**Addendum 2 - Service Level Agreement – SLA**

Between:

“**Intellect/Distributor**” – hereinafter in this Addendum also: “**Distribution Company**”

and:

“**Exelot**” – hereinafter in this Addendum also: “**Client**”

**General**: Distribution/delivery points

* Full compliance with the terms and conditions of this SLA Addendum is a basic condition in this Agreement. Noncompliance with the SLA terms and conditions as detailed in this Addendum will constitute a fundamental breach of the Agreement.

**Part A**

**Information, Packaging and Preparation of the Packages**

* Exelot will transfer information to the Distributor regarding shipments in the form of batches, where each batch will constitute a sack and the shipments therein. A distribution point may at a given time have 0, 1 or more sacks.
* The information will include the information required for distribution.
* The information will constitute a basis for statuses and updates to be transmitted between the Parties as agreed according to the information systems. A relevant status list in accordance with what is agreed will be attached to this Agreement.

**Collection and Transport for Distribution**

* All the shipments that are ready for collection will be sent to the Intellect system; a barcode sticker will be attached to each package, consisting of the Exelot code 9 + XLT digits (on which the following will appear clearly: name of the recipient, address for delivery, mobile phone no., comments for execution of the shipment (if any)).
* The Client undertakes to wrap each package in suitable, separate packaging appropriate to the type of contents.
* The Client will be responsible for suiting the type of packaging to the contents of the shipment. The packaging must adequately protect the goods, even when the package is turned over or placed on its side. If the product is fragile, the Client will attach an eye-catching sticker to the package indicating that it is fragile. Any damage caused due to the unsuitability of the packaging to the type of shipment will apply to the Client only.
* **Transport and Distribution**
* Changes in the details of the recipient for delivery to be inputted into the distribution system before the arrival of the package for sorting will be made prior to the distribution and will be distributed to recipients according to the updated details.
* There will be full cooperation of the Distributor and its logistics managers with the Exelot area supervisor, who will control the yard of the Distributor and its distribution points/couriers.
* Weekly meetings will be held for monitoring, handling and reducing instances of irregularities.
* Intellect will receive sorted sacks for distribution to the point/hub.
* Receiving the responsibility of Intellect: receipt of the shipments at the level of the labelled sack to the point/hub.

**Scanning of a shipments at the points will be done:**

**85% within 20 hours of the moment of delivery of the cages at the Rishon Lezion Logistics Center to Intellect**

**15% within 30 hours of the moment of delivery of the cages at the Rishon Lezion Logistics Center to Intellect**

Shipments will wait at the points 7 business days from the moment of the first scanning at the point, and then will be returned to Rex or to Exelot

Returns of unclaimed shipments: will be reported to Exelot in a suitable status and will be transported by Intellect to the Exelot warehouse at Ben Gurion Airport or any other location in the center of the country once a week.

**Distribution and Collection Times**

* **Delivery points will be defined as those in which the recipients can receive service six days a week and the opening hours of which (Sunday-Thursday) are more than 10 hours**. If a delivery point does not comply with the above-mentioned provisions, Exelot will have the right to demand its removal from the distribution list.
* Returns of unclaimed items or other distribution failures:
* The return of a package from a client will be typed or scanned by the Distributor and transmitted to the system, and a return or additional shipment will be coordinated. Returns of unclaimed or returned packages will be executed in coordination.
* Non-delivery due to a reason connected with the addressee will not be included in the counting of days for delivery of the shipment and will not be deemed a delay, such as:
* A client with whom contact has been lost (does not answer, incorrect address).
* A client who wishes a different delivery day or a change in the distribution center after sent for distribution.
* Incorrect telephone number/client does not answer phone.
* Incorrect client details (incorrect/inexact address).

**Coordination between the Client and the Distribution Company:**

* The information system manager of the Supplier will maintain contact with a representative of the Client regarding:
* Adjusting the interfaces between the information systems.
* Training and opening of a username for the courier service website for entering shipments.
* An operational representative of the Distribution Company will maintain contact with the distribution manager of the Client regarding the coordination of collections, transfer/receipt of the products to the logistics warehouse of the Distribution Company and distribution. The coordination will be done in the near future via a technological platform which the Distributor is to use according to the instructions of Exelot.
* The client manager of the Distributor or his representatives will maintain contact with the representatives of the Client and its customer service regarding coordination of distribution, handling inquiries and the transfer of execution reports.
* The end clients will maintain contact regarding courier service and distribution with the Client – Exelot and its representatives.

**Part B**

* A notice of non-arrival of an item to the distribution warehouse will be sent to Exelot no later than 12 hours from the moment of intake of the shipment at the distribution facility. Subject to the time of collection –
* With regard to items the packaging of which is damaged/cannot be scanned/or were routed erroneously to Exelot, the Distribution Company will notify Exelot about them within 48 hours from the moment of intake into the distribution warehouse.
* SMS messages to clients for packages to a delivery center:
* The Distribution Company will sent SMS messages to a client on the following dates:
* Upon receipt of the information on the item in which the client can change the delivery point – the service will exist only at the second stage
* Upon arrival of the item at the delivery point
* Every day from the moment of its arrival at the delivery center up to its actual delivery to the client or 7 business days. (Exelot may extend/shorten/and change these dates at its sole discretion)
* After receipt of the item with a confirmation of receipt
* Status list:

A list of received statuses and at what stage precisely they were sent/received will be coordinated in advance, including their exact version, updated from time to time as needed.

* The Distribution Company will send a daily report by 14:00, which includes:
* **Updated statuses for all the items collected by it.**
* **Days of deviation from the SLA + explanations and plans for handling.**
* **Exceptional item report.**

The Distribution Company will issue a daily report to Exelot with regard to items routed to a delivery center and not claimed during the first 5 days.

* The Distribution Company will be responsible for the loss/theft of an item received by the Distribution Company. The Distribution Company will bear the cost of the item at the declared value.
* Fragile equipment must be transmitted in packaging suitable for transport.
* Cash, purchase vouchers and valuables such as jewelry, *objets d’art*, etc. may not be sent.

A notice on a loss/theft will be accepted up to 3 months from the date of the shipment; a notice on damage will be accepted within 48 hours of the occurrence of the damage. A failure to comply with these conditions will annul the liability of …

* **Malfunctions in the IT system of the Distribution Company will be handled without delay and no later than two hours from the time of discovery of the malfunction** and in coordination with the information system department of Exelot.