

LIP-AS Liquidity Increment Program through Asset-Backed Securities

CONTRACT IFC-LIP-AS/20/02/04-71

Between **XXX** acting for itself and for the benefit of new company to be established under the working name **XXX** Financial LTD

and  **International Finance Corporation LTD**

THIS CONTRACT is made on

PARTIES:

XXX and its financial company XXX Financial LTD, represented by its administrator and in this capacity duly authorized to sign this Agreement, acting on behalf of

(In this Contract referred to as the "Client", "Party One" or "P1"),

AND

International Finance Corporation LTD
Ayalon House, 16th Floor, P.O.B. 3306
12 Abba Hillel Silver Street
Tel Aviv (Ramat Gan), 53216
Israel

Represented and signed by Dr. Michael Herzog, President (with sole signature)

(in this Contract referred to as "the Implementer", "Party Two" or "P2")

Purpose: A. PARTY ONE is **XXX**.

To solve this problem/ improve the situation/ support P1, PARTY ONE needs to show its financial capability through a verifiable and registered financial instrument on its own name with an acceptable rating and

underlying and therefore seeks to issue such an instrument utilizing the services and underlying know-how- of PARTY TWO.

B. When a project has been attributed to PARTY ONE or

when P1 decides to **XXX**, PARTY ONE needs liquidity to pre-finance certain stages of the project by itself.

Therefore, PARTY ONE seeks a financial Instrument that can be placed on the market to fund its projects independently without having to undergo a lengthy credit bank procedure following Basle II or III where not enough assets are available, at the moment, to successfully complete such a procedure.

Confirmations to each other:

- [1] Party TWO confirms that on its own or through or in conjunction with its associated financial institutions PARTY TWO can implement, operate, manage the assets prudently and issue or cause issuing of such financial instruments and assets for underlying under this contract.
- [2] PARTY ONE confirms by signing of this contract that Party ONE understands the language of this contract, that the contract has been explained to PARTY ONE thoroughly and that all the signatories had enough time to get legal advice through their lawyer(s) and that they had analysed, understood and accepted the procedure.
- [3] Party ONE confirms as well that this operation securing an asset for underlying as part of a broader financial transaction involving a bond, certificate or securitization and a share deal is as all similar financial transactions, both speculative and risky and therefore involves a significant risk of loss.
- [4] Party ONE confirms that P1 is willing to assume the economic, legal and other risks involved; is experienced and knowledgeable enough in such matters to understand the whole structure of the transaction but has not done such a transaction by itself alone and has experience in the bond market as a buyer; and is financially able to assume losses or total losses. Party ONE confirms that Party TWO has explained to Party ONE all the possible risks of this operation, which Party ONE confirms to have understood and accepted. Party ONE confirms that the money to be paid as fees is not its sole money or the biggest part of its money, that PARTY ONE is financially sound, that the money comes from a legal source and that the contractual negotiations with PARTY TWO that started Monday, November 16, 2020 created no liabilities on PARTY ONEs side and that

there are no verbal agreements or contracts besides the written text of this agreement.to him

Both Parties confirm to each other that the Account General Conditions Agreement signed at account opening at IFB and the General Deed of Pledge and Assignment Authorisation to re-pledge for own account Agreement are part of this contract. Both agreements are an attachment to this contract. PARTY ONE confirms by signing of this contract that Party ONE understands the language of the Account General Conditions Agreement and of the General Deed of Pledge and Assignment Authorisation to re-pledge for own account Agreement, that these agreements have been explained to PARTY ONE thoroughly and that all the signatories had enough time to get legal advice through their lawyer(s) and that they had analysed, understood and accepted the procedure therein.

The Parties agree as follows:

A. CONDITIONS OF CONTRACT

1 INTERPRETATION

1.1 In this Contract, unless the contrary intention appears:

Contract means this Contract under which the Implementing Services are to be provided to the Client;

The Implementing Services means the services set out in Item (22) of the Schedule;

Confidential Information means information that:

- a. is by its nature confidential;
- b. is designated by the Client as confidential; or
- c. the Implementer knows or ought to know is confidential;

Contract Material means the material required to be provided to the Client as part of the Implementing Services and is set out in Item (23) of the Schedule;

Implementing Fee	Is the total amount payable to the Implementer for the provision of the Implementing Services and is set out in 25.2.3 of the schedule;
Delegate	means the Client's representative for the purposes of the Contract and is set out in Item (26) of the Schedule;
Definition of Document	includes: <ul style="list-style-type: none">a. any paper or other material on which there is writing;b. any paper or other material on which there are maps, figures, symbols or perforations to interpret them; andc. any article or material from which sounds, images or writings are capable of being reproduced with or without the aid of any other article or device;
Intellectual Property	Is the complete range of intangible property rights including all copyright (including rights in relation to phonograms and broadcasts), all rights in relation to inventions (including patent rights), plant varieties, registered and unregistered trademarks (including Project marks), registered designs, and circuit lay-outs, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields whether created before, on or after the commencement of the Contract;
Material	includes information and the subject matter of any category of Intellectual Property rights;
Parties	means the Client and the Implementer;
Person	Includes a body corporate;
Project	means the LIP-AS Project,
Support Personnel	means any person employed by the Implementer and who have been approved by the Client to carry out all or part of the work constituting the Implementing Services in accordance with Clause 5 of the Contract;

Time Frame means the period within which the Implementing Services must be provided and is set out in Item 24 of the Schedule

Writing means any representation of words, figures or symbols capable of being rendered in a visible form.

Bank is a commercial bank conducting conventional banking operations.

Corporate Debt Instruments are securities in the form of debt instruments consisting of Treasury Bills and Corporate Bonds.

Treasury Bills are Corporate Debt Instruments with maturity of up to 12 (twelve) months, bearing interest paid on a discount basis.

Corporate Bonds are Corporate Debt Instruments with maturities of more than 12 (twelve) months, carrying coupons and / or bearing interest paid on a discount basis.

Primary Market is the activity of the bidding and sale of Corporate Debt Instruments for the first time.

Secondary Market is the activity of trading in Corporate Debt Instruments previously sold (in part or totally) on the Primary Market.

Bidder is a Bank, Money Market Brokerage Company, and/or Securities Company appointed by the Minister of Finance as eligible to participate in Auction of Corporate Debt Instruments.

Debt Instruments **Bonds, certificates or securitizations**

Discount is the difference between market price and nominal value.

Yield to Maturity or Yield is the gain expected by an investor, expressed as an annual percentage.

Competitive Bidding	is the placing of bids stating volume and discount rate or yield desired by the bidder.
Non-Competitive Bidding	is the placing of bids stating the volume without the discount rate or yield desired by the bidder.
Auction of Corporate Debt Instruments	is the sale of Corporate Debt Instruments by means of Competitive Bidding and/or Non-Competitive Bidding placed by Bidders during a previously determined and announced bidding period.
Central Registry is	a Bank performing the function of registration of ownership of securities, including Corporate Debt Instruments, for the account of Banks, Sub-Registries, and other parties approved by the Central Bank to be defined.
Sub-Registry	is a Bank and institution conducting operations as custodian, appointed by Bank for registration of ownership of securities, including Corporate Debt Instruments, for the account of customers.
Delivery Versus Payment,	hereinafter referred to as DVP, is a mechanism for transaction settlement for Corporate Debt Instruments conducted simultaneously with fund settlement at Bank.
Free of Payment,	hereinafter referred to as FoP, is a mechanism for transaction settlement for Corporate Debt Instruments in which securities settlement is conducted in the Central Registry while fund settlement is conducted not simultaneously with securities settlement or securities settlement is conducted without fund settlement.
Item/Clause	are words used to describe sections of this Contract and shall be considered as having the same meaning

1.2 In this Contract, unless the contrary intention appears:

- a. words importing a gender include any other gender;

- b. words in the singular include the plural and words in the plural include the singular;
 - c. clause headings are inserted for convenient reference only and have no effect in limiting or extending the language of provisions to which they refer;
 - d. words importing persons include a body whether corporate or otherwise;
 - e. all monetary references are to EUROS unless another currency is specified.
- 1.3 This Contract records the entire agreement between the Parties in relation to its subject matter.
- 1.4 No variation of this Contract is binding unless it is agreed in writing and subsequently signed between the parties.
- 1.5 Any reading down or severance of a particular provision does not affect the other provisions of this Contract.

2 EVIDENCE OF CONTRACT AND PRECEDENCE

- 2.1 The terms of the Contract between the Client and the Implementer are those appearing in:
- a. The Conditions of Contract; and
 - b. The Schedule to the Contract.
- 2.2 In the event of any inconsistency between the Conditions of Contract and the Schedule to the Contract, the Conditions of Contract shall prevail.
- 2.3 The Contract:
- a. constitutes the entire agreement between the Parties in this matter
and
 - b. supersedes all prior representations, agreements, statements and understandings, whether verbal or in writing.

3 PROVISION OF IMPLEMENTING SERVICES

- 3.1 The Implementer agrees to:
- a. perform the Implementing Services with all skill, care and diligence and in an efficient and professional manner in accordance with the terms of the Contract;
 - b. provide the Contract Material (Items 22+23) as part of the Implementing Services;

3.2 As well to:

- c. comply with the Time Frame for the performance of the Implementing Services specified in Item (24) of the Schedule;
- d. and liaise with the Delegate (Item 21) and provide any information the Delegate or the Client through the Delegate may reasonably require and comply with any reasonable request made by the Delegate related to the Implementing Services.

4 PAYMENT FOR IMPLEMENTING SERVICES

- 4.1 The Client agrees to pay to the Implementer the Implementing Fee in total either upfront or deposit the fees in its own account with IFB through IFC till ISIN number has been registered by Bloomberg, for instance, and costs set out in 25.1.1 of the schedule. This does not apply to the upfront payment for the receipt of the ISIN set out in Item (25.1.8). The Client shall make payment to the Implementer in accordance with the terms set out in Item (25) of the Schedule after invoicing.
- 4.2 The Implementer acknowledges that the Implementing Services must be completed in accordance with the Contract before the Implementer becomes entitled to any payment under the Contract. This does not apply to the upfront payment for the receipt of the ISIN set out in Item (25.1.8).
- 4.3 The Client shall make payment to the Implementer within 5 days after receipt of a correctly rendered invoice.
- 4.4 An invoice is correctly rendered if:
 - a. the amount claimed and specified in the invoice is correctly calculated in accordance with the Contract;
 - b. the Implementing Services are completed to the satisfaction of the Delegate;
 - c. the invoice correctly addressed to the Client care (of the Delegate).
- 4.5 Without derogating from any other right the Client may have, with the exception for the advance payment described in Clause 25.1, the Client may be entitled to defer payment of the Implementing Fee or any part thereof until the Implementer has completed the Implementing Services to the satisfaction of the Client. Item 16.3 and 16.4 apply.

5 SUBCONTRACTORS AND EMPLOYEES

- 5.1 The Implementer agrees not to subcontract or to employ any other person in the performance of any part of the Implementing Services, besides persons or companies that belong to Implementer with a minimum of 51% of its shares or capital, without prior approval in writing from the Client.
- 5.2 The Client may impose any terms and conditions it considers appropriate when P2 giving its written approval in advance.
- 5.3 This does expressly not restrict the capability of implementer to subcontract any other reputable professional structure of good standing to expedite the contract goals even without approval of the Client.

6 RESPONSIBILITY OF IMPLEMENTER

The Implementer agrees to be fully responsible for the performance of the Implementing Services and for ensuring compliance with the requirements of this Contract,

7 RESPONSIBILITY OF CLIENT

- 7.1 Members of the Client shall make themselves available to the Implementer during work hours to be interviewed in relation to the Implementing Services.
- 7.2 The Client shall grant access to the Implementer to view any data or information reasonably required by the Implementer in relation to the Implementing Services.
- 7.3 The Client shall assist the Implementer with arranging for consultation meetings with stakeholders for the purposes of the Implementing Services.
- 7.4 The Client will participate and engage itself as reasonably required to foster the purpose of the contract and make available to implementer in a timely fashion all necessary data and all relevant projects (for road-shows, for instance) to be able to create the financial instruments with the help of the involved subsections (as for subsidies, etc.) and prevent any hindrance that the client is capable of avoiding from any governmental sub-section to speed-up the transaction.
- 7.5 The client has to pay according to schedule

8 INTELLECTUAL PROPERTY IN CONTRACT MATERIAL

- 8.1 Intellectual Property in all Contract Material vests or will vest in the Client in accordance with the requirements set out in Items 23 of the Schedule.
- 8.2 If requested by the Client, the Implementer agrees to bring into existence, sign, execute or otherwise deal with any document, which may be necessary or desirable to give effect to Clause 8.
- 8.3 The Implementer warrants that he is entitled, or will be entitled at the relevant time, to deal with the Intellectual Property in the Contract Material in the manner provided for in Clause 8.
- 8.4 Any studies, reports or other material, prepared by the Implementer especially and customized for the Client under this Contract shall become the property of the Client in the moment of fully payment of the negotiated remunerations.
- 8.5 Any disclosure or use of the Contract Material for purposes outside the Project is subject to prior written approval from the Implementer and the Client.

9 INFORMATION, CONFIDENTIALITY AND NON CIRCUMVENTION

- 9.1 The Implementer agrees not to disclose to any person, other than the Client, any Confidential Information relating to the Client and this Contract or the Implementing Services without prior written approval from the Client.
- 9.2 The Client may at any time require the Implementer to give, and to arrange for his officers, employees, agents and subcontractors engaged in the performance of the Implementing Services to give, prompt undertakings in writing in a form required by the Client, relating to the non-disclosure of Confidential Information.
- 9.3 The obligations on the Implementer under Clause 9 will not be taken to have been breached where the information referred to is legally required to be disclosed by court or comparable (for example governmental) order.
- 9.4 The obligations under Clause 9 shall survive the expiration or termination of this Contract.

9.5 Confidentiality:

- 9.5.1 The parties shall at all times maintain complete and absolute confidentiality regarding this contract, the issuing of the Security adopted hereunder and all transactions and profit distributions occurring hereunder, each other's business, business sources and affiliates, and each other's proprietary knowledge and know-how, and will disclose such information to third parties only pursuant to the express written permission of the party which made available the information. This contract shall be kept confidential and shall not be reproduced, communicated or distributed in any manner whatsoever except as required by clause 9.3.
- 9.5.2 Nothing set out in the foregoing clauses 9.1-5 prohibits or restricts the disclosure of information on a "need to know basis" to the attorneys, accountants, bankers, directors, senior officer and/or partners of either party and other governmental authorities or agencies entitled in law to the information.

9.6 Non-Circumvention:

- 9.6.1 Each party agrees with the other that, during the continuance of this CONTRACT and for a period of five (5) years after its termination, neither party will solicit or accept business or financial remuneration, directly or indirectly, from any source, made known and/or available to it, whether knowingly or unknowingly, by the other party, without the prior express written permission of such other party, as used in the clause 9.6, each of the terms "party" and "source" includes:
- I. In the case of an individual, his or her relatives, agents, representatives, partners, business associates, any business entity in which the individual owns five per cent (5%) or more of the outstanding equity interest and/or any business entity for which the individual is an officer, director, agent or other representative or derives an economic benefit, whether directly or indirectly; and
 - II. in the case of a business entity, its officers, directors, shareholders, partners, affiliates, subsidiaries, associated entities, agents, representatives and any other business entity in which the first mentioned business entity owns, directly or indirectly, five per cent (5%) or more of the outstanding equity interest

9.7 Valued Relationships :

9.7.1 PARTY ONE EXPLICITLY acknowledges the proprietary interest of PARTY TWO in, and the high value and commercial importance to PARTY TWO of its relationships with its associated or Contracted trading, financial and other resource entities and any other securities firms, bank or financial institutions involved in any way with the conduct of any LIP-AS adopted under this CONTRACT and the maintaining of the operational integrity of such relationships, and accordingly agrees that PARTY ONE will not do, or omit to do, anything at any time that a reasonable person would not do which might or does void, terminate or otherwise adversely affect these relationships and/or their operational integrity in any way whatsoever, including without limitation, communicating or attempting to communicate with any such trading, financial or other resource entity or such securities firm, bank or financial institution in reference to this CONTRACT, any LIP-AS adopted hereunder or any transactions contemplated hereunder.

10 COMPLIANCE WITH LAW

10.1 The Implementer agrees, in carrying out this Contract, to comply with all laws of Israel

11 CONFLICT OF INTEREST

11.1 The Implementer warrants that, to the best of its knowledge after making diligent inquiry, at the date of commencement of the Implementing Services that no conflict with the interests of the Client exists or is likely to arise in the performance of the Implementing Services.

11.2 If, during the performance of the Implementing Services, a conflict of interest arises, or appears likely to arise, the Implementer agrees to:

- a. notify the Client immediately in writing;
- b. make full disclosure of all relevant information relating to the conflict or apparent or likely conflict; and
- c. take such steps as the Client may reasonably require to resolve or otherwise deal with the conflict.

11.3 If the Implementer does not notify the Client or is unable or unwilling to resolve or deal with the conflict as required under this Clause, the Client may terminate this Contract in accordance with the provisions of this Clause or Clause 15.

12 INDEMNITY

12.1 The Implementer and Client agree to indemnify each other from and against:

- a. liability incurred by the other Party due to negligence in the performance of the Implementing Services;
- b. loss of or damage to property of the other Party caused by the officers, employees, agents or subcontractors of a Party;
- c. loss or expense incurred by the other Party in dealing with any claim against it including legal costs and expenses resulting from any act or omission by the other Party, its officers, employees, agents or subcontractors in connection with this Contract;
- d. any breach by the other Party of its obligations under this Contract, including any loss or damage attributable to any such breach; and
- e. any use or disclosure by the other Party, its officers, employees, agents or subcontractors of Confidential Information held by him or them or controlled by him or them in connection with this Contract if the information is not public known already.

12.1.1 The Implementer's liability to indemnify the Client under sub-clause 12.1 will be reduced proportionately to the extent that any negligent act or omission of the Client contributed to the relevant liability, loss or damage.

12.1.2 The Client's liability to indemnify the Implementer under sub-clause 12.1 will be reduced proportionately to the extent that any negligent act or omission of the Implementer contributed to the relevant liability, loss or damage.

12.2 The obligations under Clause 12 shall survive the expiration or termination of this Contract.

12.3 OTHER WARRANTIES

12.3.1 In order to secure the cost of the emission in case that the issuing of the bond/certificate/securitization is not executed, PARTY ONE will manage for the client a financial warranty that will cover PARTY ONE's financial participation excluding possible fees and costs inured to this transaction.

12.3.2 This service is included in the operation, costs of the warranty will be paid by the client.

13 Ensuring the exit bond/certificate/securitization buyers

- 13.1 Party One agrees to transfer control of 50% of the financial operation in shares or quota of Operation/ business to Party Two until the financial instrument has been repaid or for as long as any obligations remain in connection with this Agreement to ensure the exit bond/certificate/securitization buyers (see Item (29) of the Schedule) for all the Implementer's obligations under this Contract, including those which survive the expiration or termination of the Contract.
- 13.2 PARTY TWO will exercise its controlling obligations and the use of the funds in the project through a controller to be nominated by PARTY TWO. PLEDGE without transfer of possession: PARTY ONE agrees to hand over **to PARTY TWO** the above mentioned shares/ quota of operation / business, fulfilling all obligations related to the possession.

14 DISPUTE RESOLUTION

- 14.1 The Parties agree that any dispute arising during the course of this Contract will be dealt with as follows:
- a. first, the Party claiming that there is a dispute will send to the other a notice setting out the nature of the dispute;
 - b. secondly, the Parties will try to resolve the dispute by direct negotiation, including by referring the matter to persons who may have authority to intervene and direct some form of resolution;
 - c. thirdly, the Parties have 30 working days from the sending of the notice under 14.1a to reach a resolution or to agree that the dispute will be submitted to mediation or some other form of alternative dispute resolution procedure;
- and
- d. lastly, either party may commence legal proceedings if:
 - i. there is no resolution or agreement; or,
 - ii. there is a submission to mediation or some other form of alternative dispute resolution procedure, but if there is no resolution within 30 working days of the submission, or such extended time as the parties may agree in writing before the expiration of the 30 working days.

- 14.2 Where a matter becomes a dispute in accordance with Clause 14, either party may, within 48 hours' notice to the other party, suspend the performance of the Implementing Services until such time as the dispute is resolved.
- 14.3 Clause 14 does not apply to either party commencing legal proceedings for urgent interlocutory relief.

15 TERMINATION OF CONTRACT

- 15.1 The Client may, upon mutual agreement with Implementer, terminate at any time by notice, or reduce the scope of this Contract immediately.
- 15.2 Upon receipt of a notice of termination or reduction under sub-clause 15.1 the Implementer agrees to:
- a. stop work as specified in the notice;
 - b. take all available steps to minimize loss resulting from the termination or reduction and to protect Contract Material; and
 - c. continue work on any part of the Implementing Services not affected by the notice.
- 15.3 Where there has been a termination under sub-clause 15.1, the Client shall be liable only for:
- a. payments under Item 25 of the Schedule for services rendered before the client's effective date of termination; and
 - b. actual costs incurred by the Implementer which are directly attributable to the termination.
- 15.4 In relation to any payment under sub-clause 15.3b, the Client shall not be liable to pay an amount which would, in addition to any amounts paid or due, or becoming due, to the Implementer under this Contract, together exceed the costs set out in Item 25 of the Schedule.

- 15.5 Notwithstanding anything herein to the contrary, in the event any act of god, war, insurrection or civil disobedience, or the enactment or rescinding of any law, or the act or omission of any government, court, tribunal, commission, authority or bank or officer thereof, or any other act or thing beyond the actual control of either of PARTY TWO makes it impossible for any LIP-AS to be continued effectively, PARTY TWO may terminate such LIP-AS by notice to that effect given to the other party.
- 15.6 If the LIP-AS is terminated by PARTY TWO pursuant this paragraph, then clause 9 shall remain in full force and effect for five years.

16 TERMINATION FOR DEFAULT

- 16.1 Where a party fails to reasonably satisfy any of its obligations under this Contract, the other party may give notice requiring that the failure be remedied within a period of fourteen (14) days and if not remedied within that time, may terminate the Contract immediately.
- 16.2 Best Efforts Basis: PARTY ONE expressly acknowledges that the issuing of securities and related liquidity increments as contemplated herein
- I. are on a best efforts basis only; and
 - II. can be adversely affected by changes to market and economic conditions; and
 - III. CAN BE DISRUPTED PERIODICALLY AND EVEN TERMINATED PRIOR TO COMPLETION OF THE TERM OF THE INVESTMENT BY ENTRUSTED SUPRA-GOVERNMENTAL OR GOVERNMENTAL FINANCIAL AUTHORITIES AND THEREFORE NO PERCENTAGE OR GUARANTEE OF LIQUIDITY RETURN IS QUOTED OR IMPLIED BY PARTY TWO.
- 16.3 If the Client chooses to terminate or stop the contract without any fault by the Implementer, the fees (item 25.1.1 pro client rata) and agreed sums up to the point of the termination or stop will be due immediately
- 16.4 If the Client chooses to terminate or stop the contract because of reasons not connected with the implementer, client will be liable for an indemnity or damages or further costs of 20% of item 25.1 up to the sum of 2 Million Euro. Further claims will be decided by the pertinent court.

17 NEGATION OF EMPLOYMENT, PARTNERSHIP AND AGENCY

- 17.1 The Implementer agrees not to represent himself, and to use his best endeavors to ensure that his officers, employees, agents and subcontractors do not represent themselves, as being an officer, employee, partner or agent of the Client, or as otherwise able to bind or represent the Client.
- 17.2 The Implementer is not by virtue of this Contract an officer, employee, partner or agent of the Client, nor does the Implementer have any power or authority to bind or represent the Client.

18 WAIVER

- 18.1 If a party does not exercise (or delays in exercising) any of its rights, that failure or delay does not operate as a waiver of those rights.
- 18.2 A single or partial exercise by a party of any of its rights does not prevent the further exercise of any right.
- 18.3 In Clause 18, 'rights' means rights or remedies provided by this Contract or at law in Israel.

19 ASSIGNMENT AND NOVATION

- 19.1 The Implementer cannot assign its obligations, and agrees not to assign its rights, under this Contract without, in either case, prior written approval from the Client.
- 19.2 The Implementer agrees not to consult with any other person for the purposes of entering into an arrangement that would or could require novation of the Contract without first consulting the Client and coming to a mutual agreement.

20 APPLICABLE LAW AND GENERAL CONDITIONS

- 20.1 This Agreement is governed by and shall be construed in accordance with the laws of England.
- 20.2 In the event any aspect of this CONTRACT is disputed by either of the PARTIES, such dispute shall be settled by arbitration under the rules of conciliation and arbitration of the international chamber of commerce by one arbitrator appointed under such rules. The place of arbitration shall be London, UK, and the court of arbitration the London Court of International Arbitration (LCIA), 70 Fleet St, London EC4Y 1EU, United Kingdom. The arbitration shall be conducted in the ENGLISH LANGUAGE. The arbitration shall be binding upon the PARTIES and any decision may be entered only in the Tel Aviv District Court, Weizmann Street 1, Tel Aviv - Yaffo, Israel as court of the exclusive jurisdiction. Both Parties waive any right to challenge jurisdiction or venue in the Tel Aviv District court with regard to any suit, action, or proceeding under or in connection with the Agreement. Any part of this CONTRACT declared null and void and legally unenforceable does not render the entire CONTRACT null and void. The remaining parts shall continue in full force and effect, and if feasible, the PARTIES shall agree upon such reasonable amendments in writing to this CONTRACT as may be necessary to permit the INVESTMENT to continue on a basis consistent with that contemplated herein.
- 20.3 This CONTRACT shall not be assigned by either party without the express written consent of the other party. Subject to the foregoing provisions this CONTRACT shall endure to the benefit of and be binding upon the respective successors and assigns of the PARTIES taking clause **Error! Reference source not found.** into consideration.
- 20.4 This CONTRACT may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. A party delivering this CONTRACT by fax shall immediately serve by courier the counterpart of this CONTRACT that bears such party's signature and such counterpart shall be binding upon such party.

21 NOTICES

- 21.1 Any notice, request or other communication to be given under this Contract is to be in writing and dealt with as follows:
- I. if given by the Implementer to the Client – marked for the attention of the Delegate at the address indicated in Item I of the Schedule; or

- II. if given by the Client to the Implementer – signed by the Delegate and
 - III. marked with the address indicated in the Schedule.
- 21.2 Any notice, request or other communication is to be delivered by hand or sent by registered mail or transmitted electronically, and if it is sent or transmitted electronically a copy is to be sent to the addressee by registered mail.
- 21.3 A notice, request or other communication shall be deemed to be received:
- a. if delivered by hand, upon delivery;
 - b. if sent by registered mail, upon the expiration of 2 working days after the date on which it was sent, and;
 - c. if transmitted electronically, upon receipt by the sender of an acknowledgment that the communication has been properly transmitted to the recipient.

B. THE SCHEDULE OF CONTRACT

22 THE SERVICES (see clauses 1.1 and 3.1)

- 22.1 The services to be provided by the Implementer through IFC with support of Client are as follows:
- a. *Defining basket of proven Assets/Project together with Client,*

- b. *Auditing of the project by either PWC or KPMG or alike; fees/costs will be paid separately herefore by CLIENT*
- c. *Verification of the assets/project registries and licenses and*
- d. *Validation.*
- e. *Definition of debt instrument together with a central bank, buyers (i.e. IMF, European Central Bank, Federal Reserve, Norges Bank Investment Management, Government of Singapore Investment Corp., China Investment Corporation, Hong Kong Monetary Authority Investment Portfolio, Reserve Fund, Market Makers, etc.)*
- f. *and pre-issuing work (i.e. pre-marketing, road-shows with the assistance and support of Client, etc.)*

22.2 The services to be provided by the Implementer through IFB with support of Client are as follows:

- a. *Issuance, sale and administration of DEBT INSTRUMENTS through IFB or new Bank together with a Client and/or other Financial institutions (see Appendix A)*
- b. *The volume of debt instruments to be issued as part of this contract (volume contract) is: approximately ten times the amount needed.*
- c. *10% of the revenues generated by the selling of the corporate debt instruments will be dedicated to the project of the client.*
- d. *Implementer controls or can control the profit of the investment and secures the part agreed of the project profit for the bonus payment of the debt instrument buyers. The bonus part of the debt instrument will be defined together with the client and should meet the market situation.*

23 Required Contract Material (see clauses 1.1 and 3.1)

23.1 The Implementer is to produce to the Client at the completion of the Time Frame a comprehensive Draft Report in both hardcopy (3 copies) and USB-Stick format (1 copy) to Client's address (30).

23.2 The Contract Material is required to comply with the following format and requirements:

- a. *Comprehension Level – utilizing professional management language but made understandable to layman;*
- b. *Print Form – Arial, generally Font 11 or 12;*
- c. *Length – no more than 8,000 words;*
- d. *Format – Should be divided in general into headings, 'justify' paragraphs;*
- e. *Structure – table of contents, introduction, etc.*

24 Time-frame (see clause 3.1)

24.1 The Time Frame for provision of the Implementing Services, including the delivery of Contract Material shall be defined by the parties. The time-frame will be extended, if Client's side cannot supply data and assets in a timely fashion.

24.2 Activity Timeframe Outcomes and due dates

Pre-Phase:

CLIENT submits all necessary documents to IFC. IFC orders then the auditing of the project of CLIENT through one of the big 4 auditing companies. Payment of fees and cost by CLIENT.

Phase 1a by IFC

According to § 22.1 a-c

expected ***Time-Frame: one month after signature***

Phase 1b by IFC

- I. Implementation "Indirect Collateralized future Receipt" or "corporate bond" or "securitization" structure and platform

expected ***Time-Frame: 2-3 weeks after signature***

Phase 2 by IFC

- I. Definition of corporate debt instrument together with:
 - a. Client.
 - b. Central bank.
 - c. Buyers (i.e. IMF, European Central Bank, Federal Reserve, Government of Singapore Investment Corp., Norges Bank Investment Management, Chinese Investment Corporation, Hong Kong Monetary Authority Investment Portfolio, Market Makers, etc.)
- II. and pre-issuing work (i.e. pre-marketing, road-shows always with support and assistance of CLIENT, etc.)
- III. Definition of Details of the structure of the new security.

- a. Cash flow modelling, characteristics of the securities such as the tenor, rate of interest and other economic terms
- b. Definition of the rights of investors in the asset-backed security to prevent "hold out" problematic and implant "exit strategy"
- c. Corporate Debt Restructuring Mechanism (SDRM) priorities

*expected **Time-Frame: 1-2 weeks after Phase 1***

Phase 3 by IFB and Client and Central Bank or other Bank Institution

- I. Issuance, sale and administration of CORPORATE DEBT INSTRUMENTS through IFB -as 100% daughter of IFC- or new Bank together with Central Bank and/or other institutions according to Appendix A

*expected **Time-Frame: for issuance 1,5 weeks after Phase 2***

25 Payments (see clause 4.1)

25.1 Implementing Fees

The total Implementing Fee exclusive of VAT shall be paid in accordance with the following chart:

25.1.1 The total Asset Providing Fee of 1,5% of face value of the financial instrument exclusive of VAT shall be paid in accordance with the following chart:

25.1.2 Activity Outcomes and due dates Payment Conditions

25.1.2.1 Phase 1: Implementing fee payment of 2 Million Euro by PARTY ONE to its own account in IFB through IFC in cash transfer within 5 days after signature of the contract.

25.1.2.2 Phase 2: Rest of the implementation fees of up to 1,5% of the face value of a new to be issued security (deducting the 2 million transferred by Party TWO from its account by IFB) by IFC against a participation in the profits of the Party One Project (i.e. after deducting the bonus payment to the bond holders, if any, of 50%)

25.1.2.3 Phase 3: Payment of any costs of the operation like hotels and transportation will be paid by each party for themselves

25.1.3 Each (other) payment shall be made within five (5) working days according to this contract.

25.1.4 All Payments including fee payments according to article 14.4 of General Conditions of IFB shall be made to: IFC

- 25.1.5 The transfer of the implementing fees shall be made in one payment ASAP after signature of the present contract to PARTY ONE's account in IFB through IFC.
- 25.1.6 The quantity is **TWO MILLION EUROS (2.000.000,00 €)**
- 25.1.7 CLIENT herewith assigns to INTERNATIONAL FINANCE CORPORATION LTD the amount of TWO MILLION EUROS (2.000.000,00 EUROS) and makes this amount in total available on its own account for IFB/IFC after creation and submission of the Bond/Certificate/Securitization evidenced by ISIN code.
- 25.1.8 After signature of the contract and of submission by the Implementer of an invoice correctly identifying the Client, the CLIENT makes an upfront payment as part of the Implementing Fees to cover (processing) fees to get the ISIN code.
- 25.1.9 Each further payment shall be made within five (5) working days of the submission by the Implementer of an invoice correctly identifying the Client and indicating the outcome to which the payment relates as approved by the Client.
- 25.1.10 Payments shall be made to IFC or nominee.
- 25.2 Reimbursable expenses and allowances will be paid by each party themselves.
- 25.2.1 First Class Airfares or Private Jet or Business:
- 25.2.2 Per Diem for Food: Total per diem allowance at 150 € per day per person per day.
- 25.2.3 First Class Accommodations and **Taxis**.
- 25.3 Financial Fees
- 25.3.1 The financial fees for the emission of the bond/certificate/securitization to be equally divided, regarding the project and the assets will oscillate between 6% and 7% of the issuing volume. 7% shall be the maximum fee applicable.
- 25.3.2 This margin will depend of the day of emission of the bond/certificate/securitization in the market.
- 25.3.3 Financial cost of the emission includes structuring costs and payment to the intervenient as well as maintenance of the bond/certificate/securitization.

26 Delegate (see clauses 1.1 and 3.1)

26.1 The Delegate is the Chairman of the Board of PARTY ONE at the moment as named in the contract has responsibility under the Contract for general liaison with the Implementer, supervising the Implementer's performance, approving payment of the Implementer's costs (if applicable), and accepting and issuing any written notification under the Contract. The Client reserves the right to cancel or modify, within the terms and conditions of this Contract, any approach or activity of the Implementer in relation to this Implementing that the Client requires to ensure that such approach or activity is in line with the objectives of the Contract.

27 Use of Contract Material (see clause 8)

27.1 The Implementer shall ensure that the Contract Material specifically produced for and with the Client, including title to and ownership of intellectual property, shall vest upon its creation in the Client. On the completion or earlier termination of the Contract, the Implementer shall deliver to the Client all such specific Contract Material.

27.2 The Implementer shall ensure that the customized and/ or specific Contract Material is used, copied, supplied or reproduced only for the purposes of the Contract.

28 Existing Material (see clause 8)

28.1 The Implementer shall inform the Client of any pre-existing Material for which Intellectual Property is not to vest in the Client. This would arise typically in relation to Material owned by the Implementer, although it may also arise in relation to Material owned by a third party.

28.2 The Implementer must grant or procure the grant to the Client of a license to use the Material in the terms set out in Clause 8.

29 Client's Address for Notices (see clause 23.1)

29.1 The Client's Address for Notices is the address named in the contract,

29.2 The Implementer's Address for Notices is the address named in the contract.

Appendix A

30 FUNCTIONS OF INTERNATIONAL FINANCE BANK (or new Bank or Broker/Dealer) IN THE ISSUANCE, SALE AND PURCHASE, AND ADMINISTRATION OF CORPORATE DEBT INSTRUMENTS

To assist the Client in the management of Debt Instruments, IFB Bank (or new Bank) performs the following:

- a. Provide input for the formulation of provisions and requirements for issuance of Corporate Debt Instruments;
- b. Act as auction agent in the sale of corporate Debt Instruments on the Primary Market, including but not limited to the recommendation of criteria and requirements for Bidders, selection of candidate Bidders, announcement of Bidders, announcement of planned Auctions of Corporate Debt Instruments, holding of Auctions of corporate Debt Instruments, and announcement of decisions on the outcome of Auctions of Corporate Debt Instruments;
- c. May act as agent in the purchase and sale of corporate Debt Instruments on the Secondary Market for the account of and by request of the Client.
- d. Administer corporate Debt Instruments, including the registration of issuance and ownership, clearing and settlement, and payment agent for interest (coupon) payments and redemption of corporate Debt Instruments.

31 CHARACTERISTICS OF CORPORATE DEBT INSTRUMENTS

Corporate Debt Instruments administered by IFB (or new Bank or Broker/Dealer) have the following characteristics:

- a. issued in the form of notes, bonds, certificates, securitizations or in scriptless form;
- b. issued in the form of negotiable instruments or in the form of instruments not negotiable on the Secondary Market;
- c. corporate Debt Instruments are issued with maturity of up to 12 (twelve) months,
- d. with interest payment using the Discount system;
- e. corporate Bonds are issued with a maturity of more than 12 (twelve) months with variable rate, fixed rate, and/or interest payment using the Discount system.

32 AUCTION OF CORPORATE DEBT INSTRUMENTS

- a. IFB shall stipulate the criteria and requirements for Bidders.
- b. IFB (or new Bank or Broker/Dealer) shall conduct the selection of candidate Bidders based on the criteria and requirements referred to.
- c. IFB shall appoint Bidders based on the outcome of selection of candidate Bidders by IFB (or new Bank or Broker/Dealer) as referred to.

- d. IFB (or new Bank or Broker/Dealer) shall announce the Bidders.
- e. Any natural person, company, business partnership, association, or organized group may purchase corporate Debt Instruments on the Primary Market.
- f. Purchase of Corporate Debt Instruments on the Primary Market shall take place by the placement of bids with IFB (or new Bank or Broker/Dealer) through Bidders consisting of Banks, Money Market Brokerage Companies, and Securities Companies.
- g. During the Auction of Corporate Debt Instruments, Banks and Securities Companies may place bids for their own account and for the account of other parties, while Money Market Brokerage Companies may only place bids for the account of other parties.
- h. Bids in the Auction of Corporate Debt Instruments may be placed by means of Competitive Bidding or by a combination of Competitive Bidding and Non-Competitive Bidding.
- i. In the event that a Bidder places a bid for Corporate Debt Instruments for its own account, the bid may only be placed by means of Competitive Bidding.
- j. In the event that a Bidder places a bid for Corporate Debt Instruments for the account of another party, the bid may be placed by means of Competitive Bidding and/or Non-Competitive Bidding.
- k. IFB together with Client shall determine the allocation of Non-Competitive Bidding prior to conducting an Auction of Corporate Debt Instruments.
- l. IFB (or new Bank or Broker/Dealer) shall hold Auctions of Corporate Debt Instruments according to the needs of the Client.
- m. IFB (or new Bank or Broker/Dealer) shall announce the plan for Auctions of Corporate Debt Instruments on the basis of notification of Auction of Corporate Debt Instruments by the IFB.
- n. IFB shall determine the outcome and winning bids in the Auction of Corporate Debt Instruments.
- o. Determination of winning bids in the Auction of Corporate Debt Instruments shall be based on a system for determining the outcome of the Auction of Corporate Debt Instruments using the multiple price method or the uniform price method.
- p. IFB (or new Bank or Broker/Dealer) shall announce the outcome of the Auction of Corporate Debt Instruments to winning Bidders in the Auction of Corporate Debt Instruments on the day on which the Auction of Corporate Debt Instruments is held.
- q. IFB (or new Bank or Broker/Dealer) shall announce the overall outcome of the Auction of Corporate Debt Instruments to the public on the day on which the Auction of Corporate Debt Instruments is held.
- r. The Minister of Finance is entitled to reject any bids for Corporate Debt Instruments, whether in whole or in part.
- s. IFB (or new Bank or Broker/Dealer) shall announce the rejection of any bids for Corporate Debt Instruments, whether in whole or in part.

33 PURCHASE AND SALE OF CORPORATE DEBT INSTRUMENTS ON THE SECONDARY MARKET

- a. The Client may appoint IFB (or new Bank or Broker/Dealer) as agent for purchase and sale of Corporate Debt Instruments on the Secondary Market.
- b. In the event that IFB (or new Bank or Broker/Dealer) is appointed as agent IFB (or new Bank or Broker/Dealer) shall conduct the purchase and sale of Corporate Debt Instruments on the Secondary Market pursuant to a request by the Client.

34 ADMINISTRATION OF CORPORATE DEBT INSTRUMENTS

- a. IFB (or new Bank or Broker/Dealer) shall administer Corporate Debt Instruments in an electronic administration system.
- b. Administration of Corporate Debt Instruments as referred to in paragraph (31) shall encompass a system for registration of ownership, clearing, and settlement of transactions on both the Primary Market and the Secondary Market, payment of interest (coupons), and redemption of Corporate Debt Instruments at maturity.
- c. IFB (or new Bank or Broker/Dealer) may appoint another party to support administration (i.e. Clearstream, Euroclear, etc.)
- d. IFB (or new Bank or Broker/Dealer) has power to conduct supervision of any appointed other party

35 REGISTRATION OF OWNERSHIP OF CORPORATE DEBT INSTRUMENTS

- a. Registration of ownership of Corporate Debt Instruments shall be conducted in script-less form, and by means of book entry.
- b. Registration of ownership of Corporate Debt Instruments shall be conducted by a two-tier system by the Central Registry and Sub-Registries appointed by IFB.
- c. Electronic records of ownership of Corporate Debt Instruments in the Central Registry and Sub-Registry system shall constitute valid proof of ownership.
- d. The Central Registry may conduct the registration and change of ownership of Corporate Debt Instruments for the account of Banks, Sub-Registries, and other parties holding securities accounts at the Central Registry.
- e. Registration and change of ownership of Corporate Debt Instruments conducted by Banks and other parties not having securities accounts at the Central Registry shall be conducted using the offices of Sub-Registries.
- f. Sub-Registries may only conduct the registration and change of ownership of Corporate Debt Instruments for the account of customers.

- g. Registration of ownership of Corporate Debt Instruments in the securities accounts of Sub-Registries at the Central Registry shall be global (omnibus account).
- h. Registration of ownership by individual customers shall be administered by Sub-Registries by means of book entry.
- i. Registration of ownership of Corporate Debt Instruments in the securities account of a Sub-Registry at the Central Registry as referred to in paragraph (32) shall not constitute proof of ownership of Corporate Debt Instruments in the name of the Sub-Registry.
- j. Ownership of Corporate Debt Instruments in names of customers shall be recorded separately from the assets of the Sub-Registry.
- k. Sub-Registries are prohibited from maintaining accounts of Corporate Debt Instruments in their own name and for the account of the management board, shareholders, managers, and employees.
- l. Sub-Registries may charge administration fees to customers holding Corporate Debt Instruments.

36 TRANSACTION SETTLEMENT FOR CORPORATE DEBT INSTRUMENTS

Transaction settlement for Corporate Debt Instruments on the Primary Market shall be conducted as follows:

- a. Treasury Bills at 1 (one) working day after the day on which the auction of Treasury Bills is held (T+1);
- b. Corporate Bonds/certificates/securitizations no later than 5 (five) working days after announcement of the winning bids in the auction of Corporate Bonds/certificates/securitizations (T+5).
- c. Transaction settlement of Corporate Debt Instruments, whether on the Primary Market or on the Secondary market, shall consist of securities settlement and/or fund settlement.
- d. Transaction settlement of Corporate Debt Instruments, whether on the Primary Market or on the Secondary Market, shall be conducted on the basis of DVP or FoP.
- e. DVP settlement of Corporate Debt Instruments shall be conducted on the basis of the system for gross to gross settlement and/or the gross to net settlement.
- f. When conducting transactions in Corporate Debt Instruments, any party not holding a securities account at the Central Registry shall be required to appoint a Sub-Registry to conduct securities settlement.
- g. When conducting transactions in Corporate Debt Instruments, any party conducting DVP settlement of Corporate Debt Instruments and not holding a Euros demand deposit account at IFB (or new Bank or Broker/Dealer) shall be required to appoint a Bank to conduct fund settlement.
- h. Any party conducting transactions in Corporate Debt Instruments on the Secondary Market shall be required to have sufficient balance in the securities account at the Central Registry or at a Sub-Registry to meet liabilities incurred by securities settlement.

- i. Any Bank conducting transactions in Corporate Debt Instruments whether for its own account or for the account of another party shall be required to have sufficient balance in the Euros demand deposit account of the Bank at IFB (or new Bank or Broker/Dealer) to meet liabilities incurred by fund settlement.
- j. In the event that a Bank or another party conducting transactions in Corporate Debt Instruments is unable to meet liabilities incurred by securities settlement and/or fund settlement, the settlement of Corporate Debt Instruments in respect of that transaction shall be declared void.
- k. For the purpose of settlement of Corporate Debt Instruments, IFB (or new Bank or Broker/Dealer) has power to:
 - a. debit the securities account of an account holder at the Central Registry, whether for own account or for the account of another party;
 - b. debit the demand deposit account of the Bank at IFB (or new Bank or Broker/Dealer), whether for the account of the Bank concerned or for the account of another party.

37 INTEREST (COUPON) PAYMENT AND REDEMPTION OF CORPORATE DEBT INSTRUMENTS AT MATURITY

- a. IFB (or new Bank or Broker/Dealer) shall execute payment of interest (coupon) and redemption of Corporate Debt Instruments at nominal value at maturity date at the expense of the Client.
- b. At the request of the Government, IFB (or new Bank or Broker/Dealer) shall redeem Corporate Debt Instruments prior to maturity data at the expense of the Client.
- c. Redemption and interest (coupon) payment of Corporate Debt Instruments shall be conducted by IFB (or new Bank or Broker/Dealer) on the basis of the ownership of Corporate Debt Instruments recorded in the Central Registry.
- d. Sub-Registries and holders of Corporate Debt Instruments registered in the Central Registry, but not holding a local currency demand deposit account are required to appoint a Bank to receive payment of interest (coupons) and Client at maturity.

38 ADMINISTRATION FEES

- a. IFB (or new Bank or Broker/Dealer) may charge administration fees to Bidders for holding Auctions of Corporate Debt Instruments and
- b. Charge registration fees for Corporate Debt Instruments to holders of securities accounts at the Central Registry.

39 REPORTING

IFB (or new Bank or Broker/Dealer) shall report its activities in the administration of Corporate Debt Instruments to the Client on a periodic basis.

40 SANCTIONS

- a. In the event that a Bidder is placing a Non-Competitive Purchase Bid for its own account, and therefore fails to comply with the provisions, the Bidder shall be liable to sanctions of prohibition from participation in the Auction of Corporate Debt Instruments for 3 (three) consecutive times.
- b. In the event that a Bidder wins an Auction of Corporate Debt Instruments and does not settle liabilities by the settlement deadline for the reason that the Bank conducting fund settlement has insufficient balance in the demand deposit account of that Bank at IFB (or new Bank or Broker/Dealer), the entire outcome of the Auction of Corporate Debt Instruments for which settlement is conducted through that Bank shall be declared void.
- c. In regard to any cancelled transaction, the Bidder shall be subject to sanctions of prohibition from participation in the Auction of Corporate Debt Instruments for 3 (three) consecutive times.
- d. IFB (or new Bank or Broker/Dealer) may impose sanctions on an appointed Sub-Registry in respect of any violation of prevailing regulations.
- e. Sanctions may take the form of suspension or revocation of appointment as Sub-Registry.

41 CONCLUDING PROVISIONS

The regulations for implementation of this IFB (or new Bank or Broker/Dealer) Regulation shall be stipulated further in a Circular Letter of IFB (or new Bank or Broker/Dealer).

IN WITNESSTH THEREOF:

EXECUTED by

.....

for and on behalf of Party One

In the presence of:

.....

.....

("the Client"/ "PARTY ONE")



EXECUTED and **SIGNED** by

Dr. Michael Herzog, President
International Finance Corporation
LTD in the

presence of

("the Implementer"/ "PARTY TWO")

