



Document B – Framework Agreement

Ayalon Highways Company Ltd.
Online Framework Tender No 15/21
Agreement No _____

Framework Agreement

for the Supply, Integration, Operation and Maintenance of the MTMS (Metropolitan Transport Management System) and its Modules

drawn up and signed and signed on month _____ day _____, year _____

between

Ayalon Highways Company Ltd.

(Hereinafter and in all this agreement's documents "**the Company**"/"**Ayalon Highways**")

and

(Hereinafter and in all this agreement's documents "**The Supplier**"/"**the Framework Supplier**")

Whereas: The Company is interested in the supply, integration, operation and maintenance of the MTMS (Metropolitan Transport Management System) and its Modules (hereinafter: "**the Services**" or "**the Project**");

and whereas: The Company has published an online Framework Tender No. 15/21 for the supply, integration, operation and maintenance of the MTMS (Metropolitan Transport Management System) and its Modules (hereinafter: "**the Tender**") in order to establish a Pool of Framework Suppliers with whom this Agreement



will be signed, and from whom, pursuant and subject to the provisions in this agreement, the Company may choose a Framework Supplier, for the execution of Specific Tasks, from time to time and as the Company shall order pursuant to this agreement;

and whereas: The Company has accepted the Supplier's Proposal for the Tender in Category A and/or Category B and, by signing this Agreement with the Supplier, the Supplier has been included in the Pool of Framework Suppliers and has accepted the execution of Specific Tasks pursuant to this Agreement, the Company's procedures and as the Company shall order from time to time;

and whereas: In this agreement, the Parties wish to define their relationship regarding the inclusion of the Supplier in the Pool of Framework Supplier, all as detailed in this agreement;

therefore the following have been agreed upon, conditioned and declared:

1. **General**

1.1 The preamble to this agreement constitutes an integral part hereof.

1.2 The headings to the sections in this agreement have been introduced solely for the reader's convenience and should not be used for interpreting the content of the sections in any form and manner.

1.3 The terms in this agreement shall have the meanings given to them in the Tender Documents, unless expressly specified otherwise.

2. **The Agreement's Appendices**

Appendix A - The Framework Supplier's Proposal and all its appendices, including its technical response and any Tender Documents attached by way of a referral, including those amending and/or altering them and/or mentioned in them and/or in addition to them, that have been expressly specified, shall constitute and/or be considered as an integral part of this agreement (hereinafter: "**the Agreement**").

Appendix B - A Written Undertaking to maintain confidentiality.

Appendix C – A Specific Agreement.

3. **Definitions**

3.1 In this Agreement, the following terms shall have the meaning next to them:

- Schedule** - As established in the Specific Task;
- Pool of Framework Suppliers** - A pool in which all the winning Suppliers in the Tender are included, and between whom and the Company, the Framework Agreement (this agreement) was signed,;
- Specific Task** - A specific assignment for the provision of services, which one of the Framework Suppliers will execute according to the results of the Specific Invitation in relation to such task;
- The Services/The Work** - Supply, integration, operation and maintenance of the MTMS (Metropolitan Transport Management System) and its Modules, or part thereof, as shall be detailed by the Company and as shall be defined in accordance with Specific Invitations conveyed to the Framework Suppliers;
- Specific Invitation** - As defined in Section 6 below;
- Specific Agreement** - An individual engagement agreement for a Specific Task, signed with a Framework Supplier following a Specific Invitation;

4. The Supplier's Affidavits and Commitments

The Supplier hereby declares and undertakes the following and its commitments shall remain valid throughout the Period of Engagement:

- 4.1 That there are no prohibitions, restrictions or impediments, including by virtue of any law, contract or its foundation documents, preventing it to engage with the Company in the Agreement and to perform its obligations pursuant to it, that it is under no commitment which conflicts with its commitments in accordance with the Agreement, and the signing and performing its obligations in accordance with the Agreement does not violate any other agreement, commitment or law and it is aware that it will be obligated to compensate and

indemnify the Company for any claim and/or demand submitted against it, regarding the violation of this undertaking.

- 4.2 That all the affidavits and/or presentations and/or information and/or data and/or documents submitted and/or presented as a part of its Proposal for the Tender and for the Specific Invitation, are correct and accurate, and should be perceived as if given by it within the Agreement, and that it has presented the full requested information and/or data and/or the full relevant information and/or data for the engagement in the Agreement.
- 4.3 That all its presentations and obligations pursuant to the Tender Documents, the Specific Invitation and the Agreement will remain in force during the entire Period of Engagement; and that it will inform the Company, immediately, in the event of any change in a presentation or obligation given by the Supplier regarding the Agreement, which could affect its ability to perform the Specific Tasks.
- 4.4 That it holds all the authorizations and/or licenses and/or permits required by law, and that it has all the means, facilities and equipment needed for its operation and, particularly, for performing its commitments pursuant to the Agreement.
- 4.5 That all the services that the Supplier will provide to the Company shall be of a high quality and precision and will comply with the requirements of any law. The Supplier is responsible for complying with the provisions in this section; that its systems and/or Modules and all the elements to be installed by the Supplier will comply with all the provisions of the law and with any standard, stipulation or other instruction.
- 4.6 That it will perform all the required preparations for the purposes of providing the services efficiently, excellently and to the Company's satisfaction.
- 4.7 That it has examined everything that requires prior inspection in relation to the provision of services; that it is well aware of all that is required for the provision of services; and it irrevocably waives any claim and/or demand and/or other objection against the Company relating to the aforementioned.



4.8 The Supplier hereby declares that it owns, or shall own the copyrights or licenses to use the software products which will be used for the purpose of providing the services pursuant to any Specific Invitation, and that, at all times, it will have authorizations and licenses from all the software suppliers for the purpose of providing the services. At all times the Supplier will have licenses to use the software products as aforementioned for performing its assignments pursuant to this Agreement and the Specific Invitation, and that it will not infringe any third party intellectual property rights.

Should any claim be submitted against the Company, based on the fact that any product used by the Supplier obtained from a third party pursuant to the Agreement, infringes any intellectual property rights, including a patent or copyright that are valid and enforceable, the Supplier will conduct the defense against such claim at its expense and under its responsibility and will indemnify the Company and/or the Ministry of Transport for any damage and/or loss and/or expense caused to them, including legal expenses and attorney's fees, immediately upon the Company's first demand. Furthermore, in the event that a temporary or permanent injunction is issued prohibiting the use of any software product or licenses, due to its infringement of intellectual property rights, including a patent or copyright as aforementioned, or that it was produced while infringing such rights or if, the Supplier suspects an injunction will be issued, the Supplier declares and undertakes, to obtain permission to continue using the infringing product or to replace or change the infringing product with an equivalent product in its performances, at its expense, so that the alleged infringement is eliminated and in a manner in which the provisions of its ongoing services to the Company and/or the Ministry of Transport shall not be jeopardized.

4.9 That it and/or the system and/or its Modules will operate in accordance with any law, including the Protection of Privacy Law, 5741 – 1981 and its regulations, the Transportation Ordinance, the Transportation Regulations, 5721 – 1961 and the Transportation (activating cameras by the local authority for the purposes of documenting improper use of a public transport lanes) Regulations, 5777 – 2016.



The system and/or Modules will not store images passengers in vehicles in any database, unless after the image is completely blurred and unidentifiable, and in such way that it will be impossible to restore and/or eliminate the said blurring.

- 4.10 That it maintains its bookkeeping and/or reports in accordance with ~~to~~ the Income Tax Ordinance[New Version], 5721-1961 and the Valued Added Tax Law, 5736 – 1975. The Supplier undertakes to provide the Company, whenever required, with confirmation regarding its compliance with the aforementioned, or, alternatively, confirmation that it is exempt from doing so. Such confirmation will be issued by an authorized official as defined in the Public Entities Transactions Law, 5736 – 1976, or by an accountant.
- 4.11 That it and anyone on its behalf involved in providing the services, will cooperate with the Company's internal audit, including allowing the Company's internal audit to examine the Supplier's books relating to its engagement with the Company.
- 4.12 That it is aware that the Company is entering this Agreement based on its representations, statements and obligations detailed in the Agreement and its Proposal. Any inaccuracy in its presentations and statements and/or non-compliance with any of its obligations pursuant to the Agreement, shall constitute a fundamental breach of its obligations and the Agreement.

5. **The Engagement Period**

- 5.1 The term of the engagement with the Supplier shall be 24 months commencing on the date on which the Company signs the Framework Agreement (hereinafter: "**Period of Engagement**"). The Company reserves the right, at its sole and absolute discretion, to extend the Period of Engagement for up to 3 additional periods of 12 months each (hereinafter: "**The extension period**"). It is hereby clarified that the Company may, at its sole discretion, and without having to rationalize its decision, extend the Period of Engagement with only some of the Framework Suppliers while, in relation to others, the Period of Engagement will not be extended, and the Framework Suppliers hereby waive any claim or demand in this regard.

- 5.2 It is hereby clarified that the Period of Engagement in Section 5.1 is the period during which the Company is entitled to convey the Framework Suppliers with a Specific Invitation for the purposes of executing a Specific Task. Upon the termination of the Period of Engagement, the Company shall no longer be entitled to convey the Framework Suppliers with a Specific Invitation, while the performance of Specific Tasks of which the Specific Invitations were conveyed to the Framework Suppliers within the Period of Engagement, must be completed according to the schedules set forth, and all the provisions in this Agreement shall apply, even if the completion of the performance of that work exceeds the termination of the Period of Engagement.
- 5.3 The Company may, at its sole discretion, terminate the Period of Engagement, with any or all of the Framework Suppliers, in a 45 days in advance notice, without derogating from any other provision in this Agreement.

6. A Specific Invitation for the execution of a Specific Task

- 6.1 Upon formulation of the specification for the services, the Company will distribute a Specific Invitation for proposals relating to a Specific Task or Specific Tasks in the relevant category. It is clarified that a Specific Invitation could include one or more Specific Tasks, at the Company's discretion.
- 6.2 Distribution of a Specific Invitation, its content, instructions regarding the Framework Suppliers' response to the Specific Invitation, the selection mechanism of the Framework Supplier for performing the task, cancellation of award to a Framework Supplier and the removal from the Pool of Framework Suppliers, shall be as detailed in the Tender.
- 6.3 As detailed in the Tender, the Framework Suppliers are not granted exclusivity in provision of the services and the Company does not undertake to distribute Specific Invitations at all.

7. The Services

- 7.1 The Supplier shall provide the Company with the services and perform the tasks in accordance with the Tender Documents and the Specific Invitation and,



pursuant to the Company's instructions and requirements, as they shall be furnished to the Supplier from time to time, and to the approved work plans and/or those to be established by the Company, all pursuant to the provisions in this Agreement and the Specific Agreement and all its appendices, including the technical specifications that constitutes an integral part thereof.

- 7.2 It is hereby clarified that, as a part of the tasks, the Supplier will be required to design all the necessary elements and execute all the required accompanying and preparation work, detailed in the technical specifications, for the purposes of placing and integrating the system and/or its Modules.
- 7.3 It is hereby expressly clarified that all the services required in the context of the Specific Invitation, are included in the Supplier's price proposal for the Specific Invitation and no additional consideration will be paid in respect of the aforementioned.
- 7.4 The Supplier will provide training and implementation services for the Company and/or anyone on its behalf, without any additional consideration beyond that detailed in the Supplier's proposal (unless otherwise stated in the Specific Invitation), pursuant to the technical specifications and to the work plan prepared by the Parties.
- 7.5 The Supplier undertakes to provide the Company with all the services, personnel, hardware and software as detailed in the Tender Documents and the Specific Invitation, within the scope and dates specified in them, in accordance with their procedures and pursuant to any applicable law relating to the services. The provisions of the Tender Documents and the Specific Invitation will apply to this Agreement during the Period of Engagement.
- 7.6 The provisions of this section and all its subsections are fundamental to the Agreement and their violation will be perceived as a fundamental breach of the Agreement.

8. **Assigning a Specific Task to the Framework Supplier**



- 8.1 Upon the Company decision of assigning a Specific Task to a Framework Supplier, the Company shall issue a Specific Agreement to the Supplier, in the format attached as Appendix C to the Agreement, to which the relevant appendices for that Specific Task are attached, inter alia: The Specific Invitation documents, the Supplier's proposal for the Specific Invitation, etc. The Supplier shall sign the Specific Agreement and return it to the Company. The Specific Agreement will come into force only after the Company has signed it.
- 8.2 It is clarified that, in any event of a contradiction or incompatibility, the instructions in the Specific Agreement and all its appendices will prevail over the provisions in this Agreement. For the avoidance of doubt, it is also clarified, that as part of the Specific Invitation, the Company is entitled to change or revoke any provision in this Agreement or in the Tender.
- 8.3 Furthermore, the Company will provide the Supplier with all the documents and relevant instructions for the execution of the Specific Task.
- 8.4 All the documents provided to the Framework Supplier by the Company relating to the Specific Task, shall be deemed to be an integral part of this Agreement.
- 8.5 The date for commencing the Specific Task shall be as detailed in the work commencement order which will be issued to the Framework Supplier after completing all its preliminary obligations regarding the Specific Task, as detailed in this Agreement and in the Specific Agreement. This order shall be deemed to be "a Work Commencement Order" for the purposes of any document referring to or relating to such document. The Company may instruct the Supplier to perform preparatory tasks prior to the execution of the Specific Task, even before the aforementioned date. The schedule for execution and completion of the Specific Task shall be according to the milestones and tasks determined by the Company and detailed in the Specific Invitation and the provisions in Section 13 below shall apply.
- 8.6 Without derogating from the aforementioned, if the Framework Supplier is a company or partnership that is not registered in Israel, the Company is entitled to demand from the Framework Supplier, as a prerequisite for the execution of



a Specific Task, to register in Israel as a foreign company or foreign partnership (according to the matter) pursuant to the provisions in the Companies Law, 5759 – 9099 or the Partnerships Ordinance [New Version], 5735 – 1975, according to the matter.

8.7 As a prerequisite for the Company to sign the Specific Agreement and issue a Work Commencement Order for the execution of a Specific Task (when relevant), the Framework Supplier shall provide the Company, within 5 business days from the date on which it received notice of the Company's resolution to assign a Specific Task for its execution, with the following:

8.7.1 A copy of the Specific Agreement that it received from the Company relating to execution of the Specific Task, signed by its authorized signatories.

8.7.2 Insurance certificates and deposit of guarantees pursuant to the Company's requirements as detailed in the Specific Invitation.

9. Orders of Preference and Coordination

9.1 In the event the Company has conveyed to the Framework Supplier several concurrent Specific Tasks, the Company shall be entitled to determine, from time to time, priorities between the Specific Tasks and the Supplier will execute them accordingly.

9.2 The Supplier will execute the Specific Tasks pursuant to the specific requirements, including manner and stages of performance, as defined by the Company. In this context, it is clarified that the Supplier will be required to be prepared for executing irregular tasks according to the project's needs, which may include the operation of several work teams simultaneously and/or night work.

9.3 The work required of the Supplier includes all that is necessary for the execution of the Specific Tasks in full and as required, including obtaining and receiving all authorizations from the relevant authorities and coordinating with other



service providers employed in the relevant project and obtaining all the authorizations required for the execution of the work according to any law.

9.4 Without derogating from the aforementioned generality, the Supplier will fully cooperate with the relevant project manager and any other parties in the project, all in accordance with the Company's instructions and guidelines.

10. Control, Inspection and Coordination

10.1 The Supplier undertakes to manage and supervise its work, including inspection of its staff and any other and/or additional issue which will be defined by the Company.

10.2 The Supplier is aware and expressly agrees that a certain part of the services will be executed from the Company's offices or sites (such as acceptance tests). Therefore, other works may be simultaneously carried out in nearby sites by other service providers / contractors / suppliers, on behalf of the Company.

10.3 Without derogating from other provisions in this Agreement, the Supplier will cooperate with the other service providers/contractors/suppliers and will coordinate with them (if applicable and as necessary) the performance of the services, in a manner in which the services and works executed by the Supplier shall not cause any damage and/or disturbance and/or delay to other works of any kind.

10.4 The Company will resolve any disputes between the service providers/contractors/suppliers and its decision shall be final.

10.5 The Company will not pay the Supplier any additional consideration for the said cooperation and coordination between the service providers as aforesaid.

10.6 The provisions in this section and all its subsections are fundamental to the Agreement and their violation will be perceived as a fundamental breach of the Agreement.

11. Personnel Requirements



- 11.1 For the purposes of providing the services, the Supplier's staff will, at all times, include excellent and experienced professionals in providing the type of services required pursuant to the Agreement, in the composition and number required for complying with the Supplier's obligations pursuant to the Agreement.
- 11.2 Without derogating from the aforementioned, the Supplier will be required to place the required personnel for providing the services in any Specific Task, including as expressly detailed in the Specific Invitation. The said personnel shall have all the mandatory professional background, know-how, experience, skills, qualifications and expertise in order to provide the services and execute all the Supplier's obligations, in accordance with the Agreement, at a high professional level with the utmost efficiency, to the Company's satisfaction. The Supplier's staff will perform the services with loyalty and dedication and use their skills, and experience for the benefit of the Company and the Ministry of Transport.
- 11.3 The Supplier's staff will be required to actively participate in all the stages of the provision of services, including participation in meetings conducted by the Company and/or by the Ministry of Transport and/or any other party as shall be frequently required for the purposes of providing the services.
- 11.4 The Company may order the replacement of any of the Supplier's staff members or the immediate removal of a staff member, at any time at its sole discretion, and without bearing any liability toward the Supplier and/or staff member for doing so. To the extent the Company has ordered the said replacement, the Supplier undertakes to appoint an alternative staff member, subject to obtaining the Company's approval, in advance.
- 11.5 The Supplier may use subcontractors solely for the purposes of providing the services for which it was explicitly stated in the Tender Documents and Specific Invitation that such services may be provided by subcontractors and for the provision of other services the Company has explicitly authorized, in advance and in writing the use of subcontractors. The Company may order the Supplier



to suspend the work of any of the subcontractors employed by it and/or to replace them, at its sole discretion. To the extent the Company has authorized a subcontractor, it is hereby clarified that the Supplier shall be solely responsible for anyone on its behalf.

- 11.6 To the extent the Supplier chooses to provide the services, as aforementioned, by subcontractors, the Supplier will act in accordance with the provisions and procedures set forth in the Tender, in the Agreement and the Specific Invitation, and/or the Company's directions and procedures relating to subcontractors, including receiving the Company's advance written approval relating to such subcontractors.
- 11.7 It is clarified that the transfer of the execution of the said services, to a subcontractor, does not relieve the Supplier or derogate from any commitment or liability of the Supplier towards the Company pursuant to any law and this Agreement.
- 11.8 The Supplier undertakes to pay its staff members, full wages, including the mandatory social rights required by any law.
- 11.9 The Supplier undertakes to ensure safety and suitable health conditions for maintaining the health and welfare of its staff members, including convenience arrangements, means of arrival at the site, proper dining sites and any required clothing, if applicable, and to comply with any instructions regarding safety at work in accordance with any law.
- 11.10 The provisions in this section and all its subsections are fundamental to the Agreement and their violation will be perceived as a fundamental breach of the Agreement.

12. Acceptance Tests and Delivery of the system and/or Modules (Optional)

- 12.1 Upon completion of the acceptance tests for the system and/or Modules, the Supplier will provide the Company with findings and the acceptance tests program for the Company's approval, as required. Thereafter, and subject to the Company's prior approval, the Supplier will deliver the project to the Company



for the purposes of performing acceptance tests of the system and/or Modules, according to the acceptance tests program approved by the Company and pursuant to the instructions of the Specific Invitation and the Supplier's proposal for the Specific Invitation (if any has been defined). This will include integration tests of the system and/or the modules with all the communications infrastructures, databases and the Company's systems (hereinafter: "**Acceptance Tests**"). The Supplier is required to plan and perform appropriate tests regarding additional interfaces that are not under its responsibility. The Supplier will include such tests in its acceptance tests program for the Company's approval.

- 12.2 The Acceptance Tests will be performed in coordination with and in the presence of the Company's representatives (at the Company's discretion).
- 12.3 Should the system and/or Modules or any part thereof, not meet the requirements detailed in the Tender Documents and the Specific Invitation and/or any other Company requirements, the Company may order the Supplier to make changes, modifications and adjustments to the systems/or Modules, and shall be entitled to deduct its liquidated damages, in accordance with the provisions of the Specific Agreement and its appendices, including the and its technical specifications.
- 12.4 The Supplier will commence making the above changes, and adjustments, immediately upon receipt of the Company's written request. Upon completion of the development, the Supplier will perform a re- Acceptance Test of the system and/or Modules or of any relevant part in relation to which the repair was required. Thereafter, the Supplier will submit an amended and updated inspections report for the Company's approval.
- 12.5 The Supplier undertakes to perform all the above in a timely manner and in accordance with the schedule specified by the Company at its sole discretion for the completion of the project.
- 12.6 The Company or a representative on its behalf may conduct additional inspections of the system and/or Modules and the Supplier shall not have any



claim and/or allegation regarding such inspections. The Company will provide the results of such inspections to the Supplier to make the necessary amendments to the system and/or Modules, without imposing any liability on the Company for doing so.

- 12.7 In the event the Supplier fails both Acceptant Tests and, based on the results of the Acceptance Tests, the system developed by the Supplier and/or any part thereof and/or the Modules and/or any part thereof, do not meet the requirements detailed in the Tender Documents and the Specific Invitation, and the Supplier is unable to repair the defects within a reasonable period of time, the Company may inform the Supplier of the termination of the Specific Agreement, or make the necessary repairs itself and/or through any third party. The Company may charge the Supplier for the said cost or deduct such cost from any consideration owed to the Supplier, without derogating from any other and/or additional remedy to which the Company is entitled under the aforementioned circumstances.
- 12.8 The “Delivery Date” will commence upon completion of the Acceptance Tests and subject to the Company’s written approval, .
- 12.9 The launch of the project will be carried out subject to the Company’s advanced written approval, on the date to be determined by the Company. It is clarified that the Company may postpone the launch and the Supplier will not have any claim or claim against the Company for such postponement.
- 12.10 In accordance with the provisions of the Specific Invitation, the Supplier may be required to commit to a supervision period of the system and/or Modules, after the launch.
- 12.11 The Supplier will provide the Company with a warranty certificate, issued by the manufacturers or importers of the system components and/or Modules, as required by law and pursuant to the provisions in the technical specifications . The Supplier undertakes to provide the Company with warranty certificates of each manufacturer and supplier for each material and/or item supplied and/or installed by the Supplier, for an agreed and/or acceptable period and for at least



one year. The Supplier will provide the Company with a list of spare parts and operation and maintenance instructions recommended by the Supplier/manufacturer.

12.12 The provisions in this section and all its subsections are fundamental to the Agreement and their violation will be perceived as a fundamental breach of the Agreement.

13. Schedule

13.1 The Supplier is aware of the utmost importance for complying with the schedule, for providing the services continuously and for the availability of the Supplier and its staff. The Supplier undertakes to complete the Specific Tasks in accordance with the schedules and milestones detailed in the Specific Invitation for each task.

13.2 The Supplier will perform the services according to the set schedule and will take all such work methods and use the required staff in order to ensure the fulfillment of its obligations regarding the services pursuant to the Agreement.

13.3 The Company may order the Supplier to add certain means, tools and staff, insofar it deems such to be added, to the Company's satisfactory.

13.4 Without derogating from the Supplier's responsibility for complying with the schedule as aforementioned, the Supplier shall notify the Company in advance and in writing of any matter which could implicate the schedule and shall request the Company's instructions. The Company will determine, At its sole discretion, whether to extend the schedule and the period of time for such extension to be given by it.

13.5 Unreasonable delays (as established in the Specific Invitation) in the provision of the services, will constitute a fundamental breach of the Agreement.

13.6 The provisions in this section and all its subsections are fundamental to the Agreement and any breach hereof will be perceived as a fundamental breach of the Agreement.

14. Instructions and Changes



- 14.1 The Supplier shall not be entitled to make any changes to the services, unless it has obtained the Company's express written approval. Should the Supplier make changes that were not required as part of the services, the Company may be exempt, at its sole discretion, from paying the Supplier for such changes.

The Company may order any change in the schedules for provision of the services; the services or any part thereof, at its sole discretion, and the Supplier will make the change as aforementioned. It is also clarified that to the extent that these changes impose additional costs on the Supplier, the Company will pay these additional costs. If no tariff has been established for such changes as a part of the price bid for the Specific Invitation, the tariffs will be determined as follows: The price of the change will be determined pro rata on the basis of similar services tariffs, should there be any. If there are no similar services tariffs as aforementioned, the tariff for the required services will be determined according to a price analysis to be conducted by the Supplier based on market prices, which will be examined by the Company and subject to its approval.

- 14.2 Any change order as set forth in this section above, shall not obligate the Company, unless given in writing, signed by the Company's authorized signatories. The Company may request the Supplier to price the costs of the change order in order to allow the Company to consider whether to execute such change order.

15. The Consideration

- 15.1 In consideration for full compliance with the Supplier's obligations, including the provision of the services pursuant to the Agreement to the Company's satisfaction, the Company will pay the Supplier the amount specified in the Supplier's price quote for the Specific Invitation, pursuant to the quantities and units as actually ordered and approved by the Company (hereinafter: "**the Consideration**"). For the avoidance of doubt, it is clarified that the data detailed in the price quote does not constitute a presentation and/or commitment regarding the scope of the services and/or works actually ordered from the Supplier. The Company reserves the right to increase or decrease the quantities



as aforementioned. As stated, the unit prices proposed by the Supplier in its proposal, include a warranty and maintenance period in relation to the system and its components and/or its Modules, as detailed in the technical specifications.

- 15.2 The Consideration will be paid to the Supplier, subject and upon receipt of the Company's written approval regarding the completion of each of the milestones detailed in the technical specifications.
- 15.3 If the Period of Engagement is extended by the Company, the Consideration to which the Supplier shall be entitled during the option period will be calculated according to the Supplier's proposed price in the Specific Invitation for those components, as detailed in the price quote.
- 15.4 The Supplier's proposal includes all the preparation and necessary works for the supply, installation, operation and maintenance of the services subject to the Tender and the Specific Invitation and pursuant to the details in the technical specifications, to the Company's full satisfaction. It is hereby expressly clarified that all the aforementioned services are included in the Supplier's price proposal and the Supplier will not be paid any additional consideration in respect of the aforementioned.
- 15.5 For the avoidance of doubt, it is clarified that the Consideration is final and includes all the service components (including additional and/or indirect services) that are the subject of this Agreement, as detailed in the Tender Documents and Specific Invitation and this includes: overhead expenses, price increased, office and/or general expenses, equipment costs, wages of employees and/or those employed by the Supplier, including staff members (including full social expenses), and any additional and/or other expense of any kind and type. For the avoidance of doubt, it is clarified that the Supplier shall not be entitled to any consideration and/or additional payment for/or regarding its work beyond the aforementioned.
- 15.6 It is clarified that the Supplier shall not be entitled to any consideration and/or additional payment for its services beyond the Consideration, unless otherwise



stipulated expressly in the Agreement or if the parties have agreed upon this expressly in writing.

- 15.7 The Company's liability in matters regarding Consideration and/or the scope of the Agreement, is subject to prior written document signed by the Company's signatories. The Supplier is aware and agrees that any instruction that may affect the Consideration and/or scope of the Agreement which wasn't approved by the Company as aforementioned, shall not bind the Company and the Supplier shall not be entitled to act pursuant to it and, should it act pursuant to it, it shall not be entitled to any consideration whatsoever in this regard.
- 15.8 VAT will be lawfully added to the Consideration, subject to the issuance of a lawful tax invoice.
- 15.9 At the end of each month, the Supplier will submit a detailed monthly report to the Company, regarding the services provided by its staff members for the previous month, and for which the payment is requested. The Supplier will detail its compliance with the service level indices in the said report. The monthly report will detail the account and payment requested pursuant to the discounts offered by the Supplier in its proposal. The Company may instruct the Supplier to provide additional data in its monthly report, at its sole discretion.
- 15.10 Subject to the Company's approval of the monthly report as aforementioned, the Supplier will submit the approved bill to the Company as aforementioned, by the 5th of the following month. The Company will pay the Supplier, according to the payment date in Section 3 of the Delivery of Payments to Suppliers Law, 5777 – 2017, at the end of the month in which the bill was submitted to the Company, subject to a receipt of a lawful tax invoice. The date in which the Company stamps the Supplier's bill, shall be considered as the determining date for the date of submission of the bill. The Consideration will be paid after withholding legal tax at source (unless the Supplier has provided the Company with a legal authorization regarding an exemption from withholding at the source).



15.11 For the avoidance of doubt, it is hereby emphasized that the Company may offset any amount due to it by the Supplier pursuant to this Agreement and/or any other agreement that it has with it and/or pursuant to any law, including reimbursement for advances and/or payment of damages, against any sum it owes the Supplier.

16. Liquidated Damages

16.1 Without derogating from any provision in this Agreement and in addition to them, it is agreed that, if the Supplier has failed to fulfil its obligations relating to the Specific Task, including in relation to the service level index, the performance and supply dates, the date of the Acceptance Tests or any other Specific Invitation requirements, the Supplier will pay the Company pre-agreed liquidated damages for every deviation from the Service Level Agreement (SLA) according to the amounts detailed in the technical specifications (hereinafter: "**the Liquidated Damages**").

16.2 It is hereby clarified that, should there be grounds for exercising more than one Liquidated Damage, the compensation regarding each violation will be independent and activated simultaneously and accumulatively.

16.3 The Parties declare that the Liquidated Damages as aforementioned, do not require proof of damage and are the correct and fair compensation in relation to the scope of the expected damages to the Company.

16.4 The Company may collect the amount of Liquidated Damages as aforementioned in any manner, at its sole discretion, including by way of a set-off and/or forfeiture of guarantee.

16.5 The payment, deduction or collection of the Liquidated Damages compensation, as aforementioned, does not exempt the Supplier from its obligations for completing the services or from any other commitment pursuant to the Agreement.

16.6 The payments during the activation periods shall be subject to the Supplier's compliance with the service level to the Company's satisfaction.



16.7 For the avoidance of doubt, it is clarified that the aforementioned provisions in this section contain shall not derogate from any right and remedy available to the Company, pursuant to any law and/or to derogate from the rights of the Parties pursuant to the Contracts (Remedies for Breach of Contract) Law, 5731 – 1970, including compensation claims for damage to be proven (with the deduction of the Liquidated Damages compensation already paid).

17. Absence of Employee-Employer Relationship

17.1 The relationship between the parties, pursuant to this Agreement, are those of service provider-recipient relationship. Nothing in this Agreement shall be constructed as creating an employer-employee relationship.

17.2 The Supplier is an independent service provider and wishes to remain independent in managing its business and subject to the provisions in this Agreement, the Supplier is free to engage with other customers for the provision of services. Therefore, the Supplier hereby waives any claim and/or demand deriving from employee-employer relationship between it and the Company. The Supplier declares that it is aware of the legal and factual implications deriving from this waiver.

17.3 The Supplier undertakes that it shall not sue the Company for any cause regarding an employee-employer relationship between it and the Company and/or the state. If, despite its commitment, it does so, or if any additional expenses beyond those provided in this Agreement are imposed on the Company, deriving from a determination that employee-employer relationships prevailed between the Company and the Supplier and/or its employees and/or those employed by it, during the Period of Engagement – then, the Supplier will indemnify the Company, on its first demand, for any expense incurred by it relating to a claim as aforementioned, including legal fees.

17.4 Without derogating from the aforementioned, if, for any reason, a competent authority, including a judicial body, has determined that the Supplier and/or any of its employees and/or anyone on its behalf is an employee of the Company or is entitled to rights as an employee, or if the Company is imposed with additional



expenses beyond those provided in this Agreement, deriving from such determining , the following provisions shall apply:

- 17.4.1 The Consideration paid to the Supplier from the commencement of the Period of Engagement will be replaced by a reduced consideration (gross) at a rate of 40% of the Consideration actually paid. In this instance, the Supplier shall be deemed as entitled solely to the reduced consideration (gross) retroactively from the said date (i.e., to a consideration of 60% of the consideration that was actually paid).
- 17.4.2 The Supplier will refund the Company for any amount paid from the date of commencement of the Agreement which was paid above the reduced consideration, linked to the Consumer Price Index (regarding this section, "**the Base Index**" – the known Index on the date of each payment; "**the New Index**" – the known Index on the actual date of repayment) and with linked monthly interest rate differentials at a rate of 4% per annum.
- 17.4.3 Without derogating from any right at its disposal, the Company shall be entitled to offset these excess amounts against any amount that it owes the Supplier or anyone on its behalf.
- 17.5 The Supplier shall bear any payments to which its employees and/or anyone on its behalf providing the services to the Company are entitled, including income tax payments, social security payments and any additional payment that applies or shall by virtue of the Labor Laws in the state of Israel and/or state laws that are applicable to the Supplier in its country, including severance pay, vacation, provisions to provident funds, pension funds, travel expenses, convalescence, expenses repayments of any kind, advance notice or redeeming it or for any other social conditions and additional social payments as prescribed in any law.
- 17.6 It is hereby clarified that the Consideration to be paid to the Supplier in any Specific Agreement, was determined on the assumption that it includes all the payments to which the Supplier is entitled and/or shall be entitled. The Supplier shall be solely responsible for making the payments and any deductions that



must be made pursuant to the law and, is solely responsible for making all the aforementioned payments.

17.7 It is agreed and conditioned that the Company's rights pursuant to this Agreement, including its right to inspect and/or supervise the services provided by the Supplier, do not create any employee-employer relationship between the Company and the Supplier.

17.8 The provisions in this section and all its subsections are fundamental to the Agreement and any breach hereof will be perceived as a fundamental breach of the Agreement.

18. **Guarantees (Optional – as Established in the Specific Invitation)**

18.1 To ensure the full obligations of the Supplier during the period of assignment of a Specific Task, as a prerequisite for the Company signing the Specific Agreement, the Supplier undertakes to deposit an autonomous, unconditional, irrevocable bank guarantee, linked to the Index with the addition of VAT at the Company's order, in the amount and wording to be established in the Specific Invitation (hereinafter: "**the Guarantee**"). The Guarantee shall be valid until 45 days from the termination of the warranty period established in the Specific Invitation. The Guarantee will be returned to the Supplier as stated above, after and subject to the full fulfillment of the Supplier's obligations pursuant to this Agreement and pursuant to the Specific Agreement and its appendices.

18.2 It is emphasized that all the Guarantee expenses shall apply exclusively to the Supplier. Without derogating from the other provisions of the Agreement, the Company may forfeit the Guarantee and to use its funds, to cover anything owed to it by the Supplier pursuant to this Agreement and/or the law, during the Period of Engagement or the Guarantee period.

18.3 The Guarantee may be forfeited by presenting it to the bank without the Company having to present any document and/or additional proof whatsoever and without the Company having to rationalize its decision or to prove its damages to the bank.



- 18.4 The amount of the Guarantee does not serve as a limitation or ceiling to the Supplier's commitments. Without derogating from the Supplier's obligation to maintain a Guarantee at any time pursuant to the provisions in this Agreement, if during the Specific Task period the Guarantee period is approaching termination, the Company will notify the bank that issued the Guarantee (with a copy to the Supplier), that if the Guarantee period is not extended, it will be forfeited. No payment will be made to the Supplier, until providing a Guarantee pursuant to the Company's demand in accordance with the provisions in this section and the relevant instructions in the Specific Task relating to the Guarantee.
- 18.5 It is clarified and agreed that if, for any reason, the Company forfeited the Guarantee, or part thereof, without termination this Agreement or the Specific Agreement, the Supplier will have to supplement the Guarantee amount, within 7 days, and place a new full Guarantee. Should the Supplier fail to place a full and new guarantee on the aforementioned date, this shall constitute a breach of the Agreement and the Company shall be entitled to terminate it immediately.
- 18.6 For the avoidance of doubt, it should be emphasized that the amount of the Guarantee is for the purpose of facilitating collection only, and under no circumstances does it constitute Liquidated Damages compensation of any kind.

19. Responsibility and Indemnification

- 19.1 The Supplier is solely responsible for the quality of the services that it provides. The Company's approval for the services in whole or in part, does not exempt the Supplier from its full professional responsibility and, confirmation as aforementioned, does not impose any liability on the Company relating to the quality of the services.
- 19.2 Without derogating from any other instruction in the Agreement and/or in any law, the Supplier shall be solely responsible for any loss, injury, damage or financial loss of any kind caused to the Company (including to any of its employees and/or the Ministry of Transport and/or the State of Israel) or to any



third party, during and/or in relation to providing the services and/or as a result of any act and/or omission of the Supplier and/or anyone on its behalf.

- 19.3 Without derogating from any other instruction in this Agreement and/or in any law, the Supplier undertakes to indemnify the Company immediately upon its first demand for any claim and/or allegation filed against the Company due to any loss, injury, damage or financial loss as aforementioned in Section 19.2, and for any expenses incurred by the Company or which it may bear, in relation to the aforementioned (including court expenses and legal fees), all without derogating from the Company's rights pursuant to the Agreement and/or to any law for any other relief or remedy. The Company shall inform the Supplier as soon as possible of receipt of a claim and enable it to participate in its defense against it.
- 19.4 The provisions in this section shall not exempt the Supplier from the obligations imposed on it, in the performance of its work pursuant to any law. Their content must not be interpreted as the Company's waiver of any right or remedy legally imparted on it.
- 19.5 The provisions in this section and all its subsections are fundamental to the Agreement and any breach hereof will be perceived as a fundamental breach of the Agreement.

20. Ownership of the Work Products, Documents and Information

- 20.1 Any document, including adaptations, photographs, copies, materials and auxiliary materials, presentations, plans, calculations, sketches, innovations, developments, inventions, patents, and any other products of the services, including interim products etc., or information to be prepared by the Supplier and/or received by the Supplier in relation to the services (hereinafter: "**the Products of the Services**" or "**the Documents**"), shall be owned by the Company and shall constitute the Company's sole intellectual property and will be transferred to its possession immediately upon its demand. The Supplier and/or anyone on its behalf shall not have any claim and/or demand against the



Company and/or anyone on its behalf regarding this and/or any lien on the documents;

In this regard, "**document**" – including data stored on magnetic media and/or on any other media. It is hereby clarified that documents in the possession of any other third party, are the sole property of the Company.

It is clarified that the aforementioned shall not apply to products and services that were not developed for the Company, and that were developed regardless of the provision of the services subject of this Agreement

- 20.2 Without derogating from the aforementioned, the Supplier hereby confirms and undertakes that the Company shall be entitled to make any use of the Products of the Services at its sole discretion and, inter alia, transfer them to any party (including the Ministry of Transport) and for any other purpose, including: modification of the Documents and/or for any other use at its sole discretion, without having to request permission from the Supplier. The Supplier will not be entitled to any consideration or increment for the use as aforementioned.
- 20.3 It is clarified that, the Company may decide to transfer the performance of the services, in whole or in part and/or any additional work linked, directly or indirectly to the performance of the services, including its products and/or conclusions. In this event, the Supplier undertakes to assist, to the best of its ability, in transferring the activity and/or knowledge and/or Products of the Services, to any other party within a period that shall not exceed fourteen (14) days, in accordance with the Company's instructions and at its sole discretion.
- 20.4 Without derogating from the aforementioned, it is hereby declared and clarified that the Company has an exclusive right to the Products of the Services and it shall have the sole copyrights and other rights of any kind, whether intellectual property rights or licenses of use, trademarks etc., that are imparted pursuant to any law in any document (including physical or magnetic media), any professional opinion or intellectual property that will be prepared by the Supplier or reliant on consultation provided by the Supplier and/or by third parties in relation to this Agreement. The Supplier undertakes to take any required action



in order to allow the Company to register such rights in the Company's name and pursuant to any law.

20.5 Upon termination of this Agreement for any reason, the Supplier will provide the Company with all the original documents and copies of any documents in its possession that are related to the Products of the Services, within fourteen (14) days, as well as a written affidavit stating that the Supplier has no original documents or copies in possession or that of any other person. The Supplier shall not be entitled to any payment beyond the provisions in this Agreement for the aforementioned services in this section or for updating the documents.

20.6 The provisions in this section and all its subsections are fundamental to the Agreement and any breach hereof will be perceived as a fundamental breach of the Agreement.

21. **Maintaining Confidentiality**

21.1 The Supplier undertakes, without any time limitation: to keep confidential; not to transfer in any manner; not to deliver, publish, disclose, copy or use any knowledge, information, Document and any other information disclosed to the Supplier relating to the Agreement or to the provision of services, whether prior to the execution of the Agreement or during the Period of Engagement or after its termination.

21.2 Without derogating from the provisions in this Section 21, the Supplier undertakes to sign and to procure the signature of anyone on its behalf who has or will have access to information related to this Agreement and/or a Specific Task, on the written undertaking for maintaining confidentiality attached as **Appendix B** to this Agreement.

21.3 Such undertaking shall not apply to information that is public knowledge on the date of signing this Agreement, or that will become public knowledge thereafter, provided that the information did not become public knowledge after the date of signing this Agreement, due to a direct or indirect act or omission of the Supplier or anyone on its behalf, including by tacit consent. The burden of proof, that the principles of this Section have been maintained shall be imposed on the Supplier.



21.4 The provisions in this section and all its subsections are fundamental to the Agreement and any breach hereof will be perceived as a fundamental breach of the Agreement.

22. Avoidance of Conflicts of Interest

22.1 The Supplier expressly declares that it and/or its staff members are not in a state of a conflict of interests, directly or indirectly, including a personal, professional or business conflict of interests between them and the Company and/or the Ministry of Transport. The Supplier undertakes to avoid causing or being in such state in which they and/or their actions, will be in conflict with their obligations— in accordance with the Agreement and/or to any Specific Agreement. In any event, the Supplier undertakes to inform the Company as soon as it becomes aware of any situation of conflict of interest regarding the Supplier or anyone on its behalf.

22.2 Without derogating from the aforementioned, any of the staff members who is in an unforeseen state of a conflict of interest, will be replaced by another staff member with similar qualifications, within 14 days from the date of being informed of the conflict of interest and subject to the Company's approval of such replacement.

22.3 The provisions in this section and all its subsections are fundamental to the Agreement and any breach hereof will be perceived as a fundamental breach of the Agreement.

23. Fundamental Breaches

23.1 If the Supplier has fundamentally breached the Agreement and/or breached the Agreement in a non-fundamental breach and has not rectified the breach within 5 work days from the date of the Company's written demand, the Company may, at its sole discretion, take one or more of the following measures, without terminating the Agreement:

23.1.1 To immediately, permanently or temporarily, suspend the provision of services, in whole or in part;



23.1.2 To replace the Supplier, permanently or temporarily, with another service provider in order to complete the services,;

23.1.3 To charge the Supplier for its expenses regarding the aforementioned with the addition of administrative expenses at a rate of 15%, including VAT;

23.1.4 To remove the Supplier from the Pool of Framework Suppliers.

To obviate any doubt, it is hereby declared that the Company's action pursuant to this section does not terminate this Agreement and does not exempt the Supplier from its obligations pursuant to the Agreement, unless the Company has terminated the Agreement.

23.2 Without derogating from the aforementioned, and in addition to the provisions in Section 23.1 above, the Company may, at its sole discretion, terminate this Agreement immediately, in whole or in part, by giving written notice to the Supplier, without the need for providing any warning and without being obligated to pay any compensation, this without derogating from any other or additional remedy at its disposal, on the occurrence of one of the following instances:

23.2.1 A fundamental breach of the Agreement by the Supplier/or a non-fundamental breach which was not rectified within 5 work days from the date of the Company's written demand;

23.2.2 The Supplier is suspected of committing an offense involving moral turpitude;

23.2.3 A request for dissolution or a request for an arrangement with creditors or a request for insolvency has been submitted against or by the Supplier;

23.2.4 A foreclosure has been imposed on the Supplier's property and/or funds due to the Supplier by the Company and held by the Company, and the said foreclosure has not been removed within 14 days.

24. Remedies and Relief



24.1 Any remedy and/or a right awarded to the Company pursuant to this Agreement, shall not derogate from any remedy or right given to it pursuant to any law and pursuant to this Agreement or the Specific Agreement and the other Tender Documents.

24.2 A breach of any of the Supplier's obligations in accordance with a Specific Task, shall constitute a breach of this Agreement to all intents and purposes.

25. Assignment of the Agreement / Execution of the Services by a Third Party

25.1 The Framework Supplier may not assign the Agreement or any part thereof to any other party and may not transfer or assign or encumber or pledge any right or obligation pursuant to the Agreement to any other party, including a right to payments which it may be owed pursuant to the Agreement, without the Company's advanced written approval.

25.2 The Framework Supplier may not transfer the performance of the services, in whole or in part, to any other party, without the Company's advanced written approval.

25.3 Without derogating from the provisions in Sections 25.1 and 25.2 above, in case the Supplier transferred its rights or obligations pursuant to this Agreement and/or deliver performance of the services, in whole or in part, to another, the Supplier shall continue to bear full responsibility for its obligations to the Company pursuant to this Agreement.

25.4 The Company may assign its rights and obligations by virtue of the Agreement, in whole or in part, to the Ministry of Transport and/or any ministry and/or other government entity and/or an entity controlled by the State of Israel and/or to any other relevant entity, as long as the Supplier's rights pursuant to this Agreement are not prejudiced.

25.5 Without derogating from the aforementioned generality, it has hereby agreed that the Supplier's services and the Specific Tasks assigned to it pursuant to the provisions in this Agreement, may be given to it directly by the Ministry of Transport and/or any ministry and/or other government entity and/or entity



controlled by the State of Israel and/or to any other entity, all pursuant to the provisions in the Agreement, the Tender conditions and subject to the fact that the Supplier's rights shall not be prejudiced.

26. Settling Disputes

26.1 Any dispute deriving from the Agreement, will first be brought for inquiry, in order to settle it amicably, before the Company's CEO and/or anyone on his behalf and the Supplier's CEO. The parties' representatives will discuss the dispute in good faith, in an effort to settle it pleasantly, without the need for judicial or quasi-judicial proceedings.

26.2 A dispute between the parties which has not been resolved in the manner established in Section 26.1 above, within 30 days from the date on which the dispute arose, will be transferred to court proceedings pursuant to Section 27.4 below.

26.3 In this context, it is hereby emphasized that a dispute – whether financial or other – shall not constitute a valid reason for the suspension or termination of the Agreement by the Supplier or failure to comply with its obligations pursuant to the Agreement and the dispute will be resolved in accordance with the said mechanism.

27. Miscellaneous

27.1 **Non-Enforcement does not Prejudice Rights.** Failure by a party to this Agreement to enforce its rights, does not constitute a waiver of such rights or the right to sue (including enforcement) for breach thereof, and shall not prevent enforcement of the provisions of the Agreement at the request of that party, on a later date or for another breach of the agreement.

27.2 **Amending and Altering the Agreement.** Any amendment or alteration to this Agreement must be made in writing, signed by the signatories of the parties to the Agreement.

27.3 **An Annuling and Exhaustive Agreement.** The Agreement, accompanying agreements and other documents between the parties, dated as the date of the



Agreement, constitute the entire agreements between the parties and annul any previous agreement and any previous consent, whether in writing or oral, between them subject to the Agreement.

27.4 **Jurisdiction.** Any matter regarding this Agreement shall be heard only in the competent courts of the Central District of Israel.

28. The Parties' Addresses and Sending Messages

28.1 Notices regarding this Agreement shall be sent by registered mail or facsimile or email or delivered manually, pursuant to the parties' addresses specified in the preamble to this Agreement. Any notice shall be deemed to have been received on the following dates: One day after the date of delivering it, if manually delivered; one day after the date of transmitting it via facsimile, subject to confirmation of the transmission; on the date of confirmation of its opening by the recipient if sent via email or after 24 hours (whichever is sooner); or on the elapse of 7 days from the date on which it was sent for delivery via registered mail.

28.2 Each Party reserves the right, on giving notice pursuant to the provisions in this section, to change its address and the address for mailing copies that appears in this Agreement.

In witness whereof the Parties of hereunto set their signatures:

The Company

The Framework Supplier