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1. Agreement between the Second Television and Radio Authority and Thomson Broadcast

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**Agreement between the Second Television and Radio
Authority and Arelis Broadcast SAS**

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This Agreement for the Supply and Installation of Digital Terrestrial Television (DTT) Transmitters and Ancillary Equipment and the provision of Ancillary Services (the "Agreement") is entered into on this 3rd day of March, 2013, between The Second Television and Radio Authority of Israel (the "Authority") and Arelis Broadcast (the "Supplier")

- Whereas: The Authority and the Supplier entered into the Agreement for the Supply and Installation of Digital Terrestrial Television Transmitters and Ancillary Equipment and the provision of Ancillary Services on November 4, 2008 (the "2008 Agreement"); and
- Whereas: The Authority wishes to purchase from the Supplier additional Digital Terrestrial Television (DTT) Transmitters and Ancillary Equipment from Thomson for the expansion of its digital network, upon substantially similar terms to those of the 2008 Agreement; and
- Whereas: The Parties wish to set forth all the terms and conditions in respect of the Services (as defined below) contemplated hereby in the current Agreement;

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. **Interpretation**

1.1. In this Agreement, the following terms shall have the meanings ascribed to them below:

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|-------------------------------------|---|
| "Ancillary Equipment" | - The equipment and materials set forth in Section 2 of Appendix D. |
| "Ancillary Services" | - The Services described in Sections 3 and 4 of Appendices A, and in Appendix D; |
| "Broadcasting Station" | - Each of the broadcasting stations set forth in Appendix D, as may be modified pursuant to Subsection 5.3 hereof; |
| "Broadcasting Station Price" | - The price set forth in Appendix D in respect of each individual Broadcasting Station (<i>i.e.</i> the Transmitter for that station, its Ancillary Equipment, and Ancillary Services with respect thereto), in each case, less the proportional amount of the Special Volume Discount stated on page 60 of the SQE Quote section of Appendix D; |
| "Completion Approval" | - The Authority's approval of the results of the acceptance tests for the Transmitters at all the Broadcasting Stations and for the Ancillary Equipment; |

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- “Contract Price” - The Net Price stated on page 60 of the SQE Quote section of Appendix D;
- “Design Review” - The Design Review process described in Appendix A;
- “Effective Date” - The date on which this Agreement is signed by the Authority;
- “Initial Warranty Period” - The period of 36 months commencing upon Completion Approval;
- “Offer Documents” - The Supplier's offer documents, as agreed upon by the Supplier to the Authority, attached hereto as **Appendix D**.
- “Optional Services” - The Services described in Section 4 of Appendix A;
- “Services” - The supply and installation of digital terrestrial television (DTT) Transmitters and Ancillary Equipment and the provision of Ancillary Services, as described in the Appendices hereto, and including the Optional Services, if they are requested by the Authority;
- “Supervisor” - The chief engineer of the Authority, or any person as the Authority may designate as supervisor from time to time by written notice to the Supplier;
- “Timetable” - The timetable for the performance of the Services, included in Appendix D;
- “Transmitters” - The transmitters described in Appendix D;
- 1.1. The preamble and appendices to this Agreement form an integral part hereof.
- 1.2. The section headings shall not to be used to interpret the provisions herein and have been inserted solely for the sake of convenience.
2. **Representations**

The Supplier represents and warrants the following:

- 2.1. It is duly authorized and empowered to enter into this Agreement;
- 2.2. The execution and performance of this Agreement does not breach any of its contractual or other legal obligations or undertakings;
- 2.3. It has many years of experience in manufacturing and installing DTT transmitters and has the personnel, qualifications, knowledge and equipment capabilities required to provide the Services in their entirety and within the deadlines specified in the Timetable;
- 2.4. It is the sole and exclusive manufacturer of the Transmitters;

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- 2.5. It has full and unencumbered legal title to all the Transmitters and Ancillary Equipment, any intellectual property, documents, licenses and other assets to be used in the Broadcasting Stations, or shall acquire such title from third parties prior to their supply to the Authority;
 - 2.6. The Transmitter models listed in Appendix D shall be assembled and manufactured using only the Supplier's original parts and supplies, and shall conform to the Supplier's published and advertised specifications of the said models;
 - 2.7. The Supplier is ISO 9001 certified; and
 - 2.8. The Supplier has an adequately staffed service department that operates 24 hours a day, every day of the year, including full time customer service engineers, available for telephone and email assistance in English, and on-site service, when needed.
 - 2.9. Each Transmitter and all Ancillary Equipment is designed and built (a) to be free from malfunctions and from defects in design, material and workmanship, and (b) to be fit for the purposes for which it is intended as set forth in its respective product specifications described in Appendix D of this Agreement. Each Transmitter and all Ancillary Equipment is intended to operate properly under normal conditions and proper maintenance for not less than 20 years following Completion Approval.
3. **Provision of Services**
- 3.1. The Supplier shall perform the Services in their entirety, in accordance with the Timetable, for the consideration set forth in Appendix D, subject to the provisions of this Agreement.
 - 3.2. The Transmitters shall meet all the requirements set forth in Appendices B and D. They shall be designed, produced and inspected at the Supplier's plant and on-site in Israel, and shall be installed and commissioned at each Broadcasting Station pursuant to the Appendices hereto.
 - 3.3. The Ancillary Equipment shall meet all the requirements in Appendices B and D.
 - 3.4. The Supplier undertakes to provide the Services in compliance with all applicable laws and regulations, including without limitation, laws and regulations respecting health, occupational safety, security measures, labor relations, environmental protection, and secrecy of government information.
 - 3.5. The Supplier shall obtain all relevant authorizations from the Israeli Ministry of Communications for importing the Transmitters and the Ancillary Equipment, and all other authorizations and permits required by law for the purpose of providing the Services. The Supplier shall bear all costs in connection therewith, except as explicitly provided in

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Subsection 4.2 below. The Authority shall assist the Supplier in obtaining such authorizations and permits.

- 3.5A The Supplier shall install the Transmitters and Ancillary Equipment forming the respective Broadcasting Stations in a manner such that all Broadcasting Stations and the Ancillary Equipment function seamlessly, effectively, in full integration with the network of Transmitters, without interference to the function of the transmitters and communications equipment currently located in the Broadcasting Stations, and in accordance with the technical specifications set forth in Appendices B and D.
- 3.6. The Supplier shall ensure the interoperability of its software with the software and network of the Authority. The Authority shall provide the Supplier with all relevant information during the Design Review, and shall otherwise assist the Supplier in that regard. Thereafter, the parties shall cooperate and assist each other in ensuring the interoperability of the Authority's software and network with the Supplier's software.
- 3.7. The Supplier shall grant to the Authority licenses, sublicenses or other rights, as appropriate and necessary for the use of the Transmitters, Ancillary Equipment and related software, forming part of the Services, at no additional cost, for the Authority's purposes and in furtherance of its activities, and in accordance with Section 27. Such licenses, sublicenses and rights shall be perpetual, irrevocable, royalty-free, non-exclusive, personal, non-transferable and non-sub-licensable (except to a Third Party Operator as provided under Section 17 and to an assignee of the Authority under Section 19.3). The Authority shall not alter, modify, reverse-engineer or disassemble the Transmitters and Ancillary Equipment for any purpose other than its own internal purposes. The Authority shall not alter, modify, reverse-engineer or de-compile the software included in the Services.
- 3.8. The Authority grants to the Supplier, for the term of the Transmitters' and Ancillary Equipments' market life, a non-exclusive, non-transferable, and royalty-free license to use, reproduce, modify, sublicense or make derivative works of deliverables of the Authority to Supplier, if any, for the sole purpose of developing, manufacturing, supplying, and supporting the Transmitters and Ancillary Equipment provided to the Authority under this Agreement.

4. Shipping

- 4.1. The Transmitters and Ancillary Equipment shall be delivered DAP destination (Incoterms 2010) – such destination being the designated locations within the Broadcasting Stations – provided, however, that the Supplier shall also be responsible for releasing them from customs and for unloading and unpacking them at the relevant destinations. Accordingly, the Supplier shall bear all costs with respect to the foregoing (subject to Section 4.2), including without limitation any

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taxes and fees levied outside of Israel, exportation fees, shipment costs, storage fees (if any) and insurance. For the removal of doubt, the Supplier shall not be entitled to any consideration other than the consideration set forth in Section 24.

- 4.2. The import documents shall be in the name of the Authority and the Authority shall pay the customs duties and VAT which may apply to the importation of Transmitters and Ancillary Equipment into Israel, or reimburse the Supplier for such costs. The Supplier shall provide the Authority with all documents relevant for determining and evidencing the correct classification of the Transmitters and Ancillary Equipment for customs purposes.
- 4.3. The Supplier shall ensure that the Transmitters and the Ancillary Equipment are packed safely and securely such that they can withstand the various environmental and other conditions inherent to air, ground and sea transportation, as the case may be, and so as to prevent damages thereto.
- 4.4. Packages shall be labeled legibly and shall indicate the content, serial number of equipment, special opening and handling instructions, and the addresses of the Authority and the Supplier.
- 4.5. As per DAP (Incoterms 2010) and Section 4.1 of this Agreement, the Supplier shall be liable for any loss or damage to each Transmitter and to the Ancillary Equipment during shipping, unpacking and transportation to the relevant site (within the Broadcasting Stations). Transfer of risk to the Authority of each Transmitter or piece of Ancillary Equipment, shall occur upon proper delivery of such item in accordance with Section 4.1.

5. Timetable

- 5.1. The Supplier shall comply with the timeframes and deadlines set forth in the Timetable for each activity included in the Services.
- 5.2. Said timeframes and deadlines are fundamental to this Agreement. Accordingly, any delay in the Supplier's performance of the Services shall be deemed a fundamental breach of the Agreement and the Authority shall be entitled to the liquidated damages set forth in Section 29, except if such delay is attributable solely to the Authority or to *force majeure* (as defined in Section 33 below). In the event of an unexpected delay in the Timetable, attributable solely to the Authority, and in respect of which the Authority did not notify the Supplier at least two (2) weeks in advance, the Authority shall bear the reasonable direct costs incurred by the Supplier as a result thereof, provided that such costs are evidenced by the Supplier with relevant receipts.
- 5.3. Any change in the Timetable, including for reasons of *force majeure*, requires the written consent of the Supervisor. If, for reasons beyond the Authority's or the Supplier's control, any Broadcasting Station site is not available, the Authority shall promptly notify the Supplier of such unavailability and designate an alternative Broadcasting Station

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where the Transmitters must be installed (the "Alternative Broadcasting Station"). If such notice is provided after the Design Review set forth in Appendix A, the parties shall agree on the adjustments that must be made to the design and to the Timetable.

6. **Option to Purchase Additional Transmitters**

- 6.1. For a period of three (3) years from the Effective Date, the Authority may, at its option and sole discretion, purchase from the Supplier additional Transmitters and/or Ancillary Equipment, and Ancillary Services in respect thereof, under the same terms and conditions as those set forth in this Agreement, and for the lower of (a) the consideration set forth in Appendix D and (b) the then-current price charged by the Supplier to its customers ("the Option"). The Option may be exercised at any time and more than once.
- 6.2. The Authority may exercise its Option by providing a written order to the Supplier specifying the Transmitters, Ancillary Equipment and Ancillary Services that it wishes to purchase.
- 6.3. The timetable for the supply and installation of these Transmitters, Ancillary Equipment and Ancillary Services, shall be determined in accordance with the milestones set forth in the Timetable, and the timetable for payments in respect thereof shall be determined in accordance with the installment schedule set forth in Section 24 of this Agreement, provided that the relevant timeframes shall be computed as of the date of the purchase order.
- 6.4. Obligations regarding warranty service and provision of spare parts for these Transmitters, Ancillary Equipment and Ancillary Services, and the periods during which they apply, shall commence as of the date of satisfactory completion of their respective acceptance tests.

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8. **Acceptance Tests**

- 8.1. Acceptance tests shall be conducted at the factory and on site, as agreed between the Supplier and the Authority in accordance with Appendix A.
- 8.2. The Supervisor may attend every acceptance test. The Supplier shall notify the Supervisor in writing at least three (3) weeks before the date of planned tests.
- 8.3. For the removal of doubt, the Supplier shall provide its own testing equipment for all tests, whether at the factory or on site, and the costs of acceptance tests, including re-testing where required hereunder, shall be borne by the Supplier.
- 8.4. In the event that the acceptance tests do not yield results satisfactory to the Authority, the Supplier shall make any adjustments necessary, and the acceptance tests shall be conducted again, until the results are satisfactory to the Authority. Upon satisfactory completion of the on site acceptance tests for all the Transmitters and the Ancillary

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Equipment, the Authority shall issue a certificate of Completion Approval within five (5) business days; however, the Authority shall not withhold such certificate solely because of a Minor Defect, provided that the Supplier undertakes to remedy such Minor Defect within 10 days. For the purposes hereof, a "Minor Defect" shall mean a defect, failure, malfunction or other issue that arises from the site acceptance tests and that does not impact the overall functionality, features and performance of the Transmitters or the Ancillary Equipment, as the case may be.

- 8.5. If the Authority does not issue a certificate of Completion Approval within the time frame set forth in Section 8.4, then the Supplier may send a written notice to the Authority requesting such issuance. In the event that, within three (3) business days following the receipt of the Supplier's notice, the Authority does not issue the certificate and does not justify such non-issuance on grounds consistent with this Agreement, then the Supplier shall be entitled to issue a written statement of completion, which shall have the same effect as a certificate of Completion Approval issued by the Authority.
- 8.6. In the event the Authority or a party acting on its behalf puts the Transmitters and Ancillary Equipment into service on a continuous basis for the purpose of broadcasts to the public (except for acceptance test purposes), prior to successful completion of the acceptance tests, then acceptance of the concerned Transmitters and Ancillary Equipment shall be deemed satisfactorily completed, provided, however, that the Supplier shall remain responsible to remedy any Minor Defect within a period of 10 days.

9. Supplier's Guarantees and Warranty

- 9.1. The Supplier guarantees that during the Initial Warranty Period (and any extension thereof pursuant to this Section 9), each Transmitter and all Ancillary Equipment (a) shall be free from malfunctions and from defects in design, material and workmanship; (b) shall be fit for the purposes for which it is intended, as set forth in its respective product specifications described in Appendices B and D of this Agreement; and (c) shall function properly under normal conditions following Completion Approval.
- 9.2. The Supplier hereby agrees that, at the Authority's option, the warranty period for all Transmitters and Ancillary Equipment supplied to the Authority pursuant to the 2008 Agreement, and pursuant to any subsequent purchases made prior to the date hereof, shall be extended through the end of the Initial Warranty Period hereunder, in exchange for payment and according to the conditions, as set forth in the 2008 Agreement.
- 9.3. During the Initial Warranty Period (and any extension thereof pursuant to this Section 9), the Supplier shall either replace and install or repair, at its option and as required under the circumstances, any malfunction

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or defect occurring in any component of any Transmitter and/or Ancillary Equipment, or in their installation at the Broadcasting Stations.

The Supplier shall bear the cost of such repair, replacement and installation, including the cost of relevant equipment, spare parts, transportation, labor and customs and import taxes, if applicable. If necessary, the import document shall be in the name of the Authority, which shall pay the customs duties and VAT, and the Supplier will reimburse the Authority.

- 9.4. The Supplier's response times in the event of a malfunction or defect shall be as follows:
- 9.4.1. Within one (1) hour of being notified of the issue (the "Malfunction Notification"), the Supplier shall identify the source of the malfunction or defect and determine whether it can be resolved by remote action without sending a technician to the site, or whether a technician must be sent.
- 9.4.2. If the Supplier determines that the issue can be resolved by remote action, then the Supplier shall ensure that it is resolved within two (2) hours of the Malfunction Notification.
- 9.4.3. If the Supplier determines that a technician is required to be sent to the site in order to resolve the issue, then the Supplier shall ensure that:
- 9.4.3.1. Any "critical malfunction" (as defined below) is resolved within six (6) hours of the Malfunction Notification if the Broadcasting Station is located in central Israel, and within seven (7) hours if it is located in southern or northern Israel; and
- 9.4.3.2. Any other malfunction is resolved within eight (8) hours of the Malfunction Notification if the Broadcasting Station is located in central Israel, and within nine (9) hours if it is located in southern or northern Israel.
- 9.4.4. For the purposes hereof, "critical malfunction" means any error or malfunction causing a Transmitter or the Monitoring and Control Systems described in Appendix D to cease functioning, or causing the performance of a Transmitter to significantly diminish, such as an RF power reduction of more than 3 DB. Appendix D identifies the sites located in northern, central and southern Israel.
- 9.4.5. The response times set forth in Subsection 9.4.3 include the technician's arrival at the relevant site in Israel.
- 9.5. The Supplier shall ensure that its service department and customer service engineers are available 24 hours a day, every day of the year, for telephone and email assistance, in English, to the Authority and anyone acting on its behalf, and on-site service, when needed.

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- 9.6. The Authority may, at its option, extend the warranty beyond the Initial Warranty Period, under the same terms and conditions, for up to four (4) periods of one (1) year each, for a total of up to four (4) years (each one-year period being an “**Extended Warranty Period**”), by notifying the Supplier to that effect, at least 30 days prior to end of the Initial Warranty Period or Extended Warranty Period, as the case may be. The notification shall specify the Transmitters and Ancillary Equipment, in respect of which warranty coverage is requested.
- 9.7. The option to extend the warranty in any given year may be exercised even if no such option was exercised with respect to a previous year, up to four (4) years from Completion Approval, unless the Supplier has found that a malfunction or defect has occurred during that previous year and the Authority has not repaired it.
- 9.7A. The Supplier’s warranty does not cover materials and software already covered by a third party manufacturer, provided that the Supplier supplies to the Authority, on a timely basis, all warranty documents necessary to attest to and enforce such third party warranty.
- 9.7B. The Supplier’s warranty obligations shall not apply to any defect arising directly from (a) improper handling or storage of the Transmitters or Ancillary Equipment or part thereof by the Authority; (b) the use, repair and/or maintenance of the Transmitters or Ancillary Equipment or part thereof by the Authority not in accordance with the specifications and/or the Supplier’s documentation and/or written safety and usage instructions; and (c) the integration, by the Authority, of the Transmitters or Ancillary Equipment or part thereof in any equipment and/or software other than that in which the Transmitters or Ancillary Equipment was originally incorporated by the Supplier, without the Supplier’s prior written authorization.
- 9.8. The consideration in respect of each Extended Warranty Period (as set forth in Table ____ of Appendix D) shall be paid in four (4) equal installments (one installment at the end of each quarter), against provision of the Supplier’s invoice for such installment.
- 9.9. During the Initial Warranty Period and any Extended Warranty Period, the Authority will allow the Supplier to store a portion of the Supplier’s spare parts in the Authority’s premises in Israel.
- 9.10. For as long as any Transmitter or Ancillary Equipment is in use, the Supplier shall provide the Authority, on a timely basis and at no cost, with service bulletins containing information prepared or given to its customers regarding changes and/or upgrades to the Transmitters and Ancillary Equipment, as well as any updates to the training manuals and user manuals.
10. **Personnel**

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- 10.1. The Supplier shall engage suitable manpower, with appropriate experience, training, qualifications and licensing, for the purpose of meeting its obligations hereunder.
- 10.2. The Supplier shall submit to the Authority the names, details and qualifications of the manager of the team designated to provide the Services (hereinafter, the "Project Manager"), and those of the engineers, technicians and other workers assigned to the team. In the case of engineers, technicians and other professionals, the Supplier shall also provide relevant certificates attesting to their professional qualifications. The foregoing must be provided promptly after the Effective Date, and prior to the replacement of any team member.
- 10.3. In the event that the Authority determines that the Project Manager or any other team member poses a security risk, has failed to comply with applicable security or safety regulations, or otherwise engaged in improper or inappropriate conduct of any type, the Authority may, at any time, demand, by written notice, that such Project Manager and/or other team member be replaced, and the Supplier shall promptly comply with such request. Any person referenced in such notice shall cease to be authorized to perform any work in connection with the Services, unless the Authority specifies otherwise.
- 10.4. This Section 10 shall also apply to the personnel of the Supplier's Representative appointed under Section 11 below and subcontractors that render Services.
11. **Supplier's Representative**
- 11.1. The Supplier shall appoint a company with operations in Israel, for the purpose of liaising and coordinating between the Supplier and the Authority, from the Effective Date and at least through the end of the Initial Warranty Period and the Extended Warranty Period.
- 11.2. During the Initial Warranty Period and the Extended Warranty Period, the Supplier's Representative will be responsible for dealing with taking defective equipment and parts from the Broadcasting Stations and sending them to the Supplier and for returning repaired parts and delivering spare parts etc.
- 11.3. The Supplier shall notify the Authority regarding the matters for which the Supplier's Representative is authorized to represent it. Such representation shall not derogate from the Authority's ability to contact the Supplier directly.
- 11.4. If the Supplier intends to replace the Supplier's Representative, it shall notify the Authority in writing at least three (3) months in advance. The Supplier shall ensure that such replacement occurs seamlessly, without any interruption in the provision of the Services and in a manner such that a Supplier's Representative is in place at all times.

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- 11.5. In any instance in which this Agreement relates to anyone on behalf of the Supplier, it shall be deemed as applying also to the Supplier's Representative.
- 11.6. Subsections 12.2 to 12.5 below shall apply with respect to the Supplier's Representative, *mutatis mutandis*.

12. **Engaging Subcontractors**

- 12.1. The Supplier may subcontract the provision of any part of the Services to a third party, subject to the Authority's prior written consent (not to be unreasonably withheld), and provided that the Supplier shall remain liable at all times for the provision of the Services in their entirety and in accordance with the Timetable and the provisions of this Agreement.
- 12.2. The Authority's approval shall be further subject to the proposed subcontractor having undertaken, in its contract with the Supplier, to fully comply with this Agreement. Without restricting the generality of the foregoing, the subcontractor shall explicitly undertake to abide and be bound by (a) the Timetable, (b) the confidentiality obligations set forth in Section 18, and (c) the obligations set forth in Section 16 regarding Property Owners of the premises on which the Broadcasting Stations are located. The Supplier shall, upon request, provide the Authority with a copy of its contract with the subcontractor, provided however that the Supplier may redact, from the copy provided to the Authority, the amounts charged. The Supplier may further redact from the copy provided to the Authority trade secrets and confidential information that cannot be revealed without breaching such contract, but in that event, the Supplier must, when providing the copy to the Authority, inform the Authority, in writing, of the nature or tenor of the clause so redacted.
- 12.3. Notwithstanding anything to the contrary, the following Services shall be performed by the Supplier solely and exclusively, and shall not be subcontracted to any third party, directly or indirectly:
- 12.3.1. Manufacture and assembly of the Transmitters and spare parts, and factory acceptance tests; and
- 12.3.2. Installation of the Transmitters and Ancillary Equipment, and site acceptance tests.
- 12.4. The Supplier shall be responsible for the subcontractor's acts and omissions, and shall indemnify and compensate the Authority, immediately upon the Authority's written notice for any expense or obligation of any type (including legal expenses and attorney fees) incurred by the Authority in connection therewith.
- 12.5. The Authority shall not be liable to any subcontractor for any reason whatsoever, including with respect to payment of their wages for providing the Services. Should a claim or demand be filed by a subcontractor, such demand or claim shall be transferred to the

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Supplier, and the Supplier shall handle it and be liable for any cost or expense in relation thereto.

- 12.6. The Authority may demand that a subcontractor cease its involvement in the provision of Services, in whole or in part, if the Authority is not satisfied with its performance or for any other reasonable cause, and the Supplier shall ensure that such cessation is implemented promptly and no later than two (2) weeks of such demand.

13. **Reports**

- 13.1. The Supplier shall submit a report to the Authority, on the 1st and 15th day of every month, describing in detail the Services rendered during the previous two weeks, the extent to which the Timetable has been complied with, any problems that arose and the manner in which they were resolved. These reports shall be submitted with respect to the period from finalization of the Design Review and until Completion Approval.
- 13.2. Within 3 days after the completion of each test of the Transmitters and the Ancillary Equipment (including any re-testing) carried out pursuant to Appendix A, the Supplier shall submit a report to the Authority detailing the results thereof.

14. **Travel and Other Expenses.**

Each party shall bear its own costs and expenses in connection with the travel of its personnel to and within the other party's country, including food, lodging and other expenses.

15. **Absence of Employer-Employee Relationship**

- 15.1. The Parties' relationship hereunder shall be that of a principal and an independent contractor. Nothing in this Agreement shall be construed as creating a partnership, joint venture or employer-employee relationship between the Authority and the Supplier, its subcontractors, Supplier Representative or any of their employees.
- 15.2. The Supplier's employees shall be under the Supplier's sole supervision, direction, control and responsibility. The Supplier alone shall bear all the expenses entailed and associated with employing its employees in providing the Services pursuant to this Agreement, including payment of wages, social benefits, deductions and other payments as required under law and as customary in this field.
- 15.3. Should a claim or demand be filed against the Authority by an employee of the Supplier, the demand or claim shall be transferred to the Supplier, and the Supplier shall handle it at its expense and assume any payment, compensation or cost to which the plaintiff may be entitled. The Supplier shall also pay any damages or compensation that may be due to its workers, agents, or to anyone acting on behalf of the Supplier and/or on behalf of the Supplier's Representative for any damage caused to them and incurred in connection with the Services,

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except damage caused by the willful misconduct or negligence of the Authority or anyone acting on its behalf (other than the Supplier, its subcontractor(s) or the Supplier's Representative, or any of their workers, agents, or anyone acting on their behalf).

- 15.4. In any instance in which the Authority is obligated to pay such compensation or expense, the Supplier shall indemnify or compensate the Authority for any amount that it is charged, including legal expenses and attorney fees.
- 15.5. Without derogating from the foregoing, where an obligation or expense which generally falls on an employer for its employees is imposed on the Authority in relation to the Supplier, any of its employees or anyone on its behalf, the Supplier shall indemnify the Authority for any such expense or obligation, immediately upon the Authority's first demand. Where feasible, the Authority shall document such obligation or expense and provide a copy thereof upon written request of the Supplier.
- 15.6. This Section 15 shall apply to the employees of the Supplier's Representative and those of the Supplier's subcontractors.

16. **Relationships with Property Owners**

- 16.1. The Broadcasting Stations are located, in part, in premises that are the property of the Authority and, in part, in premises which are the property of a third party such as the Israel Land Administration, local authorities, Bezeq The Israel Telecommunication Company Ltd. ("Bezeq") and private owners (hotels etc.) (collectively, the "Property Owners").
- 16.2. The Authority shall inform the Supplier regarding those provisions of its agreements with Property Owners that are relevant to rendering the Services, such as arrangements regarding access to the sites and security requirements, and the Supplier shall abide with such provisions. Without derogating from the generality of the foregoing, the Supplier shall give the Property Owners notice prior to commencing provision of the Services at the Broadcasting Stations that are on their property, and shall coordinate access to such premises with the Property Owners.
- 16.3. The Supplier shall compensate the Authority and indemnify it in full in the event that the Authority incurs damage or expenses due to the Supplier's non-compliance with this Section 16 or if the Supplier or anyone on its behalf causes any damage to any property of the Property Owners.

17. **Relationship with Third Party Broadcasting Station Operators**

The Authority may, at its sole discretion and at any time, authorize and empower Bezeq or any third party to operate and maintain the Broadcasting Stations, in whole or in part (each such party being a "Third Party Operator" for the purposes hereof). In that event, the Authority shall notify the Supplier in writing, and the Supplier shall

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provide to the Third Party Operator (i) the technical support services and training courses set forth in Appendix D and (ii) spare parts in accordance with the terms and prices set forth in this Agreement. Such spare parts, if ordered, may be paid for by the Third Party Operator in accordance with the terms hereof. Third Party Operators shall be considered as subcontractors of the Authority and, as such, the Authority shall be liable towards the Supplier for their activities in connection with the foregoing.

18. **Confidentiality**

- 18.1. The Supplier shall maintain in confidence all information and documents it receives in connection with this Agreement, and shall not disclose it to any third party without the Authority's prior written consent.
- 18.2. The Supplier undertakes to comply with such instructions as the Authority, the Supervisor or a duly authorized security officer may provide from time to time regarding confidentiality, security measures and disclosure restrictions.
- 18.3. The Supplier shall inform its employees and anyone acting on its behalf of the foregoing obligations and shall ensure that they are bound in writing by confidentiality provisions at least as protective as the provisions hereof.

19. **Assignment of Rights**

- 19.1. The Supplier shall not assign or transfer this Agreement, in whole or in part, directly or indirectly, to any third party (including an affiliate), without the Authority's prior written consent, provided however that no consent shall be required for an assignment or transfer that is in connection with a merger or the sale of all or substantially all of the Supplier's assets.
- 19.2. For the removal of doubt, such consent shall not be construed as exempting the Supplier from its obligations pursuant to this Agreement, in whole or in part, except to the extent and subject to the terms and conditions expressly agreed upon by the Authority, in writing.
- 19.3. The Authority may assign this Agreement, without obtaining the consent of the Supplier, to the State of Israel or to any public authority or entity which may by law replace the Authority, globally or with respect to the construction and operation of individual broadcasting stations. The Authority shall notify the Supplier of such an assignment, in writing, at least two (2) months in advance.

20. **Ownership of Documents and Information**

- 20.1. Each party shall remain the owner of all intellectual property rights in the documents and information it has generated pursuant to this Agreement, including plans, recordings, documents, technical and operational specifications, calculations, drawings, data, tests,

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photographs and all other documents and information related to the Services. The Authority shall have the unlimited right to use such documents and information, where generated by the Supplier, for the Authority's own internal purposes. The Supplier shall provide to the Authority any such information or document upon request.

- 20.2. In the event of termination of this Agreement, then within 14 days after such termination, the Supplier shall inform the Authority of all such documents and information that it has not yet provided to the Authority, and upon the Authority's request, the Supplier shall promptly provide the original or a copy of such documents and information.

21. Liability

- 21.1. Each party shall be fully liable pursuant to all applicable law for any direct damages caused to the other party by any of its acts or omissions and those of its representatives, workers, agents and anyone on its behalf, for up to one hundred percent (100%) of the Contract Price. Neither party will be liable to the other party for indirect or consequential damages caused to that other party.
- 21.2. Each party's liability in respect of damages caused to third parties shall be in accordance with applicable Israeli law.
- 21.3. Without derogating from the foregoing, the Supplier acknowledges that provision of the Services is essential to broadcasts of various television channels from ground-based Broadcasting Stations, and the Supplier's liability under this Agreement includes liability for any act or omission by the Supplier or anyone on its behalf that affects the transmission of these and other broadcasts from these stations.
- 21.4. The Supplier shall not be liable for damages caused by the Authority, a party acting on the Authority's behalf or the Supervisor (including if such damages are caused by their handling of the Transmitters or Ancillary Equipment in a manner contrary to the Supplier's instructions) provided that, if the Supplier was aware of the risk of damage, the Supplier took all measures within its reasonable control to prevent such damage from occurring.
- 21.5. The provisions of this section do not constitute a contract for the benefit of third parties.

22. Insurance

- 22.1. Without derogating from the Supplier's liability under this Agreement or under law, the Supplier shall obtain and maintain insurance coverage as set forth in this Section 22, through a reputable insurance company located in Israel. The Supplier shall submit to the Authority, within 14 days from the Effective Date, valid and executed insurance certificates evidencing such coverage, and shall not perform any of the Services

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- prior to obtaining the policies required and to submitting copies of the certificates to the Authority.
- 22.2. The insurance coverage requirements, for the period commencing on the Effective Date and until Completion Approval, are as follows:
- 22.2.1. Contractors "All risks" insurance as customary in Israel for projects similar to the project, covering loss or damage to works.
- 22.2.2. Third Party Liability, covering liability to a third party arising out of provision of the Services, with a liability limit of not less than \$5,000,000 per event and in the annual aggregate;
- 22.2.3. Employer's Liability, covering liability of the Supplier and any subcontractor to workers, for bodily injury caused in the course of the Services, with a liability limit of not less than \$5,000,000 per claimant and in the annual aggregate, or equivalent coverage applicable to companies based in the Supplier's jurisdiction, to the Authority's satisfaction;
- 22.2.4. The Supplier's policies shall be extended to include the Authority and anyone acting on its behalf as co-insured, subject to a cross liability clause, in respect of loss of damage to the property and/or personal injury, in the Third Party Liability Insurance referred to in Subsection 22.2.2 above.
- 22.3. The insurance coverage requirements, for the period commencing on the Effective Date and ending three (3) years after the date of Completion Approval, are as follows:
- 22.3.1. Professional Liability, covering liability for damage to the Authority or any other body as a result of a professional act or omission by the Supplier, with a liability limit of not less than \$500,000 in the annual aggregate; and
- 22.3.2. Product Liability, covering liability for bodily injury or damage to property due to a defect in the Transmitters or the Ancillary Equipment, with a liability limit of not less than \$500,000 in the annual aggregate.
- 22.4. *[Left intentionally blank]*
- 22.5. The Supplier shall notify the Authority in writing of any cancellation or non-renewal of any of the insurance policies required above, or of any change in their terms that narrows their scope, or any other material change, within five (5) business days of such cancellation, non-renewal or change.
- 22.6. *[Left intentionally blank]*
- 22.7. The Supplier's insurance policies shall explicitly provide for the waiver of the insurer's subrogation rights against any one of the individuals insured, their families, and any person or entity to which the insured is

linked or which the insured shall have undertaken in writing to indemnify, or which is associated with the Services.

- 22.8. In the event of a discrepancy between the Supplier's insurance and the requirements of this Agreement, the Supplier shall cause such insurance to be amended in order to correct such discrepancy.
- 22.9. Obtaining such insurance or submitting a certificate thereof to the Authority shall not impose any liability whatsoever on the Authority, and shall not constitute approval of its suitability to cover the Supplier, the Authority, the sub-contractors and their substitutes, from loss, damage or liability relating to or arising from provision of the Services.
- 22.10. The Supplier shall comply with the terms of any insurance taken out pursuant to this Agreement during the entire period of provision of Services and during any additional period during which liability exists pursuant to this Agreement or under law. The Supplier shall cooperate with the Authority for the purpose of preserving and exercising the Authority's rights under the insurance.
- 22.11. The Supplier shall notify the Authority, in writing, of any contemplated amendment that purports to narrow the scope of the insurance coverage.
- 22.12. The Supplier shall pay in full and on a timely basis all payments required pursuant to the insurance policies, and shall ensure continuous coverage during the entire period for which coverage is required hereunder.
- 22.13. For the removal of doubt, where the insurance company does not recognize its liability, the Supplier shall be required, at its own expense, to make the required repairs in full and to compensate for any damage. In any event, the Supplier shall provide the Services in full in the shortest possible time, without regard to any dispute it may have with the insurance company.
- 22.14. In the event that the Supplier has not entered into all insurance contracts as required hereunder or has not fulfilled, fully and on a timely basis, all requirements therein, the Authority shall be entitled, after having notified the Supplier fifteen (15) days in advance, to enter into insurance contracts in its place and/or to pay any insurance costs, including premiums, interest, and linkage differentials, as may be required by such insurance contracts. All costs and expenses incurred by the Authority in connection with the above shall be borne by the Supplier. Nothing in the provisions of this subsection shall derogate from the obligations of the Supplier as set forth in this section.
23. **Supervision and Inspection**
- 23.1. The Supervisor shall oversee the Supplier's performance of the Services and compliance with this Agreement. In that regard, the Supervisor may do anything necessary in its opinion to assess the foregoing and may at any time, *inter alia*, enter the Broadcasting

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Stations, inspect the Transmitters and Ancillary Equipment, conduct tests and measurements, consult documents and obtain information from the Supplier's personnel and that of the Supplier's Representative and/or any subcontractor.

- 23.2. The Supplier shall cooperate with the Supervisor in connection with the foregoing, and shall ensure, upon three (3) days' advance notice by the Authority, that appropriate personnel, including at least a technician with appropriate testing and measurement equipment and the Project Manager are present during the Supervisor's inspections. The Supplier shall submit to the Authority the results of said tests and measurements within 72 hours after their completion.
- 23.3. The Supervisor may, at any time, issue binding directives to the Supplier regarding the manner in which to perform the Services. The Supplier shall notify the Supervisor immediately if any such directive is inconsistent with the required maintenance, handling or safety measures or precautions, or if the implementation of such directive presents any risk or compromises any aspect of the Services in any way, and the Supervisor may modify or cancel such directive as a result.
- 23.4. Neither the authority granted to the Supervisor nor a directive issued to the Supplier by the Supervisor shall release the Supplier from its obligations under this Agreement.

24. **Consideration and Payment Method**

- 24.1. In consideration for the Supplier's satisfactory provision of the Services pursuant to this Agreement (other than Optional Services), the Authority shall pay the Contract Price to the Supplier, in installments as set forth below and in accordance with the procedure set forth in Subsections 24.5 and 24.6.
- 24.1.1. Ten percent (10%) of the Contract Price, shall be paid within fourteen (14) days of the Effective Date, subject to receipt of the Initial Performance Guarantee as mentioned in section 25.1 below;
- 24.1.2. Five percent (5%) of the Contract Price, shall be paid if the Supervisor confirms successful completion of the Design Review as set forth in Appendix A;
- 24.1.3. Ten percent (10%) of the Broadcasting Station Price shall be paid if the Supervisor confirms successful completion of the factory acceptance tests of the Transmitter intended for that station, as set forth in Appendix A and the procedures approved thereunder;
- 24.1.4. Fifty percent (50%) of the Broadcasting Station Price shall be paid if the Supervisor confirms receipt of the Transmitter and Ancillary equipment at the appropriate Broadcasting Station;

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- 24.1.5. Fifteen percent (15%) of the Broadcasting Station Price shall be paid if the Supervisor confirms satisfactory completion of the site acceptance tests for the Transmitter and Ancillary Equipment at the Broadcasting Station and receipt of the Documentation for that Broadcasting Station;
- 24.1.6. Ten percent (10%) of the Contract Price, shall be paid if the Supervisor issues a certificate of Completion Approval and confirms receipt of all the mandatory training courses as set forth in Appendix A. If the Supervisor issues a certificate of Completion Approval, but the training courses have not yet been provided in their entirety for reasons beyond the Supplier's control and despite the Supplier's best efforts, then the value of the training courses not provided shall be deducted from this 10% installment, and such deducted amount will be paid to the Supplier when the Supervisor confirms receipt of all the mandatory training courses.
- 24.2. If a significant delay occurs in the installation of any of the Transmitters due to the unavailability of a Broadcasting Station site as contemplated in Section 5.3 above, then the installment set forth in Subsection 24.1.6 shall be replaced by the following two installments:
- 24.2.1. Ten percent (10%) of the Contract Price, minus the Broadcasting Station Price in respect of the Alternative Broadcasting Station(s), shall be paid if the Supervisor confirms that the Transmitters and Ancillary Equipment for all other Broadcasting Stations have been installed, that successful testing in respect thereof has been completed, and that all the mandatory training courses as set forth in Appendix A has been received;
- 24.2.2. Ten percent (10%) of the Broadcasting Station Price in respect of the Alternative Broadcasting Station(s) shall be paid if the Supervisor issues a certificate of Completion Approval.
- 24.3. In the event that the Authority requests the provision of any Optional Service, then it shall pay, in consideration for the Supplier's satisfactory provision of such Optional Service, the price in respect thereof as set forth in the applicable sections referred to in section 4 of Appendix A (the "Additional Consideration").
- 24.4. If the conditions for any payment under this Section 24 have been fulfilled (including issuance of the Supervisor's confirmations as set forth in Sections 24.1.1 to 24.1.6), the Supplier shall issue an invoice in respect thereof and the payment shall be made by the Authority within 30 days following receipt of such invoice. Overdue outstanding payments shall be subject to interest at the rate of three quarters of a percent (0.75%) per month of delay, calculated on a pro rata basis.

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Transfer of title to each Transmitter or piece of Ancillary Equipment shall occur upon the Authority's payment of the installments set forth in Sections 24.1.4, as applicable.

- 24.5. The payment funds shall be transferred to the Supplier's bank account, the details of which shall be provided by the Supplier to the Authority prior to or on the Effective Date. Payments shall be made in Euros or, if the Supplier so requests, in New Israeli Shekels. If any payment is made in New Israeli Shekels, the amount payable shall be calculated in accordance with the latest representative exchange rate published by the Bank of Israel prior to the transfer of the funds.
- 24.6. The Contract Price and, if applicable, any Additional Consideration, constitute the full, final and complete gross consideration for the performance of the Supplier's obligations pursuant to this Agreement. Other than the Contract Price and, if applicable, any Additional Consideration, the Supplier shall not be entitled to any payment of any type whatsoever in connection with the Services.
- 24.7. The Authority shall bear any applicable taxes required under Israeli law to be deducted from payments made directly to the Supplier.

25. **Bank Guarantees**

- 25.1. Prior to or on the Effective Date, the Supplier has provided the Authority with an unconditional autonomous bank guarantee, attached hereto as Appendix E, in an amount equal to ten percent (10%) of the Contract Price, in force from the Effective Date and for a period of twenty two (22) months thereafter (the "**Initial Performance Guarantee**"). In the event that Completion Approval does not occur within the deadline set forth in the Timetable, the Authority may request that the validity period of the Initial Performance Guarantee be extended for the period corresponding to two (2) months following the revised estimated time of Completion Approval, provided, however, that if such estimate is further revised, the validity period of the Initial Performance Guarantee shall be modified again accordingly.
- 25.2. The Initial Performance Guarantee shall be returned upon the Supplier's provision of a second performance guarantee, which shall be in force from the date of expiry of the Initial Performance Guarantee and until the end of the Initial Warranty Period (the "**Second Guarantee**"). The initial amount of the Second Guarantee shall be five percent (5%) of the Contract Price. This amount shall be reduced to three percent (3%) of such price upon expiry of the first year of the Initial Warranty Period, and shall be further reduced to two percent (2%) of such price upon expiry of the second year of the Initial Warranty Period. The Second Guarantee shall be in the form set forth in Appendix E, *mutatis mutandis*. In the event that Completion Approval occurs prior to the deadline set forth in the Timetable, then upon the Supplier's request, the Authority shall return the Initial

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Performance Guarantee to the Supplier, not later than two (2) months after the date of Completion Approval, subject to the Supplier's provision of the Second Guarantee as set forth above.

- 25.3. *[Left intentionally blank]*
- 25.4. In the event that the Authority exercises its Option to purchase additional Transmitters and Ancillary Equipment pursuant to Section 6 above, the Supplier shall provide a performance guarantee in an amount equal to 10% of the consideration with respect to those Transmitters and Ancillary Equipment, within seven (7) days from the date on which the order is submitted, and the other provisions of this Section 25 shall apply *mutatis mutandis*. Payment for the additional Transmitters and Ancillary Equipment shall be subject to receipt of that performance guarantee.
- 25.5. Where, pursuant to this Section 25, the Supplier is required to extend the validity period of an existing guarantee or to replace an existing guarantee with a new one, the Supplier shall provide such extended or new guarantee at least 10 days prior to the expiry of the existing guarantee, failing which the Authority may call upon the existing guarantee, in whole or in part.
- 25.6. The bank guarantees required hereunder shall be issued in Euros, by an Israeli bank (as defined in the Banking (Licensing) Law, 1981) or by a Bank licensed in the country in which the Supplier has its headquarters and which is a reputable bank to the Authority's satisfaction.
- 25.7. The guarantees shall serve to ensure the faithful performance of the Supplier's obligations under this Agreement, including the Supplier's compensation and indemnification obligations, and including liquidated damages and compensation as a result of termination of the Agreement. The Authority may call upon any of the guarantees at any time, in whole or in part, after giving seven (7) days' prior notice to the Supplier, if, during this time, the Supplier has not remedied the situation. The guarantees will not be called upon for the recovery of an amount that is less than five thousand (5,000) Euros.
- 25.8. *[Left intentionally blank]*
- 25.9. Nothing in the amounts of the guarantees shall be construed as limiting the extent of the Supplier's liability under this Agreement. The Supplier shall remain liable under Section 21 for the payment of amounts not recovered by calling upon a guarantee.
- 25.10. Calling upon a guarantee shall not release the Supplier from its obligations under to this Agreement, unless notified otherwise by the Authority expressly and in writing.
- 25.11. In the event of a pending claim against the Supplier regarding the provision of the Services, the Authority may, within 30 days prior to the expiry of any of the bank guarantees hereunder, demand that the Supplier provide securities to the Authority's satisfaction, to secure any

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payment in connection with such pending claim. If the Supplier does not produce such security, the relevant guarantee shall be exercised and the monies shall be held back by the Authority until such dispute is adjudicated conclusively.

26. **Spare Parts**

26.1. With respect to all Transmitters and Ancillary Equipment purchased by the Authority or Third Party Operator (as defined in Section 17 above) from the Supplier, the Supplier shall provide to the Authority or Third Party Operator such spare parts as may be ordered, for a period of 15 years from the date of Completion Approval.

26.2. After the Initial Warranty Period and any extension thereof pursuant to Subsection 9.6, the spare parts shall be provided (ex factory in accordance with Incoterms 2010) at the prices set forth in Appendix D or the usual price at the time of the order, whichever is the lowest, and in the case of spare parts for which no price was proposed in Appendix D, at reasonable prices to be agreed upon by the parties.

26.3. The Supplier shall deliver spare parts to the Authority's designated site, or to the Third Party Operator's facilities, within 14 days of the order.

27. **Intellectual Property**

27.1. The Supplier represents and warrants, to and for the benefit of the Authority, that:

27.1.1. The Supplier has taken and shall continue to take commercially reasonable and adequate measures to protect and maintain all of its owned core intellectual property included and/or to be included in the Services, by registering and maintaining patents and trademarks or otherwise. At the time of signature of this Agreement, the Supplier has not received any communication alleging that it has violated or would violate any of the patents, trademarks, service marks, trade names, copyrights or trade secrets or other proprietary rights of any other person or entity, and, to the best knowledge of the Supplier, there is no basis for any such claim. To the best knowledge of the Supplier, at the time of signature of this Agreement, the Supplier has valid licenses to use intellectual property belonging to third parties and which is used in connection with the Services, in the manner contemplated thereby. The Supplier shall take all necessary measures to ensure that such licenses remain valid for the operation of the Transmitters and Ancillary Equipment.

27.1.2. To the best knowledge of the Supplier at the time of signature of this Agreement no Supplier employee or independent contractor or consultant to the company has any claim, right (whether or not currently exercisable) or interest to or in any intellectual property rights or technology included and/or to be included in the Services;

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- 27.1.3. The Authority shall not be held liable for any claim or demand on account of the Services, including without limitation claims or demands relating to violation of copyrights, registered and unregistered trademarks, patents, and intellectual property rights of any other kind.
- 27.2. Accordingly, the Supplier shall defend the Authority in respect of the foregoing, and shall bear all costs in relation to such defense, provided that the Authority (a) notifies in writing the Supplier of any such claim or demand and provides details; (b) allows the Supplier to answer and defend against such claim or demand with the sole control of settlement of such claim or demand, and makes no admission, compromises or settlements without the express prior written consent of Supplier, without prejudice to the right of the Authority to assume at its sole option and expense a complementary defense; and (c) assists and cooperates with the Supplier in such defense.
- 27.3. Where use of the Transmitters and/or the Ancillary Equipment, or receipt of the Services, is restricted or limited in any manner on account of a claim or demand in connection with the foregoing, the Supplier shall indemnify the Authority in respect of its damages and, at the Supplier's option and expense, either procure for the Authority the right to use the Transmitters and/or the Ancillary Equipment or to receive the Services, as applicable, or provide the Services in a non-infringing manner, or modify or replace the relevant component with a component that is non-infringing, and that meets the original requirements of the Tender with no decrease in quality.

However, the Supplier shall not be required to defend or indemnify the Authority if the action or claim for infringement is due to (i) the use of the Transmitters and/or the Ancillary Equipment not in accordance with their intended use or in combination with other equipment or software (other than the equipment and/or software with which the Transmitters and/or the Ancillary Equipment were intended to be used); or (ii) the Authority's modification of the Transmitters and/or the Ancillary Equipment without the Supplier's prior written consent.

28. Arranging for the Services Through Other Means

- 28.1. In the event that the Supplier does not fulfill its obligations pursuant to this Agreement, in whole and on a timely basis, and fails to remedy the situation as directed by the Authority, then the Authority shall be entitled to arrange for the provision of the Services, in whole or in part, in any other manner it may choose. The Supplier shall not prevent the Authority from doing so and shall assist the Authority and any alternate supplier that may be retained to provide such Services.
- 28.2. Without prejudice to any other remedy available to the Authority, the Supplier shall indemnify the Authority for all costs and expenses incurred in connection with use of an alternate supplier, and the Authority may deduct the corresponding amounts from any amount due

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to the Supplier to the extent they are not covered by liquidated damages paid by the Supplier.

29. **Breaches**

- 29.1. Sections 2, 5, 6, 8, 9, 15, 17, 19, 21, 22, 25, 26, 27 and 29.3 hereof each constitute fundamental terms of this Agreement and any material breach thereof shall be deemed a fundamental breach entitling the Authority to terminate this Agreement and/or to call upon the Supplier's bank guarantees. In the case of the Supplier's breach of Section 5 (Timetable) resulting in a delay in the date that Completion Approval actually occurs, the Authority shall be entitled to liquidated damages for each week of delay (following a one-week grace period) in the amount corresponding to 0.2% of the Contract Price, provided that total liquidated damages in respect of such breach shall not exceed eight percent (8%) of the Contract Price. Such liquidated damages shall be the Authority's exclusive compensation for such delay. However, for the removal of doubt, such liquidated damages shall apply without derogating from the right of the Authority to any other relief or remedy under this Agreement or under law, including termination of this Agreement and recovery of damages under Section 21.
- 29.2. Payment of compensation or deductions from the amounts due to the Supplier, including set-offs under Section 30 hereunder, shall not release the Supplier from the performance of its obligations pursuant to this Agreement and shall not derogate from the Authority's rights hereunder.
- 29.3. The occurrence of any of the events set forth below shall be deemed a fundamental breach of this Agreement and shall entitle the Authority, after notifying the Supplier in writing and at least 7 days in advance, to exercise any of its rights hereunder and to any relief or remedy under law:
- 29.3.1. A temporary or permanent lien is attached or any execution action is taken in respect of all of the Supplier's assets or significant part thereof, and such lien or action has not been terminated or removed completely within 30 days;
- 29.3.2. A notice of bankruptcy has been filed against the Supplier, an order of receivership has been issued against its assets or part thereof, the Supplier has received an order of dissolution, or the Supplier has reached a compromise or arrangement with its creditors, and such action or decision has not been terminated or removed completely within 30 days;
- 29.3.3. A temporary or permanent liquidator, trustee, or receiver has been appointed over all or part of the Supplier's businesses or property, or an application for such appointment has been filed, and the appointment or application has not been cancelled within 30 days;

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29.3.4. It appears to the Authority that the Supplier has ceased to carry out its obligations under the Agreement or is unable to do so;

29.3.5. Any of the Supplier's representations in connection with this Agreement proves to be materially incorrect with respect to any of its details, or it transpires that the Supplier did not reveal a material fact which could have affected the Authority's decision to enter into this Agreement; and

29.3.6. *[Left intentionally blank]*

29.3.7. The Supplier or a party acting on its behalf has caused, by act or omission, whether intentionally or through its negligence, the cessation of broadcasts transmitted by the Broadcasting Stations.

29.4. To the extent that any party has a right under law to terminate this Agreement (other than as provided in Section 29.3), it shall not do so unless it has (a) notified the other party in writing at least 60 days in advance, (b) provided such party with the opportunity to take all necessary remedial measures, and (c) following the 60 days, notified the party of such termination, in writing.

30. Set-Off

The Authority may set off any uncontested or legally effective amount due by the Supplier from any amount due to the Supplier by the Authority pursuant to this Agreement. The Supplier hereby waives any claim relating to such set-off.

31. Notices

31.1. Any notice which one party must give the other pursuant to this Agreement shall be delivered by hand, by registered mail or facsimile (the recipient shall confirm its receipt by return facsimile), to the following addresses:

The Authority - 20 Beit Hadehus Street
Jerusalem, Israel
Fax: _____

The Supplier - 1, Rue de l'Hautil
78700 Conflans Sainte Honorine, France
Fax: +33 1 34 90 30 01

With a copy to the Supplier's Representative – **ARAN Electronics**

1, Korazin Street
Givataim, 53108 Israel
Fax: +972 3 5712866

Or any other address of which the other party is notified as required above.

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- 31.2. A notice sent by registered mail shall be deemed to have been received 72 hours after being sent from a post office in Israel, and a notice sent by facsimile shall be deemed to have been received 24 hours after being sent.

32. **Applicable Law, Jurisdiction and Address for Court Documents**

- 32.1. This Agreement shall be governed by and construed in accordance with the laws of the State of Israel, without regard to the conflicts of laws provisions.
- 32.2. The courts of Jerusalem shall have exclusive jurisdiction regarding any matter arising out of this Agreement. No proceeding whatsoever shall be conducted in a manner inconsistent with such jurisdiction.
- 32.3. The Supplier hereby authorizes the Supplier's Representative to be its representative for purposes of receiving court documents, at its address as set forth in Subsection 31.1. The Supplier may, by providing written notice to the Authority, designate another individual for such purposes, provided that the individual is permanently domiciled in Israel.

33. **Force Majeure**

Neither party shall be liable for any failure or delay in the performance of its obligations hereunder, if and to the extent such failure or delay is directly attributable to an event of *force majeure*. For the purposes of this Agreement, "*force majeure*" shall mean any event which is beyond the control of a party, and which could not have reasonably been foreseen and prevented, including acts of God (e.g. floods, earthquakes), fires, explosions, war, general mobilization of reserve forces, rebellions, act of terrorism, a governmental order or refusal to issue any necessary license, permit or authorization (not attributable to any situation that the party can reasonably remedy). The Timetable shall be postponed for the shortest period necessary to overcome the effects of the *force majeure* event.


34. **Miscellaneous**

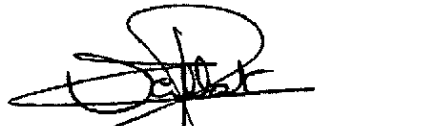
- 34.1. This Agreement (including all its Appendices) constitute the entire agreement between the Parties in respect of the subject matter hereof, cancels and supersedes any prior representation, commitment, communication, acceptance, understanding and agreement between the Parties, whether oral or written.
- 34.2. The failure of either party to exercise any of its rights under the Agreement for a breach or a default thereof by the other party shall not be construed as a waiver of any subsequent breach or default, nor shall any delay or omission on the part of either party to exercise or avail itself of any right that it may have hereunder operate as a waiver of such right, unless the party signs an express, written waiver of such rights.

ARELIS BROADCAST SAS
 790 432 835 R.C.S. VERSAILLES
 28 ZAC du Moulin à Vent
 78280 GUYANCOURT (France)


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IN WITNESS WHEREOF THE PARTIES HEREBY EXECUTE THIS AGREEMENT:


The Authority

 PV
The Supplier

3/3/13


The second Authority
for Television and Radio
Jerusalem 92000 P.O. Box 3445 T.J.

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