

Agreement No. \_\_\_\_\_

**To provide detailed characterization, development and maintenance services for a system for planning public transport services**

Drawn and Signed on the \_\_\_\_\_ of the Month of \_\_\_\_\_ in the Year \_\_\_\_\_

**Between: Ayalon Highways Co. Ltd**

2 Shderot Nim, Rishon Le'Tzion, 7546302

Telephone: 03-6931219; Fax: 03-6931238.

(hereinafter: "The Company" or "Ayalon Highways")

**And \_\_\_\_\_ Ltd., Corporate ID No. \_\_\_\_\_**

From \_\_\_\_\_ St.

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

(hereinafter: "Service Provider")

;

**Whereas** The Company is a government company pursuant to the Government Companies Law, 5735-1975, engaging *inter alia*, in the planning and execution of transportation projects;

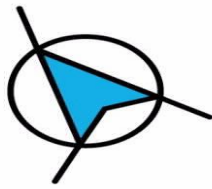
**And** And the Company seeks to enter into a contract with a Service Provider of proven experience and knowledge, and receive from it detailed characterization services, and should the Company choose to exercise the optional phase, as detailed in this Agreement below, to also attain development and maintenance services of a system for planning public transport services, and all as detailed in the specifications document attached to the Agreement as part of the Tender Documents attached as **Appendix A**.

**And** And the Company has published Tender 24/20 to receive the services as defined below **Whereas** (hereinafter: "**The Tender**"), and the Service Provider submitted a bid offering to the Company for the performance of the services detailed in the Tender;

**And** And the Service Provider declares that it has submitted its proposal for the provision **Whereas** of services while considering the complexity and scope of the project as well as to the timetable set for its completion, all as set out in the Agreement;

**And** The Service Provider declares that it meets all of the conditions of the Individual **Whereas** Referral, that it possesses all of the means to provide the Services as per the Agreement, and that it and its staff, as designated herein, have the professional background, knowledge, experience, human resources, skills and expertise required to execute the Services and all of its obligations as per this Agreement at the highest professional level;

**And** The Company is interested in contracting with the Service Provider based on a Service Agreement and not in the framework of Employee - Employer relations, without



- Whereas** derogating from the right of the Company to cease use of the Service Provider's Services according to the Agreement at any time and/or use the Services by using other Service Providers, at its sole discretion;
- And** The Service Provider is interested in granting the Company its Services under the terms and conditions specified in the Agreement, and as an Independent Service Provider, and the Company agrees to these terms and conditions.
- Whereas**

**Accordingly, it was agreed, declared and stipulated between the parties as follows:**

1. **Preamble**

1.1. The preamble to the Agreement and its attached appendices comprise an inseparable part thereof. The clause headings in this Agreement are provided solely for the reader's convenience, and will not be used to interpret the content of the clauses in any way.

1.2. Herein is a list of the appendices attached to the Agreement:

Appendix A - The Tender Documents and a Bid to Provide the Services (including the specifications document attached as Document C)

Appendix A1 - Core Products and Third-Party Software

Appendix B - Absence of Claims Form

Appendix C - Service Provider Non-Disclosure Agreement

Appendix D - Confirmation of Insurance Coverage

Appendix E - Performance Guarantee Form

1.3. The clause headings in this Agreement are provided solely for the reader's convenience, and will not be used to interpret the content of the clauses in any way.

1.4. Priorities among the documents:

If the Service Provider finds a contradiction and/or inconsistency and/or ambiguity and/or lack of clarity in his opinion between one provision of the Agreement and another provision or if the Service Provider is doubtful concerning the correct interpretation of a provision, document or any part thereof - the Service Provider will contact the Company, before signing the Agreement or immediately after the discovery described above, and the Company will provide written clarifications and/or instructions, as to the interpretation to be followed. The Company's decision as to the contradiction and/or discrepancy and/or lack of clarity as stated above, is at its sole discretion and obligates the Service Provider in all respects.

Without derogating from the generality of the mentioned above, in any case of a contradiction and/or discrepancy between the various documents, the order of prioritization will be as follows:

1.4.1. The specifications document (as defined below)

1.4.2. This contract agreement

1.4.3. The Terms of the Tender Volume (except the specifications document)

1.5. For this Agreement, the following terms shall have the following meanings:

- "Detailed Characterization"** - A detailed characterization of the System, for each module separately, and an integrative characterization, that the Service Provider will prepare based on the primary characterization, as detailed in the specifications document.
- "Approved Characterization."** - The detailed characterization after receiving Company approval, as detailed in the specifications document.
- "The Agreement"** - This Agreement and all its appendices;
- "Service Level Agreement"** - The service levels (SLA) concerning the services, will be as detailed in Sections 5.10.5.4 and 5.10.6 in the specifications document.
- "The Hardware"** - End-user equipment, the infrastructures, as well as all remaining hardware and infrastructure components required for the System's operation.
- "Acceptance Testing"** - As defined in Section 5.6 of the specifications document.
- "Module"** - Each one of the modules defined in Section 3.5.5 of the specifications document.
- "The System"** - The designated System that the Service Provider will characterize and develop, that will meet all the specifications detailed in the specifications document and the initial characterization document.
- "Specifications Document"** - The specification document for the provision of services attached as Document C to the Terms of the Tender Volume details the initial characterization conducted by Ayalon Highways, the requirements from the System, the scope of the services as well as Ayalon Highways demands from the Service Provider.
- "The Tender"** - As defined in the preamble above, including all of its appendices and documents attached, and every revision, update or clarification that was published in connection with it;

- "Transportation Planner"** - A transportation planner presented as part of the Service Provider's Tender bid.
- "Ministry of Transport"** - The Ministry of Transport and Road Safety
- "Service Provider's Developments"** - All the developments, code rows, and adjustments executed by the Service Provider, especially for the Company.
- "The Project"** - Perform a detailed characterization, based on the initial specifications and characterization document, as well as implementation, development, testing, assimilation, and operation of the System according to the development phases, and its delivery to the Company as it operates in full integration with all its subsystems, as well as with all other Company systems, as per the specifications document as well as the execution of all other obligations after the delivery of the System, and all as set out in this Agreement with all its appendices.
- "The Services"/"The Work"** - The System's characterization, development, assimilation, and maintenance, as detailed in the Tender documents, and particularly in the specifications document, as well as the services detailed in the Service Provider's bid.

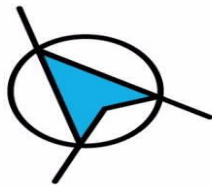
## 1.6. The Essence of the Contract

- 1.6.1. Based on the statements and obligations of the Service Provider and under the provisions set out in the Agreement, the Company hereby invites the Service Provider to provide the basic services, and reserves the right to order the optional services, at its sole discretion, and the Provider hereby accepts the provision of the basic services, and the provision of the optional services, to the extent required by the Company, and all under the requirements of the specifications document and the provisions of this Agreement.
- 1.6.2. The services will be executed at an outstanding professional level, under the very best professional rules and standards, and according to all law

## 2. The Service Provider's Declarations and Undertakings

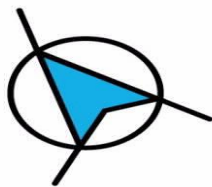
The Service Provider hereby declares and undertakes the following:

- 2.1. That there is no prohibition, restriction or impediment, including by virtue of law, Contract or its underlying documents, in contracting with the Company in the Agreement and executing its undertakings thereof, bears no obligation contrary to the obligations given under the Agreement and nothing in his signing this Agreement or executing the undertakings contained in this Agreement is a breach of any other agreement or obligation whatsoever or any law, and knows that he



will be liable to compensate and indemnify the Company for any claim and/or demand filed against him in connection with any breach of this Declaration; Furthermore, its indemnity liability will be subject to judgment and a reasonable opportunity to defend against the claim/demand. Ayalon Highways will not agree to any compromise agreement without receiving the *a priori* agreement of the Service Provider;

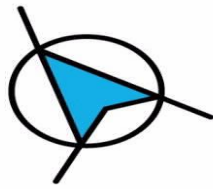
- 2.2. That it, and those on its behalf, possess all of the lawfully required certificates and/or licenses and/or permits for managing its activity and in particular, for the execution of his undertakings pursuant to the Agreement;
- 2.3. That it and its personnel employed on its behalf meet all of the conditions of the Tender and possess all of the means to provide the services;
- 2.4. That it undertakes to provide for the performance of the Project a team including a sufficient number of employees who will have the professional background, knowledge, experience, talent, skills, and expertise required to execute the services and all of the Service Provider's undertakings according to the Agreement at the highest professional level and with maximum efficiency, to the satisfaction of the Company, and it and its staff will fulfill their roles reliably and with dedication, and use their talents, knowledge, and experience for the benefit of the Company and the Ministry of Transport;
- 2.5. That all of the services that it, and those on its behalf, will supply to the Company will be supplied at the highest possible quality and precision and will comply with all legal requirements, and it bears responsibility for the implementation of the stated in this section;
- 2.6. That it will make all the necessary preparations and arrangements required to provide the Services in an efficient, outstanding manner and to the Company's satisfaction;
- 2.7. That it possesses all of the knowledge, the facilities, equipment and means required to execute the services and will remain in its possession throughout the entire period of the Agreement and during the Period of Service to the Company;
- 2.8. That an inspection has been made of everything requiring a preliminary inspection concerning the provision of the services, that it is well-acquainted with the requirements in the service provision framework, and it hereby waives an irrevocable waiver of any claim, demand or suit against the Company in connection with the above mentioned;
- 2.9. That based upon the inspections as stated, the consideration (as defined in Section 7 herein) is full and fair, and worthy of all its obligations according to this Agreement;
- 2.10. That it will have in its possession throughout the Period of the Agreement and the Option Period and throughout the entire period of System Operation by the Company all of the licenses for the use of software used by it to obtain a third party license required for the System's development and the granting of all rights



thereto to the Company as set forth herein at the expense of the Service Provider (hereinafter: "Third Party Software"), that there does not impede transferring/granting the right to use of these licenses to the Company in such a way that the Company (and/or person(s) on its behalf including any entity with whom Ayalon Highways may liaise in connection with the System) has unlimited use of the System, and that the Company will not be required to purchase any third-party software licenses nor will it be required to purchase additional hardware items other than those provided to by the Service Provider as part of the Services. The Service Provider declares and warrants based on the preliminary tests that every software program and/or hardware item and/or integration and/or work, should such be required for the Project's execution, will be supplied by it to the Company, without any additional payment beyond the consideration (as defined below);

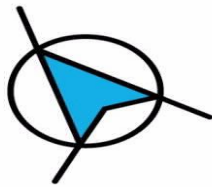
- 2.11. That no third party software and/or components will be included and/or integrated, including any open code elements whatsoever in the System and/or in Service Provider developments, without *a priori* written authorization of the Company, and their inclusion in **Appendix A1** of this Agreement. To the extent that such authorization is granted, the Service Provider declares and warrants that such integration will not impose on the Company and/or third-party the obligation to grant any rights in the System and/or the Service Provider's development (in whole and/or in part), including without prejudice to the distribution of the System and/or development The service provider is free of charge according to the license (as detailed herein in Section 11 below);
- 2.12. That it possesses, legally, the full rights, permissions, permits, and licenses (and paid if and insofar that a license fee is required for them) for all development tools which it uses to develop the System as per the Company's requirements, and to the extent that additional development tools are required, it will do so at his sole expense, and subject to all necessary rights, licenses, permissions, and permits;
- 2.13. That it bears the right and power to impart to the Company permanent, exclusive and irrevocable rights for the use of Service Provider developments and the System in its entirety, pursuant to the terms of the license detailed in Section 11 below;
- 2.14. **Insofar as it is relevant according to the bid submitted by the Service Provider to the Tender** - the Service Provider undertakes to complete the development of additional capabilities of the proposed core product (beyond the features incorporated into the core toolset for the signing of this Agreement) that were presented in the Tender bid, within six months from the Agreement's signing.
- 2.15. That the System's development will be conducted according to the development standards as detailed in the specifications document, in such a manner that it will allow the Company to expand the System in the future and/or see to its maintenance and/or manufacture connective interfaces, either on its own or through third parties. The Service Provider undertakes to cooperate fully with





the Company as may be required for the stated update and maintenance activities, even after the conclusion of the Agreement's Period of Contract;

- 2.16. That its development of the System does not, and will not, throughout the entire period of the Agreement constitute an infringement of any third party rights, including intellectual property (IP) rights, and there is no reason to prevent such activity; because in all of the activities it executes and will continue to execute throughout the Period of the Agreement, it does all that is required not to infringe the copyrights of others, and will not cause the Client to breach any copyrights of others. Should the Service Provider violate the provisions of this section, it will indemnify the Company and/or the Ministry of Transport for any damage and/or loss and/or expense that may be incurred to them, including legal expenses and attorney fees, and this at the Company's first demand;
- 2.17. That it is aware that the Company and any person appointed by the Company, is entitled to examine, at any time its performance and/or the performance of the personnel operating on its behalf, and the Service Provider will enable this without any limitation, and if it is determined by the examiner on the Company's behalf that the Service Provider's performance substandard, such will be his final judgment, and the Service Provider will be required to improve the deficiencies that were discovered;
- 2.18. That it and the personnel acting at its behalf undertake to abide by the Company's instructions regarding the provision of services and undertakings related to this Agreement, including schedules, and that it and the personnel acting at its behalf undertake to report their services and activities as per the Company's specifications;
- 2.19. That it undertakes not to charge the Company in any form whatsoever with any financial or legal obligation without obtaining detailed and prior written approval from the Company;
- 2.20. That it may not in any case request and/or obtain in court and/or any tribunal and/or any party issuing executional injunction decrees and/or mandatory injunctions and/or protective injunctions and/or temporary or permanent injunctions in connection with any of the Service Provider's work that is the subject of the Agreement;
- 2.21. That it manages accounts and ledgers and/or reports as per the Income Tax Ordinance (New Version), 5721-1961 and the Value Added Tax Law, 5736-1975, and undertakes to provide the Company, whenever required, with a certificate of compliance with the above mentioned, or a certificate of exemption thereof. The stated certification will be issued by the authorized officer as defined in the Public Entities Transactions Law, 5736-1976 or by a certified public accountant;
- 2.22. That all its statements and representations which formed part of its proposal to the Tender are in effect, and it knows that they constitute a basis for entering into the Agreement. The Service Provider must notify the Company immediately of any change in the veracity of its declarations as part of the Tender, and the



Company will be entitled to consider continuing the Contract under the Agreement per the nature of the change. Any failure on the part of the Service Provider to inform the Company concerning the changed circumstances as stated will constitute a Material Breach of Agreement;

2.23. That, without derogating from the above mentioned, it is aware that the Company is contracting with it in the Agreement based on its representations, statements, and obligations outlined in the Agreement, and any inaccuracy in his representations and statements and/or failure to fulfill any of its obligations under the Agreement will constitute a Material Breach of the Agreement.

### 3. **The Services**

#### 3.1. **General**

3.1.1. The Service Provider will grant the Company services by outsourcing or by staff personnel, and this as per the Company's instructions, its demands, and the provisions of this Agreement.

3.1.2. It will be clarified that the services include the supply of all the associated equipment for the performance of the services, including software, hardware, and communications.

3.1.3. Without derogating from the said Tender documents, particularly the required specifications attached as Document C' (the Technical Specifications Document), the following is a description of the tendered services. It is clarified that the stated in this section is solely a concise description and that the definition of the services required from the Service Provider, including the objectives, needs, and functional and technical characterization of the System and the modules contained therein, are contained in the detailed Specifications Document.

3.1.4. The tendered services will include two phases as detailed herein:

3.1.4.1. **The Basic Services** - Detailed characterization services of the System, and construction of the System's prototype.

3.1.4.2. **The Optional Services** - In the second phase, insofar as the Company will at its sole discretion move to implement, the Service Provider will be required to execute a full-scale development of the planning system based on the detailed characterization as well as provide licensing and maintenance services for the System.

#### 3.2. **The Basic Services**

In the basic phase, the Service Provider will be required to grant all of the following services (as specified in the Specifications Document):

3.2.1. Prepare a detailed characterization document defining the service metrics.



3.2.2. Prepare a document for the realization of the proposed planning system (hereinafter: "**The Characterization Document**").

3.2.3. Building a Prototype: A preliminary implementation of the planning system that will contain a planning process for a skeletal urban network of the City of Beersheva, and line/station planning.

3.2.4. Preparing a Final Report for this Phase that Includes:

3.2.4.1. Preparation of an updated Technical Specifications document including detailed definitions of the service metrics.

3.2.4.2. Preparation of a document outlining the implementation of the System's development, its assimilation, and maintenance. The document will be prepared according to the provisions contained in the Specifications Document.

3.2.4.3. Full documentation of the characteristics document.

### 3.3. The Optional Services

The Company has the right of choice (the option) to exercise at its sole discretion, to order from the Service Provider, in addition to the basic services, optional services as well. Should the Company decide to implement the optional phase, the Service Provider will be required to supply services for the full development of the System, its assimilation, and maintenance, all as detailed in the Specifications Document.

The optional services in this phase will include *inter alia*:

3.3.1. Purchase of all the System's components and supply of all the licensing required for its operation.

3.3.2. Any changes made in the System will be carried over to the detailed characterization document.

3.3.3. The System's installation in a designated environment.

3.3.4. Establishment of a development and testing environment.

3.3.5. Performance of planning system acceptance tests.

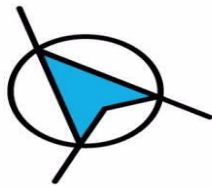
3.3.6. Planning system assimilation and execution of end-user training.

3.3.7. Maintenance services.

- 3.3.8. Purchase of additional sources of information (should any purchase be required).
  - 3.3.9. Additional training.
  - 3.3.10. Professional services to the Company in all areas related to the tendered services.
  - 3.3.11. Additional services and developments not mentioned expressly above, arising and related by nature of their quality and the nature of the tendered services.
  - 3.3.12. For the avoidance of doubt, it is clarified that the ordering of the optional services is an option given to the Company's sole discretion, and nothing stated in this section, or the said in the remaining Tender documents obligates the ordering of the said services and/or to any volume whatsoever if ordered.
- 3.4. The services include the granting of the right of use/licensing to third-party owned tools to be used by the Service Provider as part of the services, as well as any third-party software that may be used during the Agreement and the Option Periods.

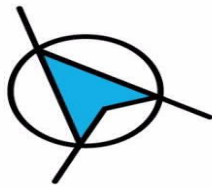
#### 4. **Modifications, Improvements & Additions**

- 4.1. The Company will be entitled to demand, in a written notification to the Service Provider, concerning the execution of modifications and/or improvements and/or Project add-ons, i.e., works that deviate entirely from, and are not included in the Specifications Document (hereinafter: "**Project Add-on**"). The Company will determine the timetable for the execution of the project add-ons.
- 4.2. In the event the Service Provider will be required to execute project add-ons, the Service Provider will detail in writing the implications concerning the modification on the Project (including the schedule, acceptance testing, the criteria, payment schedule, and other terms and conditions contained in the Agreement). In the case of a disagreement between the parties concerning the implications of the modification, the matter will be conveyed for discussion by the relevant entity in the Company.
- 4.3. Agreed modifications will be made by the parties upon written consent and under the terms of this Agreement with the required modifications. As long as no such modification has been agreed, the Service Provider will continue to carry out the Project under the agreements in force. However, the Service Provider will refrain, until such consent is obtained, from carrying out the Project in a manner contrary to the nature of the change.
- 4.4. If the Service Provider is required to execute the works, which in its opinion can be considered project add-ons, it must notify the Company a priori and in writing, immediately after receiving the demand that it is its opinion the work which it has been required to execute is a project add-on. Furthermore, the Service

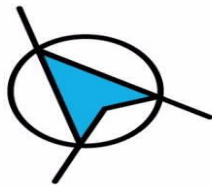


Provider will convey to the Company an estimate of the number of work hours that will be required to complete the project add-on. The condition for the Service Provider to be eligible to receive consideration for the execution of project additions will be in the form of advance, written consent by the Company that the works indeed project add-ons, and thus approves in writing their consideration. The schedule agreed upon for their completion.

- 4.5. The consideration for project add-ons will be based on work hours as per the fees for remuneration set forth in Appendix 13 of the Terms of the Tender Volume, following the deduction of the discount offered by the Service Provider as part of its Tender bid (hereinafter: "**The Hourly Fee**"). For the avoidance of doubt, it is hereby clarified that the ordering of project add-ons is an option given to the sole discretion of the Company that will be exercised solely after a priori and written consent, and there is nothing stated in this section to obligate the ordering of the project add-ons and/or any volume whatsoever if ordered.
- 4.6. The date for remuneration for consideration for the project add-ons will apply only after receiving the Company's consent for the completion of the said addition, and this according to the terms of payment outlined in Section 7 herein, and subject to such that during this period no defects will be discovered in and/or in connection with the addition.
- 4.7. Every project add-on will be considered part of the System and the provisions of the Agreement applying to the Project will also apply with the required modifications.
- 4.8. It is hereby agreed that concerning any modification or project add-on approved by the Parties under the provisions of this Section 4, the provisions of the Agreement applicable to the Project shall apply *mutatis mutandis*.
- 4.9. For the avoidance of doubt, it is clarified that in the event of a dispute regarding the issue of a particular action being added to the Project and/or included in the original scope of the Project, this will not prevent or delay execution of the said action by the Service Provider in the case of a Company demand to execute, despite the dispute as stated.
5. **Work Procedures, Personnel, Reporting, and Monitoring System Performance**
  - 5.1. From the date of signing of the Agreement, the Company and/or anyone on its behalf may request from the Service Provider detailed documents and/or plans (including presentations, charts, and the like) concerning all services subject to the Tender.
  - 5.2. Mr./Ms. [REDACTED], a transportation planner on behalf of the Service Provider will serve as the Service Provider's representative with respect to the project, and Mr./Ms. [REDACTED] will act alongside him/her as substitute and understudy.
  - 5.3. The replacement of any of the Service Provider's representatives will be contingent upon the Company's *a priori* and written consent.



- 5.4. Throughout the entire Contract Period status discussions will take place between the Service Provider's representatives (including members of the team operating on its behalf), and Company representatives, as will be instructed by the Company. It is clarified that for the attendance of the Service Provider's employees at the said meetings, the Company will not remunerate any consideration and that the consideration paid the Service Provider for services, as proposed as part of its Tender bid, also includes the consideration for attendance at such meetings.
- 5.5. In meetings as stated in Section 5.4 above, the Service Provider will report on all the activities and outcomes that were executed during the reporting period, including planning vs. execution, tasks that were conducted during the period, outcomes that were delivered, tasks for execution and outcomes for delivery during the coming period, the reason for delay in any late tasks. The report will be conveyed for the entire length of the Project and will apply to all of the subjects in the Project.
- 5.6. It is clarified that the schedule set and/or will be set for the provision of services will contain times for comments and demands for repairs on the part of the Company, and on the other hand the Service Provider will act to repair the defects until final approval of the relevant services' outcomes. Comments on the part of the Company under this section will not be considered project add-ons as per Section 4 above.
- 5.7. To provide the services, the Service Provider's work team will, at all times, include excellent and experienced service professionals of the type required by the Tender documents, including the Agreement, in the composition and number as required to perform the Service Provider's obligations under the Agreement as best as possible.
- 5.8. Without derogating from the above mentioned, during the Project's execution, the Service Provider will allocate the personnel that will at least include the team detailed in the Specifications Document.
- 5.9. Without derogating from any provision of the provisions of the Agreement, it is clarified that the personnel employed on behalf of the Service Provider must participate actively in all stages of the provision of services, including attending meetings of the Company and/or the Ministry of Transport and/or any other entity as may be required for the provision of services and the frequency required to do so. Thus, as well as cooperate with any such entity, as stated, will assist concerning the provision of the Services, and all as required by the Company from time to time.
- 5.10. The Service Provider undertakes to continue the employment of the transportation planner whom it presented in the Service Provider's bid for the duration of the project unless the Company has consented *a priori* and in writing otherwise. For the avoidance of doubt, the replacement of personnel, without the *a priori* and written consent of the Company, will constitute a Material Breach of the Agreement.



- 5.11. Notwithstanding the aforementioned, it is agreed that where a staff member is temporarily barred (i.e., sickness, reserve duty or vacation leave, etc.) from performing his/her duties within the services, the Service Provider may offer another staff member as a substitute, subject to prior approval from the Company.
- 5.12. It is clarified that the Company will be entitled to instruct on the replacement or the removal of any of the Service Provider's personnel, immediately, of any one of the personnel, at any time and its sole discretion, without bearing any responsibility toward the Service Provider and/or the personnel. Should the Company act, as stated in this section, the Service Provider undertakes to provide an alternative staff member and all subject to the advanced approval by the Company. To dispel any doubt, it is clarified that there is nothing in the replacement of a staff member, for any reason whatsoever, that is to cause a delay and/or postponement of the schedule set in the Specifications Document and the remaining Tender documents.
- 5.13. The Service Provider undertakes to make personnel available to the Company for the duration of service provisions and project execution, while the scope of the work may vary at the discretion of the Company. It is clarified that no such modification will be made to alter the consideration to which the Service Provider is entitled to the Project, except if this case applies to the terms and conditions of Section4 above.
- 5.14. The Company will be entitled to require that the Service Provider, at its expense, switch and/or replace and/or add personnel and/or measures necessary to execute the Project. In the Company's opinion, there is a well-established concern that the Service Provider will not fulfill its obligations under the Agreement, and the Service Provider undertakes to act as per the Company's requirements.
- 5.15. The Service Provider undertakes to pay the personnel under its employ their full salary and consideration, including the required social security rights, all following provisions of the law.
- 5.16. All gatherings and/or training and/or meetings as may be required to complete the project will be conducted at the Company's offices and/or wherever agreed upon by the Company.
- 5.17. To avoid any doubt, it is hereby clarified that there is nothing in the stated in this Section5, to impose any responsibility on the Company concerning the execution of the Project and/or the nature of the System and that the Service Provider bears all and exclusive responsibility for these matters.
- 5.18. Throughout the entire Contract Period, the Service Provider will execute risk management for each phase in the Project. The risk management will include identifying and assessing potential risk factors for non-compliance of schedules or outcome quality, identifying and evaluating the implications on the Project from any standpoint whatsoever, and preparation of an action plan to prevent or minimize the predicted damage. The Service Provider will convey regularly

written reports to the Company concerning risk management mapping and finding.

5.19. The service outcomes and/or system performances (as relevant) will be like the said in the Specifications Document and as per any characterization and/or definition that will be determined in the framework of the Approved Characterization and the Approved Work Plan. The above mentioned will apply, *inter alia*, concerning all of the following parameters:

5.19.1. The level of information security;

5.19.2. Backup and survivability;

5.19.3. The type of queries that the System will perform;

5.19.4. Query response times.

5.20. The mentioned in this Section 5 is among the primary points of the Agreement, and its violation will be deemed a Material Breach of the Agreement.

## 6. The Period of the Agreement

6.1. The contractual period between the Company and the Service Provider will last for a period of twelve (12) months (hereinafter: "**The Period of the Agreement**"). Ayalon Highways is afforded the right to exercise their option, at their sole discretion, to extend the period of the Contract for an additional twelve (12) months. Insofar as the optional phase is realized, as detailed above, the period of the Agreement will be extended for an additional 24 months, and Ayalon Highways will be afforded the option at its sole discretion, to extend the period of the Contract for additional periods of up to 12 additional months each (hereinafter; "**The Option Period**"). During the Option Periods, the provisions of the Agreement will apply in full.

6.2. Notwithstanding the above mentioned, it is hereby clarified that the Company will be entitled to terminate the Agreement, by advanced and written notification, to be provided to the Service Provider 30 (thirty) days in advance, for any reason whatsoever. To dispel any doubt it is clarified that in the event of the termination of the Agreement as stated above, the Service Provider will not be eligible for any compensation and/or payment whatsoever, except those services rendered by the staff personnel until the termination date of the Agreement as approved by the Company, and it waives *a priori* and undertakes not to raise any claim whatsoever against the Company in connection with the Agreement's termination.

6.3. It is hereby clarified that the Company will be entitled to instruct, from time to time, on a temporary cessation in the provision of Services and/or instruct on a reduction of the scope of said Services, including a partial cancellation of the Services listed in the Tender documents, and all at its sole discretion and in accordance with its needs concerning the reception of the Services that are the subject of the Agreement. Should the Company order a temporary cessation as



stated, the Service Provider will not be entitled to consideration for the period during which there was a cessation in the provision of said Services.

6.4. Upon termination of the Period of the Agreement for any reason, the Service Provider undertakes to conduct an overlap and convey the essence and details of its work to the Company and/or to any entity selected in substitution on behalf of the Company, fiducially and with dedication following the Company's instructions, guidelines and in the fullest cooperation.

7. **The Consideration**

In consideration for the complete fulfillment of the Service Provider's obligations to the Company's satisfaction, the Company will remunerate to the Service Provider consideration according to the price quote submitted by the Service Provider as part of its Tender bid, as per the provisions contained in the Tender documents (hereinafter: "**The Consideration**"):

7.1. For the provision of the basic services -

7.1.1. The Service Provider will be eligible to a fixed, one-time consideration as per the price quoted by the Service Provider as part of the Tender bid. The consideration for the basic services will be remunerated subject to and after receiving the Company's consent for the completion of each of the following milestones:

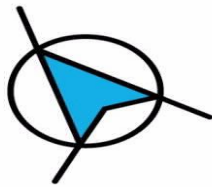
Milestone	Percentage for Payment
1. Receive client approval for the characterization document	30%
2. Upon completion of the prototype	50%
3. Submission of a final report	20%

7.1.2. Consideration for each of the milestones, as stated above, will be remunerated within 45 days from the date of the Company's certification concerning the completion of the relevant milestone.

7.2. For the Optional Services

To the extent that the Company chooses to exercise its right to realize the optional phase, and to order from the Service Provider the Optional Services, at its sole discretion, the Company will notify the Service Provider *a priori*, in writing, and the said case the Service Provider will be entitled to consideration as detailed below:

7.2.1. For core product licensing payments



The payment will be executed according to the bid made by the Service Provider as part of the price quote submitted to the Tender. The proposal will include the total cost (TCO) for five years and include a one-time payment for licensing and renewal/maintenance (in the procurement model) or annual cost (in the rental model), or a combination of the two.

7.2.2. For the additional services included in the optional services

The Service Provider will be eligible for consideration according to the hourly work fees detailed in the hourly fees, less an across the board discount as offered by the Service Provider in its bid to the Tender. The consideration will be calculated according to work hours as ordered in writing by the Company, actually executed by the winning bidder, and approved by the Company.

7.2.3. For the development and maintenance phase

It is agreed between the parties that with completion of the provision of the basic services by the Service Provider, and to complete development and the provision of system maintenance services, the Company will be entitled to act according to any one of the alternatives detailed herein, at its sole discretion:

7.2.3.1. Request a price quote from the Service Provider in a fixed price configuration.

7.2.3.2. Request price quotes in a fixed price configuration from the Service Provider and the remaining Tender bidders that were designated "Additional Qualifier Bidders" (as defined in the Terms of the Tender Volume), based on a competitive RFQ that will be disseminated by the Company to all of the Additional Qualifier Bidders.

To the extent that the Company chooses to exercise this alternative, the detailed characterization executed by the Service Provider will be provided to all the qualified bidders. The Service Provider declares and affirms that in the framework of the individual referral mentioned above the Company will be entitled to convey to third parties all of the outcomes that will be prepared by the Service Providers in the basic services phase, and undertakes not to raise any claim and/or demand and/or suit with respect to other matter stated.

7.2.3.3. Publish a separate Tender to retain development and maintenance services.

7.3. The Service Provider will not be eligible for any additional remuneration without exception because of or in connection with the provision of the Services that are the subject of this Agreement beyond Consideration, as detailed above, including for the use of the characterization document, without any limitation by the

Company and/or anyone on its behalf, and for the remaining obligations of the Service Provider as per the Agreement and any law for the duration of the Period of the Agreement and/or the Option Period, as relevant.

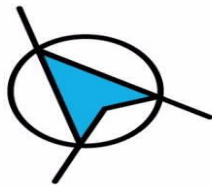
- 7.4. To dispel any doubt, it is clarified that the said consideration will constitute a final and inclusive Consideration for the provision of the Services that are the subject of the Tender in their entirety, to the Service Provider and/or any third party, and this includes: Travel time to/from the worksite, set-up at the worksite, transport, work, insurance, loading and unloading, and installation costs, as well as overhead expenses, price increases, office and/or general expenses, equipment supply cost, software and/or software licensing costs, worker salary and/or service provider employee costs (including all pertinent social security payments), as well as any additional and/or other expense, direct and/or indirect, of any type whatsoever.
- 7.5. The prices offered by the Service Provider in its Tender bid will remain fixed, and no price increase and/or linkage whatsoever will apply.
- 7.6. It is clarified and agreed that all expenses that the Service Provider will require to execute his services, for the supply of goods and work executed will be incurred and paid by him and that such expenses have been taken into account and included in the consideration for which the parties have agreed to this Agreement.
- 7.7. VAT, as required by law, will be added to the consideration.
- 7.8. Within seven (7) days from the end of each calendar month, the Service Provider must submit to the Company a detailed monthly report concerning the previous month for which it seeks remuneration (hereinafter: "The Monthly Report"), in which the Service Provider will detail the requested consideration as per the milestones set for payment of the consideration as detailed above.
- 7.9. The Company will be entitled to instruct the Service Provider to list in the framework of the monthly report additional data at its sole discretion and attach any document that may be required to examine and affirm the data detailed in the monthly report.
- 7.10. Subject to the approval of the monthly report by the Company as stated above, the Service Provider will submit an approved invoice as stated to the Company by the fifth day of the consecutive calendar month. The Company will pay the Service Provider the invoiced amount on the tenth (10) or the twenty-fifth (25) of the calendar month, the earlier of the two, and on the condition that forty-five (45) days have passed in the submission of the invoice by the Service Provider to the Company, and this against a lawful tax invoice.
- 7.11. The effective date for invoice submission is the date of receipt of the invoice as stamped by the Company representative and the presentation of pertinent documentation at the request of the Company. The consideration will be paid following the lawful deduction at the source (unless the Service Provider provides

the Company with a lawful confirmation concerning his exemption from deduction at source).

- 7.12. A condition for the payment of the last account requested by the Service Provider will be the transfer of the Absence of Claims Form to the Company, as attached to this Agreement as **Appendix B** when signed by the Service Provider.
- 7.13. For the avoidance of doubt, it is hereby emphasized that the Company is entitled to offset against any amount due the Service Provider thereof, any amount due it by the Service Provider pursuant to this Agreement and/or under any law, including advances and/or arrears, as well as any amount transferred to the Service Provider or has been paid in error, or any amount the Service Provider owes the Company contrary to what is stated in the Agreement, and the Service Provider's signing of the Agreement constitutes Agreement on his behalf without any further notice of deduction or delay or offset by the Company.
- 7.14. The Company will be entitled to reduce or offset payment of the consideration as provided in this Agreement, should it be found that the execution of the Services was defective. The Company's right is not limited solely to the consideration as stated in the Agreement, but to any Consideration due and/or is liable to be due the Service Provider from the Company.

## 8. **Agreed Compensation to the Company**

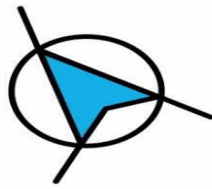
- 8.1. Without derogating from any provision of the Agreement's provisions and the Specifications Document, and in addition to them, it is agreed that for any non-compliance of the service levels set forth in the Service Level Agreement, the Service Provider will pay the agreed compensation, as detailed in the Technical Specifications Document (hereinafter: "**The Agreed Compensation**"). For the avoidance of doubt, it is clarified that the provisions of the Service Level Agreement do not derogate from the other provisions of the Agreement, and will be regarded as supplemental provisions.
- 8.2. It is clarified that payment of the Agreed Compensation by the Service Provider does not release it from any liability to complete all of the obligations for which the Service Provider paid the Agreed Compensation to the Company and that any payment of Agreed Compensation by the Service Provider does not derogate from the Company's existing remedies and/or rights under the provisions of the Agreement and/or the law for breach of the provisions of the Agreement by the Service Provider.
- 8.3. The Service Provider declares and confirms that the amounts of Agreed Compensation are reasonable and logical concerning the damage that may be anticipated at the time of the conclusion of the Agreement.
- 8.4. The Company will be entitled to collect the stated amount of Agreed Compensation in any manner, at its sole discretion, and including by manner of offsetting amounts due the Service Provider from the Company under the provisions of this Agreement and/or forfeiture of the executorial guarantee, as detailed in Section 13 herein.



- 8.5. Payment of the above mentioned Agreed Compensation, discounts, or their collection does not absolve the Service Provider from its obligation to complete the services or from any other obligation under the Agreement.
- 8.6. For the avoidance of doubt, it is clarified that the provisions of this section do not derogate from any right and remedy that the parties have under any law and/or derogate from the parties' rights under the Agreement.

9. **Absence of an Employee - Employer Relationship**

- 9.1. It is agreed that, according to the Agreement, the parties' relationship will be based on a service provider-beneficiary relationship. There will be no employer-employee relationship between the parties and as such no rights and obligations as common between employer and employee.
- 9.2. Because the Service Provider is himself a hiring entity, and since it is the desire of the Service Provider to remain independent in the management of his business affairs, and since, and subject to the statement in the Agreement, the Service Provider is free to contract with other customers to offer his services, consequently, the Service Provider hereby waives any claim and/or demand emanating from employee-employer relations between him and/or the staff personnel on his behalf and the Company, and declares his knowledge concerning the legal and factual significance stemming from this waiver.
- 9.3. The Service Provider undertakes not to file suit against the Company for any cause whatsoever pertaining to the matter of employee-employer relations between him and the Company and/or the Government, and that if despite his obligation to do so, or if the Company incurs additional expenses beyond what is stated in the Agreement, arising out of the fact that employee-employer relations existed between the Company and the Service Provider and/or his employees and/or those engaged by him during the term of the Agreement - then, the Service Provider will be liable to indemnify the Company at its first demand for any expense incurred by it in respect to or in connection with such claim, including fees.
- 9.4. Without derogating from the above mentioned, and for any reason whatsoever, a Competent Authority, including a judicial body, would determine that the Service Provider and/or any of his employees and/or who on his behalf is an employee of the Company, or that he and/or his employees and/or those on his behalf are entitled to rights and entitlements as an employee, or if additional expenses will apply to the Company beyond what is stated in the Agreement, arising from the fact that there was an employer-employee relationship between it and the Service Provider and/or his employees and/or those engaged on his behalf during the period of the Contract under this Agreement, the following provisions will apply:
- 9.4.1. Instead of the consideration that was paid to the Service Provider from the commencement of the Contract between the parties, will come to a reduced Consideration (gross) at a rate of 40% for the actually paid consideration, and will show the Service Provider, in such a case, as being entitled solely and only for the reduced consideration (gross) retroactively



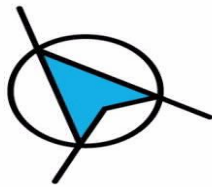
from the date of commencement of the Contract between the parties (i.e., for a Consideration 60% of the consideration paid).

- 9.4.2. The Service Provider must return to the Company any amount paid from the date of commencement of the Contract and paid over and beyond the reduced consideration, and adjusted to the Consumer Price Index (for the matter of this clause, "**The Base Index**" - the index known on the date of each payment; "**The New Index**" - the index known at the date of the actual refund) and with adjusted monthly interest differentials at a rate per annum of 4%.
- 9.4.3. Without derogating from any right therein, the Company will be entitled to offset these excess amounts against any amount due the Service Provider or to anyone by virtue thereof.
- 9.4.4. The Service Provider alone will bear all payments to which his employees and/or those engaged by him are entitled to providing Services to the Company, including income tax, social security payments and any additional payment that applies or will apply on the consulting firm for hiring employees and/or assistants and the conditions of their employment under the labor laws in effect in the State of Israel and/or national laws applicable to the Service Provider in his country, including severance pay, vacation, retirement funds dispensations, pension funds, travel allowance, recovery, reimbursement of any kind, advance notice or redemption or for any other social conditions and other social security payments as per any law. The Service Provider undertakes to present to the Company, upon its request, certifications concerning the issuance of such payments.
- 9.4.5. It is hereby clarified that the consideration payable to the Service Provider under the Agreement is determined on the assumption, based on the above mentioned, that it includes the full payment to which they are entitled and/or the Service Provider is entitled under this Agreement. The Service Provider is solely responsible for making all payments and any deductions to be made under any law and is solely responsible for the payment of all the payments listed above.
- 9.4.6. It is agreed and conditional that there is nothing in the Company's rights under the Agreement, including its rights to supervise and/or audit the services provided by the Service Provider to create an employer-employee relationship between the Company and the Service Provider.
- 9.4.7. The mentioned in this section, as well as all of its Sub-sections, are among the primary points of the Agreement, and its breach will be deemed a Material Breach of the Agreement.

## 10. **Responsibility and Insurance**

- 10.1. The Service Provider hereby declares that it will bear all lawful responsibility for any damage(s) of any kind and type that may be caused by its action and/or neglect or by that of its employees and/or anyone on its behalf, to





any person and/or property and/or other economic damage to the Company and/or anyone on its behalf and/or any other third-party and that the Service Provider bears thereon responsibility, under the provisions of any law, including the provisions of this Agreement. The above mentioned notwithstanding, the Service Provider will not bear responsibility for any indirect, consequential, or punishments caused to the Company and/or any third party whatsoever, including lost income or prevented revenue.

- 10.2. Notwithstanding that said anywhere else, the Service Provider's responsibility will not be limited concerning claims that refer an infringement of intellectual property rights and/or other third party rights and/or any breach of confidentiality and/or violation of provisions of any law and/or bodily damages and/or damages caused intentionally and/or maliciously.
- 10.3. Without derogating from the Service Provider's responsibility under this Agreement and according to all law, the Service Provider undertakes that before the start of any execution of its work and provision of services, and during the entire period of the Agreement it will possess valid insurance policies issued at its expense, under its name and the name of the Company, all as detailed in the Confirmation of Insurance Coverage attached to this Agreement and which constitutes an indivisible part thereof, and labeled as **Appendix D'** (hereinafter: "**Confirmation of Insurance Coverage**").
- 10.4. Without the need for any demand on the part of the Company, the Service Provider undertakes to present to the Company before the start of its work and provisions of services a Confirmation of Insurance Coverage, signed by the insurer.
- 10.5. The Service Provider declares that it knows that the presentation of the stated Confirmation of Insurance Coverage is a contingent and prerequisite condition for the start of its work and provision of services, and the Company will be entitled to prevent the implementation of the Agreement until such time that the said confirmation is presented before the start of the work's execution.
- 10.6. The failure to present on time the Confirmation of Insurance Coverage, as stated in Section 10.5 above, will not affect the obligations borne by the Service Provider under this Agreement, including payment of compensation for non-compliance with the terms of the Agreement.
- 10.7. The Company is entitled to review the Confirmation of Insurance Coverage as presented by the Service Provider, as stated in Section 10.4 above, and the Service Provider undertakes to act to execute any modification or correction that will be required to adapt it to its obligations under this Section 10. The Service Provider declares that the Company's right to audit the insurance coverage as stated and the Company's right to order any revision of the service provider's insurance as described above does not impose on the Company or anyone on its behalf any obligation and responsibility in connection with the Confirmation of Insurance Coverage as stated above, the nature, scope and validity of the

insurance, and does not derogate from any liability imposed on the Service Provider under this Agreement.

- 10.8. The Service Provider undertakes to comply with the terms of its insurance policies, to pay the insurance premiums in full and on time, and to ensure that its insurance is renewed from time to time as necessary and remains in effect throughout the period of the Agreement.

Notwithstanding the above mentioned, the Service Provider undertakes that the Professional Liability Insurance Policy (Clause 1 the Confirmation of Insurance Coverage Form) will be continuously renewed for a period of no less than seven (7) years from the termination of the Agreement.

- 10.9. No later than 15 days before the end of each insurance period, the Service Provider undertakes to deposit with the Company a new Confirmation of Insurance Coverage as stated in Section 10.4 above for extension of its validity for an additional period.

- 10.10. The Service Provider undertakes to re-deposit the Confirmation of Insurance Coverage at the specified times, for each period of insurance as long as this Agreement is valid, even if the formal expiration date has expired, but it continues to exist.

- 10.11. Cancellation of the insurance before this expiration of this Agreement for any reason whatsoever, and the Service Provider fails to present any other Confirmation of Insurance Coverage, or did not renew insurance that ended; the Company will be eligible to take out insurance under its name and pay the insurance premium if not paid as required. The Company will be entitled to discount these payments from any amount owed by it to the Service Provider at any time whatsoever or collect them from the Service Provider in any other manner.

- 10.12. For the avoidance of doubt, it is hereby agreed that determination of the liability limitation as detailed in the clauses of the Confirmation of Insurance Coverage attached as **Appendix D** to the Agreement, is a minimum requirement imposed upon the Service Provider, which does not exempt it from fulfilling its obligations under this Agreement. The Service Provider must examine the exposure to liability and determine the limits of liability accordingly. The Service Provider declares and affirms that it will refrain from raising any claim and/or demand against the Company and/or anyone on its behalf concerning the said minimum liability limits.

- 10.13. If in the opinion of the Service Provider, there is a need for any additional and/or supplementary insurance for the Service Provider detailed in the Confirmation of Insurance Coverage, the Service Provider undertakes to seek and implement the said additional and/or supplementary insurance. Any additional or supplementary insurance to the Service Provider's insurance will include a clause concerning a waiver of the right of replacement against the Company (concerning property insurance), except toward a person who has caused malicious damage and the

name of the insured party will be expanded to include Ayalon Highways (regarding liability insurance), subject to the extension of "cross-liability."

10.14. The mentioned in this section, as well as all of its Sub-sections, are among the primary points of the Agreement, and its breach will be deemed a Material Breach of the Agreement.

## 11. Intellectual Property; The Service's Outcomes

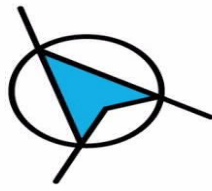
11.1. Every document, including various processes, Bill of Materials, estimates, materials and reference materials, specifications, Tender Volumes, written procedures and guidelines, presentations, plans, calculations, diagrams, innovations, developments, inventions, patents, photography software, copies, pictures, film clips, images of all kinds whatsoever, all their components, and any associated databases, as well as any remaining service products, including interim products or information that will be prepared by the Service Provider and/or received from the Service Provider in connection with the Services (hereinafter: "Service Products" or "The Documents") will be owned by the Company and will constitute the sole proprietary property of the Company and transferred to its possession immediately upon demand, and the Service Provider and/or any person on his behalf will not have any claim and/or suit and/or demand toward the Company and/or any person on its behalf with respect to such and/or any lien right in the documents, and this, even when there is disagreement between the parties on any matter; the Service Provider undertakes to respond to any document or object relating to the Company which is in its possession and/ or in the possession of those on its behalf within 7 days from the date of its being required to do so.

For this matter, "**Document**" - including data preserved on magnetic media and/or any other media. It is hereby also clarified that documents found to be possessed by any other third party whatsoever, belong solely to the Company.

11.2. Without derogating from the above mentioned, the Service Provider confirms and warrants that the Company will be entitled to make any use in its discretion in the products of the Services and, *inter alia*, to transfer them to any party (including the Ministry of Transport) and for any other purpose, including modification of the documents and/or engaging in any other use at its sole discretion, without the need for permission from the Service Provider and without the Service Provider being entitled to receive any consideration or any additional consideration for such use.

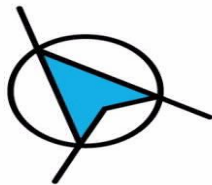
11.3. It is clarified that if the Company chooses to transfer any work conveyed to the Service Provider to another party; the Service Provider undertakes to assist as best as possible in transferring the activity and/or knowledge and/or the service products as defined in this Agreement to any other party within a period not exceeding fourteen (14) days, by the instructions of the Company and at its sole discretion.

11.4. Without derogating from the above mentioned, it is hereby declared and clarified that the Company has the exclusive right and will have the exclusive copyright



and other rights of any kind, whether intellectual property, whether the right to use licenses, trademarks, and the like, which are governed by any law in any document (including physical or magnetic media) ) or an opinion or intellectual property to be conducted by the Service Provider or based on advice given by the Service Provider and/or by third parties in connection with this Agreement. The Service Provider undertakes to take all actions as may be required by the Company to register such rights in the name of the Company and under any law.

- 11.5. Upon termination of this Agreement for any reason, the Service Provider will deliver to the Company within 14 days, all originals and copies of all its documents and services related thereto, plus a written declaration that he or any other person is not in possession of original or copied documents. The Service Provider will not be entitled to any payment other than as provided in this Agreement for the Services referred to in this clause or for updating the documents.
- 11.6. All Service Provider developments (executed for the Company) and the outcomes of the same developments emanating from the preliminary characterization document as published by the Company before the signing of the parties on this Agreement, as well as their application in the framework of the Approved Characterization, will be owned by the Company. [Subject to the exercise of the Optional Phase]
- 11.7. The Service Provider hereby grants the Company an exclusive, irrevocable, transferrable license (secondary licenses for anyone on behalf of the Company, including any entities with whom the Company will cooperate in connection with the System) that is not subject to the payment of royalties and without licensing fees of any type whatsoever, for use in the State of Israel in the System including Service Provider developments and previous Service Provider inventions insofar as they are integrated into the System, and required for the correct and proper operation of the System ("**The License**"). The Service Provider agrees that this Agreement will constitute an irrevocable and unlimited Power of Attorney from the Service Provider to the Company to exercise its rights concerning the license to use in the System as detailed in this Agreement above. [Subject to the exercise of the Optional Phase]
- 11.8. It is clarified that the Service Provider is prohibited from utilizing the System and the Service Provider developments, without the *a priori*, written consent of the Company.
- 11.9. In any case of a third-party claim, or demand, or suit by which the services (including previous inventions integrated into the system or Service Provider developments), all and/or parts thereof, infringe on the third-party rights (including intellectual property rights), the Service Provider at its expense will protect and defend the Company (should the Company request not to conduct its defense) from any claim/suit/demand. The Service Provider will indemnify the Company for all expenses, compensation, damages, losses, and fees (including without derogating attorney fees), The Company will notify the Service Provider in writing of any claim/suit, and allow the Service Provider to participate in the



management of the defense as long as the Service Provider is not entitled to compromise in the name of the Company without its expressed, *a priori* and written consent.

Without derogating from the above mentioned to the extent that the services (including prior inventions incorporated into the System or Service Provider developments) may infringe on any third party intellectual property rights, the Service Provider will obtain any necessary licenses and/or conduct any replacement or modification while retaining the same characterization and specifications outlined in this Agreement so that the Company can continue to preserve its rights and make any use of the license without infringing on any third party rights or will refund immediately upon the Company's demand all of the consideration paid by the Company to the Service Provider without derogating from its rights under this Agreement and by law.

11.10. The mentioned in this section, as well as all of its Sub-sections, are among the primary points of the Agreement, and its breach will be deemed a Material Breach of the Agreement.

## 12. Non-Disclosure

12.1. The Service Provider undertakes, unlimited in time, that it will preserve confidentiality, and will not transmit in any way whatsoever, whether or not in return for compensation, and not convey, publish, disclose, copy or use in any way not concerning the provision of the Services and the fulfillment of his obligations according to this Agreement, and will not bring to the knowledge of any person, except the Company, and except the Service Provider's employees or those on his behalf on a need-to-know basis for the provision of the Services under this Agreement, any knowledge, information, document (as defined in Clause 12.1 above) and any other material that arrived or will arrive in whole or in part with this Agreement or in connection with the provision of the Services, whether prior, during or following the execution of the Agreement.

12.2. Without derogating from the above mentioned in Section 12.1 above, the Service Provider undertakes to sign and attain the signature thereof all on his behalf who has access to information related to this Agreement, a Non-Disclosure Agreement as attached to this Agreement as **Appendix C**, by which he will undertake, unlimited in time, to preserve confidentiality, and will not transmit in any way whatsoever, whether or not in return for compensation, and not convey, publish, disclose, copy or use in any way not with respect to the provision of the Services and the fulfillment of his obligations according to this Agreement, and will not bring to the knowledge of any person, except the Company its employees or those on its behalf, and except the Service Provider, his employees or those on his behalf on a need-to-know basis for execution of the Agreement, any knowledge, information, document and any other material that arrived or will arrive in whole or in part with this Agreement or in connection with the provision of the Services, whether prior, during or following execution of the Agreement.



- 12.3. For the avoidance of doubt, it is hereby stated that the above mentioned will apply to the Service Provider and anyone on his behalf even after the expiry of the Agreement.
- 12.4. The Service Provider undertakes not to convey any material and/or information obtained while working for the Company and/or any of the Services' products to any party, including company-related parties, nor distribute to other Company Service Providers, except through the Company or under its written guidelines.
- 12.5. The above mentioned in this clause will not apply to any information made public on the date of signing this Agreement or becomes public thereafter, provided the information becomes public after the date of signature of this Agreement, does not occur directly or indirectly under the auspices of the Service Provider or anyone on his behalf by means of act, omission or tacit consent. The burden of proof that the foundations of this section are maintained falls on the Service Provider.
- 12.6. The mentioned in this section, as well as all of its Sub-sections, are among the primary points of the Agreement, and its breach will be deemed a Material Breach of the Agreement.

### 13. **Collateral**

- 13.1. To guarantee in full all of the Service Provider's obligations during the period of this Agreement, the Service Provider undertakes to deposit with the Company upon the signing of the Agreement, an autonomous, unconditional and irrevocable performance guarantee, according to the wording in **Appendix E** to this Agreement, in the amount of NIS 200,000 (hereinafter: "**Performance Guarantee**").
- 13.2. The performance guarantee will serve *inter alia* as a quality guarantee, and it will be valid up to the expiration of warranty for the final item supplied as part of this Agreement, or at the end of 90 days from the date of conclusion or termination of the Period of the Agreement or the Option, the latter of the two, and after and subject to the Service Provider has fulfilled all its obligations under this Agreement.
- 13.3. The performance guarantee will be forfeited by presentation to the Bank without the Company having to present any additional document and/or evidence to the Bank, and without the Company having to give a reason for its decision.
- 13.4. For the avoidance of doubt, it should be emphasized that the amount of the performance guarantee set forth above is solely for ease of collection and in no way constitutes Agreed Compensation of any kind.
- 13.5. A condition for the return of the performance guarantee to the Service Provider is the signature of the Service Provider on the Absence of Claims For the Company Form, in the wording attached as **Appendix B** to this Agreement.



13.6. It is emphasized that the provisions of this section above is a Material Condition of the Agreement, and any breach thereof constitutes a Material Breach.

14. **Avoiding Conflict of Interest**

14.1. The Service Provider declares that he and his staff personnel are not in a state of Conflict of Interest, directly or indirectly, including any personal, professional or business Conflict of Interest, between him and the Company and/or the Ministry of Transport, and undertakes to avoid causing any such state or being in a situation in which he or his activities will conflict with his obligations according to this Agreement.

14.2. In any case, the Service Provider undertakes to notify the Company immediately upon being informed that he and/or staff personnel on his behalf are in such a Conflict of Interest and to refrain from executing any action or providing any services pending instructions from the Company.

14.3. The mentioned in this clause, as well as all of its Sub-clauses, are among the primary points of the Agreement, and its violation will be deemed a Material Breach of the Agreement.

15. **Transfer of Agreement**

15.1. The Service Provider is not entitled to transfer to another the Agreement, or parts thereof, and is also not entitled to transfer or assign or mortgage or pawn or delegate to another any right or obligation according to this Agreement, including the right to funds liable to be due him according to this Agreement, unless afforded advanced written approval by the Company.

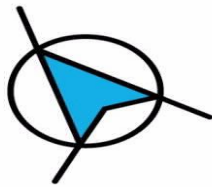
15.2. The Service Provider is prohibited from transferring to another execution of the services, all or parts thereof, without written and *a priori* consent from the Company.

15.3. Without derogating from the provisions of Clause 15.1 above to the extent that the Service Provider's offer attaches a subcontractor presented by him in connection with the Tender Proposal, and as a condition of signing this Agreement, and/or to the extent that the Service Provider transfers his rights or obligations under this Agreement, or conveyed execution of the Services, all or parts thereof, to another, the Service Provider will continue to bear full responsibility for its obligations toward the Company under this Agreement.

15.4. The Company will be entitled to transfer its rights and obligations to the Ministry of Transport and/or any other governmental entity and body under the control of the State of Israel and/or to any other entity, subject to such that the rights of the Service Provider as per this Agreement are not harmed.

16. **Material Breaches**

16.1. Should the Service Provider committed a Material and/or Non-Material Breach of the Agreement and failed to repair said violation within five working



days from the date of the Company's written demand, the Company will be entitled, at its sole discretion, to take one or more of the following steps detailed herein, and this without causing the termination of the Agreement:

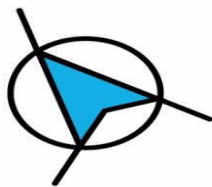
- 16.1.1. Cease immediately, whether permanently or temporarily, the continued provision of Services, all or parts thereof;
- 16.1.2. Replace the Service Provider with another Service Provider to complete the services, whether permanently or temporarily;

The Company will be entitled to collect from the Service Provider its expenses in the cases mentioned above and additional administrative expenses at a rate of 15%, including VAT.

To dispel any doubt, it is hereby declared that the Company's action as per this clause does not bring the Agreement toward its termination and does not release the Service Provider from his obligations as per this Agreement.

16.2. Without derogating from the mentioned, and in addition to the above mentioned in Clause 16.1 above, the Company is entitled, at its sole discretion, to cancel the Agreement immediately, in full or in part, by advanced written notification to the Service Provider, without the need for any warning, without any obligation to pay any compensation whatsoever, and without derogating from any other or additional remedy at its disposal, should one of the following occur:

- 16.2.1. Delay of the Service Provider by more than sixty (60) days at any of the dates specified in the Tender documents;
- 16.2.2. A Material Breach by the Service Provider and/or a Non-Material Breach that is not corrected within the date set by the Company;
- 16.2.3. The Service Provider and/or any of its managers and/or any of its employed personnel in the provision of services is suspect in the commission of an offense involving moral turpitude;
- 16.2.4. If it becomes clear to the Company at any stage there is any legal impediment to continuing the Contract with the Service Provider;
- 16.2.5. A liquidation request or a settlement agreement with his creditors or a bankruptcy application has been filed against or by the Service Provider, and this motion has not been withdrawn, deleted or denied within 45 days;
- 16.2.6. A foreclosure, temporary or permanent, has been imposed on the property of the Service Provider or a part thereof, in a manner which could materially impair its ability to provide the services, or execution of its property, all or parts thereof has been enacted in a material manner which could materially impair his ability to provide the service, and the foreclosure was not removed within 30 days;



- 16.2.7. The inability of the Service Provider for thirty (30) days to fulfill any of its basic obligations under the Agreement promptly and/or at all, due to financial difficulties, cash flow problems, insufficient personnel and/or any other cause;
- 16.2.8. Non-compliance with any one of the modules developed by the Service Provider, after receiving completion approval from the Company and their operational execution, in any of the specifications under the Agreement [relevant to the Optional Phase];
- 16.2.9. A malfunction that results in a complete or substantial partial shutdown of the System, which has been discontinued continuously for twenty-four (24) hours;
- 16.2.10. If it becomes clear that the Service Provider and/or any of its managers and/or any of its employed personnel has violated and/or stands to violate any law, whether or not bound by the Agreement;
- 16.2.11. The Service Provider has violated the privacy protection provisions outlined in this Agreement;
- 16.2.12. The Service Provider has transferred rights in the System (in part or whole) to a third-party without Company consent;
- 16.2.13. The Service Provider has deviated from the maximum schedule outlined in the Specifications Document, for three months or more;
- 16.2.14. The amount of the cumulative Agreed Compensation (as detailed in Appendix F) demanded from the Service Provider by the Company is greater than 10% of the total consideration under the Services Agreement;
- 16.2.15. The Service Provider was negligent in the execution of his obligations according to the Agreement and/or breached the fiduciary duty and/or the warranty and/or acted in Conflict of Interest with the Agreement;
- 16.3. In the event of cancellation of the Agreement by the Company due to its breach by the Service Provider, the Company will be entitled to exercise the performance guarantee, without detracting from any other and/or additional remedies to which it may be entitled to under the circumstances.
- 16.4. Nothing in the above mentioned will detract from any other remedy and/or relief to which the Company may be entitled in such circumstances.
- 16.5. If other financial and/or professional disagreements arise between the Service Provider and the Company, such will not constitute grounds for the Service Provider to delay further development of the System and completion of the Project, nor will they constitute grounds for postponement of the schedule, unless the Company requires in writing the termination of the services by the Service Provider.

17. **Company Representative**

- 17.1. The Company Representative for the purpose of execution of the Agreement is \_\_\_\_\_ and/or whoever will be appointed in his place and/or on his behalf and/or as acting representative.
- 17.2. The Company is entitled to replace its representative at any time by way of notice to the Service Provider.
- 17.3. To dispel any doubt, the Company representative is not authorized to alter the terms of this Agreement, including any alteration that may be required to charge the Company with additional financial charges beyond the provisions of Section 7 above; any change to the Agreement will be made solely under the provisions of Section 18.2 below.
- 17.4. The Company Representative may enter any activity related to or involving the Services, participate in any related activity or execution thereof, and the Company Representative is entitled to review any document and any related or affiliated information concerning the Services provided by the Service Provider.

18. **Miscellaneous**

- 18.1. **Failure to enforce does not prejudice rights** Failure by a party to this Agreement to exercise its rights does not mean waiving such rights or the right to sue (including enforcement) for breach, and will not prevent enforcement of the provisions of this Agreement at the request of a said party at a later date or for any other breach of the Agreement.
- 18.2. **Amend and Alter the Agreement** Any amendment or alteration to this Agreement will be done in writing, signed by the authorized signatories of the parties to this Agreement.
- 18.3. **Canceling and Exhaustive Agreement** This Agreement, its affiliated agreements and other documents between the parties bearing the date of this Agreement, constitute the Comprehensive Agreement between the parties and cancel any prior agreement, whether written or verbal, between the parties in matters of this Agreement.
- 18.4. **Dispute Resolution.**
- 18.4.1. **Local Jurisdiction** Any matter relating to this Agreement shall be heard only in the competent courts of the City of Tel Aviv-Jaffa.
- 18.4.2. Notwithstanding the stated in Section. **שגיאה! מקור ההפניה לא נמצא.** above, to the extent disputes arise in matters which the two parties consider to be essentially professional and/or technical, the parties will agree on the identity of an arbitrator, and his decision on these matters will be final and binding, without any right of appeal.
- 18.5. **Condition Precedent.** This Agreement will come into force on the date of its signature by the last of the Company's authorized signatories.

18.6. **Internal Audit.** The Service Provider undertakes to cooperate with any internal audit by the Company, and enable the internal audit of the Company to examine the Service Provider's ledgers in respect to its Contract with the Company. Breach of this Section will be deemed a Material Breach of the Agreement.

18.7. The Service Provider will not have a right of offset and lien against the Company.

19. **The Parties' Addresses and Delivery of Notification(s)**

19.1. Notices in connection with this Agreement will be delivered by registered mail or by facsimile or by email or hand-delivered, according to the parties' addresses written above in the Preamble to this Agreement, and will be deemed to have been received on the following dates: one day following the date of its delivery, if delivered by hand; one day following its transmission, against the confirmation of delivery, if transmitted by facsimile, at the time opened by the recipient, if delivered by email; or upon expiry of 7 days from the date delivered for dispatch, if sent by registered mail.

19.2. Each Party reserves the right, in a notification delivered under the provisions of this section, to change his address, and the address for delivery of copies of this Agreement.

**IN WITNESS WHEREOF the parties have signed:**

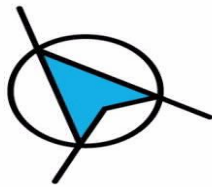
\_\_\_\_\_  
The Service Provider

\_\_\_\_\_  
Ayalon Highways Co. Ltd

Appendix A'

The Tender Documents and the Service Provider's Bid





Appendix B'

Absence of Claims Form

Date: \_\_\_\_\_

FAO  
Ayalon Highways Co. Ltd  
2 Shderot Nim,  
Rishon Le'Tzion, 7546302

Dear Sir/Madam,

**RE: A Declaration of the Absence of Claims and Waiver**

I, the undersigned, \_\_\_\_\_, a Service Provider under Agreement No. \_\_\_\_\_ (hereinafter: "**the Agreement**"), hereby declare to you that, subject to payment of NIS \_\_\_\_\_ plus VAT, as detailed in the final accounting and final invoice for consideration due and/or in connection with the Provision of Services, I have no and will not have any claim and/or demand and/or suit of any kind whatsoever to you and/or to anyone on your behalf, for or in connection with the provision of the Services, the subject of the Agreement. I hereby confirm that the above amount constitutes the full, final, and absolute consideration to which I am entitled with respect for all of the mentioned.

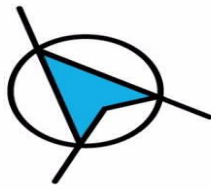
In witness thereof, I have signed on my good and free will, without any pressure or coercion, and after being informed of the contents of this document and its implications.

This document was duly signed by me, on my behalf and on behalf of anyone who acted for me or on my behalf in providing the services and executing the work.

\_\_\_\_\_  
Date

\_\_\_\_\_  
The Service Provider

(Name, Signature, and Stamp)



Appendix C'

Date: \_\_\_\_\_

FAO

Ayalon Highways Co. Ltd  
2 Shderot Nim,  
Rishon Le'Tzion, 7546302  
Dear Sir/Madam,

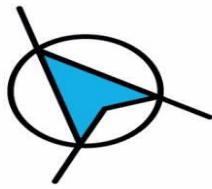
RE: Service Provider Non-Disclosure Agreement

I/We, the Undersigned, \_\_\_\_\_, ID/Corporate/Authorized Dealer No. \_\_\_\_\_, hereby declare toward Ayalon Highways Co. Ltd (hereinafter: "Ayalon Highways"), that I am fully aware that for my/our duties in the provision of services to provide detailed characterization, development, and maintenance for a public transport planning system for Ayalon Highways Co. Ltd (hereinafter: "**The Services**"), will expose me/us and/or will come to my/our knowledge information of Ayalon Highways, and that it is known to me/us that the information is one of Ayalon Highways most significant and essential assets, as applicable.

In this Letter of Undertaking, the term "**Information**" refers to any information and any data concerning Ayalon Highways and/or in connection to it and/or in its offices and/or related and/or its projects and/or clients and/or employees and/or third parties with whom Ayalon Highways is in business or other relations, including any information related to Ayalon Highways' businesses, including and without prejudice to the generality of said documents and/or databases and/or computer software and/or formulas and/or ideas and/or business plans and/or reports and/or estimates and/or Bill of Materials and/or calculations and/or documents, and all on any media, whether written or verbal, whether on magnetic or optical media or otherwise, and except for information accessible and in the public domain.

**Therefore, I/we declare and undertake toward Ayalon Highways as follows:**

1. To preserve in complete confidentiality and not disclose and/or convey, directly or indirectly, to any person and/or entity whatsoever, including employees of Ayalon Highways, for whom the information is unnecessary for the execution of their duties, any information that has reached and/or will reach me/us, verbally, in writing and/or in any form and/or on any other media in the framework of the execution of my/our functions and provision of services, whether directly or indirectly, including information created by me/us and/or information that reached me/us from others and is directly or indirectly related to Ayalon Highways.
2. Not to disclose and/or convey, directly or indirectly, to any person and/or entity, any material, document, diskette, disk, mobile storage and/or information, as defined above, and not to use, directly or indirectly, any information, all or parts thereof, including by duplication, production, sale, transfer, distribution, modification, copying and/or imitation, except for the use specified for execution of my/our duty(ies) and the provision of services, will the consent and for the sole benefit of Ayalon Highways.



3. To provide Ayalon Highways, any material and/or information that will be found in my/our possession and/or under my/our control, related to the execution of my/our duty(ies) and/or provision of services and/or created during the execution of my/our duty(ies) and/or provision of services, immediately upon first demand by Ayalon Highways, and in any case of the termination of my/our position, without connection to the reason behind said termination of my/our position, immediately upon notification of severance. If and insofar as Ayalon Highways has given its advanced, written consent, to create copies of the information, then I/we undertake to return to Ayalon Highways any such copy, or in accordance with Ayalon Highway guidelines, destroy/shred all copies that may be in my/our possession immediately upon Ayalon Highway's first demand.
4. I/we are aware that any breach of my/our obligation(s) as per this Letter of Undertaking, or some thereof, is liable to cause Ayalon Highways and/or its associated entities, extreme, grave and irreversible damages for which financial compensation will not constitute a proper remedy and relief, and therefore I/we agree that Ayalon Highways will be entitled, in the event of a breach of any of my/our obligations according to this Letter of Undertaking, to request from a competent court to issue a temporary injunction and/or other orders against me/us to prevent and/or cease the breach.
5. Without derogating from the above mentioned, I/we undertake to compensate and indemnify Ayalon Highways for any damage caused to it or to the companies affiliated with it, including loss and/or harm to reputation as a result of a breach of any of my/our obligations according to this Letter of Undertaking, and in addition to its right to take legal action against me according to law. Also, I/we undertake that in the event I/we breach any of the provisions of this Letter of Undertaking I/we will refund Ayalon Highways any amount I/we have received, if and insofar as I/we receive said amount, for the execution of my/our duty(ies).
6. It is known to me/us that the information or parts thereof constitute information protected under the Privacy Protect Law, 5741-1981 and that a breach of any of the obligations of this Letter of Undertaking could constitute an infringement of the provisions of the law mentioned above.
7. If I/we are required by law to present the information to any third party, I/we undertake to claim confidentiality, and I/we undertake to notify Ayalon Highways of receipt of said demand, upon receipt thereof, so that it will be able to file suit against the delivery of the information.
8. I/we are aware that my/our undertakings according to this Letter of Undertaking do not derogate from any law, are irrevocable, not restricted by time and will remain in effect at any time from the date of signing this Letter of Undertaking onward, including following termination of the execution of my/our duties, for any reason.
9. Without derogating from the above mentioned, I/we are aware that my/our undertaking as stated in this Letter of Undertaking is a material provision in the contractual engagement between me/us and Ayalon Highways, and in the event of a breach of my/or undertakings according to this Letter of Undertaking, the said will be deemed a material breach of the contractual engagement between me/us and Ayalon Highways.

10. Only the competent courts of Tel Aviv-Jaffa will bear jurisdiction with respect to this Letter of Undertaking.

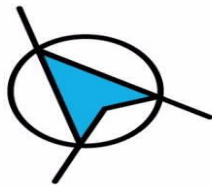
**AND IN WITNESS WHEREOF I/we have signed:**

Date: \_\_\_\_\_

Name: \_\_\_\_\_

ID/Corporate ID  
No. \_\_\_\_\_

Signature: \_\_\_\_\_



## Appendix D'

### Confirmation of Insurance Coverage

Date: \_\_\_\_\_

FAO

Ayalon Highways Co. Ltd

2 Shderot Nim,

Rishon Le'Tzion, 7546302

(hereinafter: "Ayalon Highways")

Dear Sir/Madam,

**RE: Confirmation of the existence of insurance policies - an agreement signed between you and \_\_\_\_\_ (hereinafter: the "Service Provider") for the provision of detailed characterization, development, and maintenance services of a system for planning public transport services (hereinafter: "the Services")**

We hereby acknowledge that our Company has issued insurance policies on behalf of the Service Provider for the period starting \_\_\_\_\_ until \_\_\_\_\_, *inter alia*, in connection with services as per the Agreement.

We acknowledge that the scope of coverage provided by the policies subject to the stated herein does not fall from the coverage provided by the wording of the Policy known as the "BIT" 2013 edition or later version that supersedes the terms of the 2013 edition. Concerning "professional liability," the scope of coverage does not fall for the stated in Clause 1 herein.

**1. Professional Liability Insurance**, for coverage of the Service Provider's professional liability relative to its obligations and liabilities under the pertinent Agreement.

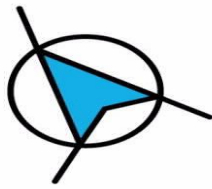
The limit of liability under the policy is NIS 5 million (Five Million New Israeli Shekel) for the event and cumulatively for the insurance period.

The insurance under the policy does not include any limitation in relation to loss of documents, deviation from authority done in good faith, an intentional act, a fraudulent act and/or in the dishonesty of any of the Service Provider's employees, loss of use and/or delay due to an insurance case and/or consequential damage.

The coverage under the policy will be expanded to include, as an additional insured, Ayalon Highways for its liability as to the Client in all arising from the services of the Service Provider and the agents on its behalf.

The insurance includes a retroactive date not later than the beginning of the work by the Service Provider. The insurance also includes a "Cross Liability" extension ( however, Company liability toward the Service Provider will not be covered) and a 12-month disclosure period concerning claims emanating from the performance of the work under the Agreement in question; if this policy is not renewed for any reason on the condition there are no liability insurance policies and except in the case of nonpayment of a premium and/or fraud.

**2. Employer Liability Insurance**, for Service Provider liability coverage, under the Tort Ordinance (New Version) and the Liability for Defective Products Law 5740-1980, towards its



employees within a liability limit of NIS 20,000,000 (Twenty Million New Israeli Shekel) for one employee, per incident and cumulatively for the insurance period. The policy does not include any limitation relative to days and/or hours worked, working at heights or depths, liability for contractors, subcontractors and their employees, use of cranes and/or lifting facilities, lures and toxins, employment of youth or any other limitation with respect of the character and/or the type and/or the conditions of the work.

The insurance will be expanded to cover Ayalon Highways should it be alleged for some insurance case that they bear any employer liability towards any of the Service Provider's employees.

- 3. Third-Party Liability Insurance** for the Service Provider's liability according to the law for any injury or damage that may be caused to the body and/or property of any person and/or legal entity and without derogating from the generality of the stated including Ayalon Highways, its employees, executives and those on its behalf, within a liability limit of no less than NIS 2,000,000 (Two Million New Israeli Shekel), per incident and cumulatively for the insurance period.

The policy does not include any limitation on liability arising from fire, explosion, panic, lifting devices, discharge, charging, damaged sanitary facilities, poisoning, liability towards and from contractors, subcontractors and their employees anything harmful to food or drink, strike and downtime and replacement claims from the National Insurance Institute.

The insurance will be expanded to indemnify Ayalon Highways for its liability for the acts and/or omissions of the Service Provider and its representatives, subject to a cross-liability clause whereby the insurance will be deemed to have been prepared separately for each of the insured individuals.

Any good faith breach of the terms of the above terms of policies by the Service Provider does not constitute grounds for rejection of liability toward Ayalon Highways.

The policies will include express terms under which they are preceded by any insurance provided by Ayalon Highways, and we waive any claim and/or demand regarding sharing Ayalon Highways' insurance and the right to subjugate Ayalon Highways, its employees and executives on their behalf for acts and/or failures of the insured.

We also undertake that coverage under these policies will not be abolished and will not be adversely affected unless written notice is delivered by registered mail to Ayalon Highways within 60 days in advance.

The insurance specified in this confirmation is under the terms of the original policies to the extent that they have not been altered in this confirmation, provided that the said change does not detract from the terms of the original policies.

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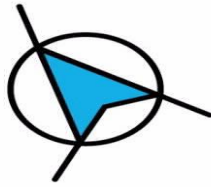
(The Insurer's Signature)



\_\_\_\_\_  
(The Insurer's Stamp)

\_\_\_\_\_  
(Name of the Signatory)

\_\_\_\_\_  
(Position of the Signatory)



Appendix E'

Performance Guarantee Form

Date: \_\_\_\_\_

FAO

Ayalon Highways Co. Ltd

Dear Sir/Madam,

**RE: Guarantee No.** \_\_\_\_\_

At the request of \_\_\_\_\_ LTD (hereinafter; "**The Service Provider**") we hereby guarantee toward you the payment of any amount up to the amount of NIS 200,000 (in words: Two Hundred Thousand New Israeli Shekel) (hereinafter: "**The Guaranteed Amount**") plus index linkage differentials, as detailed below (hereinafter: "**The Guaranteed Amount**") that will be demanded from the Service Provider in connection with the fulfillment of the Service Provider's obligations and liabilities under the Agreement signed between you and the Service Provider for the provision of detailed characterization, development and maintenance services of a system for public transport services.

For purposes of this guarantee:

The term "**Index**" meaning: The Consumer Price Index as published from time to time by the Central Bureau of Statistics or any other index to replace it.

The term "**The Base Index**" meaning: The index known on the date in which the Agreement between you and the Service Provider takes effect.

Linkage differentials will be calculated in the following manner: If it becomes clear from the last known index at the date of actual payment under this guarantee (hereinafter: the "**Payment Index**") that the payment index has increased compared to the base index, then the amount of the guarantee will be calculated when increased by the same rate as the index increase. For the avoidance of doubt, if it becomes clear that the payment index is equal to or lower than the base index, then no change in the amount of the guarantee will apply.

We undertake to pay you any amount or sums up to the amount of the above guarantee, within seven days of your first written request that will reach us in writing, without having to base your claim or demand the amount initially from the Service Provider.

This guarantee is autonomous, irrevocable and independent and cannot be reversed, and you will not have to prove your claim for in legal proceedings or otherwise, and you will not have to file first, to be paid accordingly, any legal claim against the Service Provider, and/or require initial payment from the Service Provider.

We agree that forfeiture of some of the guarantee will not detract from its validity and will remain valid for the remainder of the amount not forfeited.

This guarantee will also be valid for those who come in your stead, whether as an extension or in any other way.

This guarantee will remain valid until \_\_\_\_\_ [date] and forever.

Any demand arriving to us after the date, as mentioned above, will not be answered.

This guarantee may not be assigned or transferred.

Sincerely yours,