle has to remain in the Workshop overnight, all in accordance with the Company procedures as these will be specified and/or updated from time to time.
- 11.31. The Owner of the Workshop undertakes to offer the Workshop customers a service consisting of collection and return of the vehicle, as will be defined by the Company and as it will be instructing the Company from time to time.

12. **Spare Parts**

- 12.1. The Owner of the Workshop undertakes to use only original Spare Parts, or parts and accessories (hereinafter: **"Spare Parts"**) compliant with the quality and compatibility requirements specified by the manufacturer.
- 12.2. 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:
 - 12.2.1. 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.
 - 12.2.2. When the Company warrants a Spare Part, as stated in Clause 12 A of the Supervision of products and services order (manufacture of transport products and the trading in them), 5743-1983, provided the Company or anyone acting on its behalf bears the entire cost of the said Spare Part.
 - 12.2.3. 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.
- 12.3. The Owner of the Workshop 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. Should the Owner of the Workshop notify the vehicle owner that the product released for him is not under the Company's warranty, the Workshop shall be required to make it clear to the vehicle owner that Clause 13 A of the Supervision of products and services order (manufacture of transport products and the trading in them), 5743-1983, requires the Supplier from which the Spare Part was purchased to provide a warranty for the proper functioning of the product, and that the fact in itself of installing a Spare Part, which is not under the Company's Warranty, shall not adversely impact the Vehicle Warranty. The Workshop shall make it clear as per the above in such a way that there will be no misleading of the Vehicle Owner, whether directly or indirectly.
- 12.4. The Owner of the Workshop shall display the Spare Parts at his place of business in a purpose-built warehouse, the area of which shall be no less than 50 square meters, and he shall make sure they are stored in good, serviceable and clean condition, well-kept.

- 12.5. The Owner of the Workshop shall appoint an employee of the appropriate training and skills as a full-time “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.
- 12.5.1. The Owner of the Workshop 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.
- 12.5.2. Spare Parts the Owner of the Workshop purchases from the Company and/or from a different entity, if instructed to do so, 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”**).
- 12.6. The Spare Parts the Owner of the Workshop will purchase from the Company shall be purchased through a purchase order, which shall be fulfilled using a computer in the On-Line system, which is linked to the Company computer (hereinafter: **“Ordering Method”**).
- 12.6.1. The Owner of the Workshop 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 Workshops or specifically for the Workshop (hereinafter: **“Spare Part Inventories”**).
- 12.6.2. The Owner of the Workshop shall maintain the Spare Parts Inventory through a computerized system, such that there will be a complete on-line match between the inventory on the shelves and the inventory as it appears on the Workshop computer.
- 12.6.3. The Owner of the Workshop 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.
- 12.7. 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 Workshop.
- 12.8. The cost of the Spare Parts shall be paid to the Company according to the terms of payment, which are Current + 30 days and/or as will be updated by the Company from time to time.

13. Warranty Service

- 13.1. The Owner of the Workshop 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"**).
- 13.2. The Owner of the Workshop declared 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 Workshop.
- 13.3. The Owner of the Workshop 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 Workshop will regularly submit to the Company, every night, through the Musachit 2000 system, a listing of all the services and/or maintenance and/or repairs of a part or accessory done by the Workshop, 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"**), in order to provide a network-wide solution for all of the works done on Cars.
- 13.7. Any part and/or accessory replaced by the Workshop as part of the service under the Warranty or Servicing, shall be kept in the Workshop in a separate, dedicated warehouse, which will serve for storage of these items only. The items shall be stored, tagged and managed on a computer system in accordance with the Company procedures. Additionally, the Company will be permitted to demand, from time to time, that these Spare Parts be submitted to it and these will be sent to the Company, free of charge, according to the Company procedures, within a period to be determined. The items shall be destroyed only after written permission has been given.

- 13.8. The Company will pay the Owner of the Workshop the following amounts for the service provided under the Warranty and/or service agreement, as detailed above:
- 13.8.1. 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.
- 13.8.2. For the labor the Workshop will perform under the Warranty Service or Maintenance - 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 or Maintenance, the amount of which will be determined from time to time by the Company.
- 13.8.3. Payment in kind for outside work shall be done in accordance with the Company's procedures.
- 13.9. The Owner of the Workshop 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 Workshop 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 Workshop will be performing works under the warranty, the payment due for the work as per Clause 13.8.2 shall be paid. Payment for the Spare Parts shall be paid to the Owner of the Workshop as per Clause 13.8.1 above.
- 14.3. The Workshop payments to the Company for the purchase of Spare Parts, tools, professional literature and/or any other product that will be supplied by the Company and/or anyone acting on its behalf, 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.
- 14.4. The Owner of the Workshop declares that he is aware of, and understands that the Manufacturer's Standard Time presents the maximum standard time for charging the Customer and that he is permitted, and authorized, to charge for work time to an amount that shall not exceed the manufacturer's standard time.

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 six 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 Workshop shall have no claim and/or demand whatsoever, including compensation of one kind or another, 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. Upon demand from the Company, the Workshop owner shall return the signs to the Company and if the signs were acquired from the Company by the Owner of the Workshop, he will be entitled to a refund equal to 25% of the nominal amount paid for them, after having produced an invoice proving the acquisition.
 - 15.3.3. Upon demand from the Company, the Owner of the Workshop 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.

- 15.3.4. The Owner of the Workshop 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.).
- 15.3.5. 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 Workshop 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 days 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 Workshop 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 Workshop 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 Workshop 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 Workshop's assets and/or its business managers (or any one thereof) will be under a foreclosure order; and if the Owner of the Workshop 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 Execution Office proceedings will be initiated against the abovementioned (or any one thereof) and the foreclosure and/or the Execution Office proceedings are not cancelled within 10 days from the day the foreclosure or Execution Office proceedings were imposed (as the case may be);
- 15.4.8. A Receipts of Assets order has been issued against the Owner of the Workshop 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 Workshop; and/or if the Owner of the Workshop 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 Workshop, 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 Workshop 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 Workshop 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 Workshop 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 Workshop 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 Workshop 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 Workshop 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 Workshop 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, whether directly and/or indirectly, and they 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.
- 16.3.
- 16.4. To guarantee payment of the payments due from the Owner of the Workshop 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 Workshop undertakes to take all measures necessary to be covered by credit insurance, which will be done through the Company. The Owner of the Workshop undertakes to cooperate with the credit insurance company of the Company's choice and shall produce all of the documents, data and information it will request. The Owner of the Workshop hereby authorizes the Company to charge him for credit insurance, and he undertakes to sign any document that may be required for this purpose.
- 16.5. 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.

- 16.6. 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.
- 16.7. 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.
- 16.8. 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.
- 16.9. Nothing in this Agreement may confer to the Owner of the Workshop any exclusivity whatsoever within the city limits of the local authority in which he is located and/or in any other city limits.
- 16.10. 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 Workshop, whether under this Agreement or in any other way whether or not these are fixed debts.
- 16.11. 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.
- 16.12. 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.
- 16.13. 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 Workshop 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.
- 16.14. This Agreement includes and expresses all of the agreed undertakings between the parties. This Agreement nulls any previous agreement or document between the parties, or their substitutes and between the Workshop and Kamur. **To dispel any doubt it is clarified and emphasized in particular, that this Agreement cancels any Permit Agreement given to the Owner of the Workshop in the past concerning the cars, Workshop services and distribution of Spare Parts and the Owner of the Workshop will not be entitled to any rights whatsoever under any prior Agreement whatsoever.**

- 16.15. 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.
- 16.16. The parties' addresses for this Agreement are as stated in the introduction.
- 16.17. 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 Workshop 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

Certificate of Insurance

To
____ Ltd.
POB 200
Nir Tzvi 72905

Re: _____ Ltd. (hereinafter: "____")
Agreement signed on the _____
Between You and _____
(Hereinafter: "Owner of the Workshop")
Regarding the Workshop _____

We are hereby pleased to confirm that as of the _____, our Company has issued the insurance policies detailed below, in the name of the Owner of the Workshop in accordance with Clause 9 of the said Agreement.

1. Property Insurance

- 1.1. Insurance of the Workshop structure and its contents including vehicles being serviced which are owned by him or are under the responsibility of the Owner of the Workshop - against any loss or damage as a result of fire, 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.
- 1.2. The insurance includes an explicit condition according to which the Insurer waives the right of substitution (subrogation) vis-à-vis _____ Ltd. 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.

2. Third-party Liability insurance

- 2.1. Third-party Liability insurance, with a liability limit of no less than \$ _____ per event and for the insurance period.
- 2.2. 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.
- 2.3. The Insurance has been extended to cover _____ Ltd. and/or companies affiliated to it due to its liability for the Workshop's acts and 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.

3. Workshop Liability Insurance Including Professional Liability

3.1. Workshop Liability insurance and professional liability insurance, with a liability limit of no less than \$ _____ per event and for the insurance period. This Insurance shall not be subject to any limitation as to the liability resulting from a fire and/or explosion, products sold by the Insured or supplied by the Insured, crane elevator and lifting devices, employee dishonesty and professional liability of any kind.

The insurance coverage has been extended to cover _____ Ltd. and/or its affiliates due to its liability for the Workshop's acts and 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.

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

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

The abovementioned insurances include an explicit clause according to which they supersede any insurance issued by _____ Ltd. and/or companies affiliated to it and that the Insurer waives any claim or demand concerning the sharing of the insurances of _____ Ltd. and/or companies affiliated to it. Furthermore the insurer undertakes that the abovementioned insurances shall not be reduced or cancelled unless written notice to that effect will be served to _____ Ltd. by registered mail 60 days in advance.

Subject to the conditions and reservations of the original policies to the extent they have not been specifically modified in accordance with the abovementioned.

Sincerely,

Insurer Signature and
Stamp

Signatory Name

Signatory Role