



Document B' - The Framework Agreement;

**Ayalon Highways Co. Ltd**

**Framework Tender No. 62/20**

**Complementary Tender**

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

## **The Framework Agreement**

# **To Locate, Examine and Deliver Technological Solutions for Transporting Cargo via UAV**

Drawn and Signed on the \_\_\_\_\_ of the Month of \_\_\_\_\_ in the Year 2020

**Between**

**Ayalon Highways Co. Ltd**

(hereinafter and in all of the documents of this Agreement: **“The Client”/ “The Company”/ “Ayalon Highways”**)

**And**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(hereinafter and in all of the documents of this Agreement: **“The Supplier”/ “The Framework Supplier”**)

**Whereas** the Client is interested in the location, examination and delivery of technological solutions for transporting cargo via UAV (hereinafter: **“The Project”**):

**And Whereas** the Client has published Framework Tender No. 62/20 to Locate, Examine and Deliver Technological Solutions for Transporting Cargo via UAV (**“The Tender”**) to assemble



a repository of framework suppliers, with whom this Agreement will be drawn, and from whom the Client can select, in accordance and subject to the provisions of this Agreement, the Framework Supplier that will execute for it the individual executional task, as will exist from time to time, and as the Client will instruction according to this Agreement;

**And Whereas** the Client accepted the Supplier's proposal to the tender and upon signing this Agreement with the Supplier, included the Supplier in the repository of framework suppliers undertaking to execute the executional tasks in accordance with this Agreement, Ayalon Highways procedures and as instructed by the Client from time to time.

**And Whereas** the Parties are interested in defining in this Agreement their relationship with respect to the Supplier's inclusion in the Framework Supplier Repository, all as detailed in this Agreement.

**Therefore, it was agreed, stipulated and declared in writing as follows:**

1. **General**

- 1.1 The preamble to this Agreement comprises an inseparable part thereof.
- 1.2 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.
- 1.3 In this Agreement stated in the masculine, and female by implication, in the singular, and the plural, and all when no other intent is implied.
- 1.4 The provisions of this Agreement supplement the provisions of the Standard Suppliers Agreement, as defined herein, however they will override any contradictory statement found in the Standard Suppliers Agreement, unless expressly stated otherwise.
- 1.5 The terms in this Agreement will bear the same meaning given to them in the tender documents, unless expressly stated otherwise.

2. **The Agreement's Documents**

The following documents, which are attached by way of reference, including those that correct and/or modify and/or refer to them and/or added to and specifically mentioned as such, will form and/or be deemed an integral part of this Agreement (hereinafter: "**The Agreement**"):

- 2.1 Document A' - the Framework Supplier's Proposal containing all of its appendices and all of the Tender Documents;
- 2.2 Document B' - the Standard Suppliers Agreement including its appendices;



### 3. Definitions

3.1 In this Agreement, the following terms will bear the following meanings:

- “Timetable”** - A listing of the dates during which the Framework Supplier must execute (including starting and finishing date) the services and works contained in the Executional Task;
- “Framework Suppliers Repository”** - A repository containing all of the awardees in the Tender that between them and the Company a Framework Agreement has been signed (this Agreement);
- “Executional Task”** - A specific task for execution of services that will be executed by a framework supplier in accordance with the results of the Individual Referral in relation to this task;
- “The Services”/ “The Works”** - Services for UAV cargo transport, as specified in the tender documents, as well as those services that will be defined in the framework of individual referrals that will be conveyed to winning Bidders as per the detailed mechanism below;
- “Individual Referral”** - As implied in Clause 5 herein:

### 4. The Period of the Contract

4.1 The period of the contract between the Client and the Supplier will be for 24 months (hereinafter: **“Period of the Contract”**).

4.2 The start of the period of the contract will be the date that the first Framework Supplier signed the Agreement with the Company and in doing so entered the Framework Supplier Repository. It will be clarified that if the Supplier will sign this Agreement with the Client, on a date later than the First Supplier as stated, the Period of the Contract with the Supplier will begin on the date of the Period of the Contract with the First Supplier as stated, and not on the date of the signing of this Agreement.



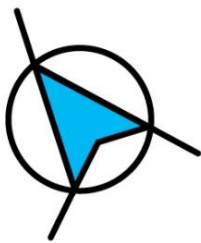
- 4.3 The Client is given the option, at his sole discretion, to extend by written notice, the Period of the Contract as per the Agreement, by 3 additional periods of 12 months each (hereinafter: “**The Extension Period**”), thus the total contract will not last more than a total of 60 months. It will be clarified that the Client will be entitled as his sole discretion, and without having to give reason for his decision, to extend the Period of the Contract with only some of the Framework Suppliers while in relation to some the Period of the Contract will not be extended, and the Supplier waives *a priori* any claim and/or demand and/or suit in this matter.
- 4.4 The Client is given the possibility, at his sole discretion, to conclude the Period of the Contract by notification that will be given 45 days *a priori* with the Framework Suppliers, in part or in whole thereof - at his sole discretion, and this without derogating from any other provisions in this Agreement and/or the Standard Suppliers Agreement.
- 4.5 Subsequent to the Client commissioning the Supplier, in the framework of the Period of the Contract and according to this Agreement, in the implementation of the executional task, the provisions of this Agreement will continue to apply concerning execution of said task until its completion, including its delivery and inspection period, even if in the interim, the Period of the Contract and/or Extension Period has concluded as per this Agreement. Upon conclusion of the Period of the Contract, including the Extension Period, the Client will not be entitled to turn to the Framework Supplier for execution of new executional tasks; however, implementation of executional tasks conveyed to the Framework Supplier within the Period of the Contract and/or the Extension will conclude pursuant to their determined timetable, and this is also if conclusion of the execution of the same executional tasks falls after the Period of the Contract and/or the Extension. Nothing in the above mentioned prejudices the rights of the Client as per this Agreement relative to any executional task, including his right to cancelling said contract.

## **5. An Individual Referral for RFQs in Relation to the Execution of a Task**

- 5.1 After Ayalon Highways formulates a planning package for task execution, Ayalon Highways will distribute an Individual Referral for an RFQ in relation to the execution of a certain task (hereinafter; “**Individual Referral**”). It will be clarified that an Individual Referral may contain one or more executional task(s) at the discretion of the Company.



- 5.2 As part of the said individual referral, Ayalon Highways will convey to the framework suppliers, all or parts thereof, the documents concerning the individual referral. These documents will contain all the technical specifications, documents, plans, quantities and instructions pertaining to the task's execution.
- 5.3 These documents, will be conveyed to the framework suppliers by any means chosen by Ayalon Highways, at its sole and absolute discretion, including physical delivery, electronic mail, digital media and download from a cloud, etc. The individual referral documents will also contain the deadline for submission of quotations in relation to the execution of the task by the framework supplier (hereinafter: "**A Price Quotation for an Individual Referral**"). It should be clarified that the Company will be entitled to set within the framework of a certain Individual Referral, additional standards, beyond the proposed cost, for determining the supplier awarded execution of a task, including consideration of certain criteria in relation to the compatibility of the proposed system and/or the Bidder to the character of the services and/or the location and the route for which the services are required.
- 5.4 The Supplier will submit a response to the Individual Referral that will contain a technical response (in accordance with the instructions contained in the referral), and will state in the price quotation issued in response to the Individual Referral, the proposed consideration offered by him relative to execution of the services listed in detail in the documents of the Individual Referral, on the Price Quotation Form that will be attached to the documents of the Individual Referral.
- 5.5 The Framework Supplier undertakes to participate in all of the Individual Referrals that will be conveyed to him by Ayalon Highways as part of this contract and submit his proposals relative to each one of these referrals. Should the Supplier fail to submit a price quotation to the Individual Referral by its set deadline, Ayalon Highways will then be eligible to suspend said Framework Supplier from the repository for a period that it will determine and prevent his participation in subsequent Individual Referrals, all at the sole discretion of Ayalon Highway in this matter. The Supplier hereby waives any claim and/or demand and/or suit against Ayalon Highways for and/or in connection with any action taken by Ayalon Highways as stated, in any event the Supplier fails to submit a proposal in relation to any of the Individual Referrals to be conveyed to by Ayalon Highways.



## 6. Selecting the Framework Supplier that will be Conveyed the Executional Task

- 6.1 The price quotes for the individual referral will be examined pursuant to the provisions of this Agreement, the documents of the Individual Referral and the remaining tender documents.
- 6.2 Subject to the provisions of this Agreement, the remaining tender documents and the documents of the relevant Individual Referral, Ayalon Highways will convey an executional task for execution by a Framework Supplier in accordance with the mechanism to be determined in the Individual Referral. In this framework, the Company will be entitled to establish in a particular Individual Referral standards for evaluating the quality of the proposed systems and/or their compatibility with the relevant Individual Referral and/or determine the identity of the winning Supplier in accordance with the prices offered by the Framework Suppliers, all at its sole discretion.
- 6.3 In the event that two (or more) Framework Suppliers have submitted prices quotations to an Individual Referral that are equal in value and terms, the Company will be entitled, at its sole discretion, to act in one of the following two ways:

### 6.3.1 Conduct an additional pricing competition

In the framework of the additional pricing competition, each one of the mentioned Framework Suppliers will be permitted to improve their submitted Individual Referral price quotation proposal.

A Framework Supplier permitted to submit an improved offer as stated in this clause, but chose not to do so, will be considered to have proposed a 0% discount relative to the original bid, and the monetary bid will be in accordance to the proposed price quotation to the Individual Referral previously submitted.

The Framework Supplier that offers the best Individual Referral Price Quotation, will be selected to execute the executional task.

Even after the above mentioned additional pricing competition, there remained offers of equal status, the Ayalon Highways Tenders Committee is authorized, as part of a reasoned, written decision, to decide on the winning bid in accordance with the considerations detailed in Clause 15.8 of the Tender or conducting an additional pricing competition or conducting a lottery as detailed in Clause 6.3.2 herein.

### 6.3.2 Conducting a Lottery



In the framework of these proceedings, Ayalon Highways will conduct a lottery between those Framework Suppliers that have submitted equal monetary offers as stated above. The Framework Supplier chosen in the lottery, will be selected by Ayalon Highways to execute the executional task.

6.4 Cancellation of the winning supplier as part of the executional task, and his removal from the Framework Suppliers Repository

- 6.4.1 The Supplier will not be entitled to refuse to undertake the execution of the executional task, including that the Supplier will not be able to generate any claim and/or demand and/or suit with respect to the financial scope of the executional task.
- 6.4.2 Should the Supplier fail to fulfill his obligations as imposed in the framework of the executional task, Ayalon Highways will be entitled, at its sole discretion, to cancel the executional task win, or allocate an additional extension for him to fulfill his obligations. If Ayalon Highways canceled the Supplier's awarding of the executional task because of the latter's failure to fulfill his obligations, Ayalon Highways will be entitled to foreclose as pre-assessed and agreed compensation the current deposited guarantee, as well as remove him from the Framework Suppliers Repository, without derogating from any other available remedies.
- 6.4.3 Without derogating from the above mentioned and herein, if Ayalon Highways canceled the Framework Supplier's award of an executional task because of the latter's failure to fulfill its obligations, Ayalon Highways will be entitled to declare the Framework Supplier whose submitted price quotation to the Individual Referral was ranked in the position after the Framework Supplier whose winning proposal was canceled, as the awardee of the executional task or cancel the executional task, all according to its sole and absolute discretion.
- 6.4.4 Without derogating from any right afforded Ayalon Highways, and in addition to any right that is in accordance with any law and under the terms of the Tender and the Agreement, in the case in which Ayalon Highways has canceled the Standard Suppliers Agreement with the Supplier for any reason whatsoever, Ayalon Highways will be entitled, although not obligated, to turn to the Framework Supplier ranked after the Framework Supplier that was awarded the executional task, and instruct him to enter into a contract under the auspices of the Standard Suppliers Agreement to continue execution of the works in accordance with the terms and conditions of the individual price quotation that he submitted in relation to the executional task. To dispel any doubt it is



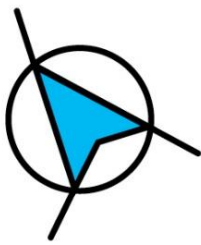
clarified that realization of the above mentioned right as per this clause, will be given to the sole and absolute discretion of Ayalon Highways.

- 6.4.5 In addition, and without derogating from the above mentioned and herein, in the event where it is made known to Ayalon Highways that the Supplier is failing to fulfill his obligations as pertaining to an executional task in accordance with the Agreement or fails to cooperate in responding to Individual Referrals, Ayalon Highways will be entitled, at its sole discretion, to decide against the selection of the Supplier for the execution of subsequent and additional executional tasks, without derogating from any available remedy according to the Tender and/or this Agreement and/or any law.
- 6.4.6 In the case in which the Supplier has failed to submit his bid to any one of the Individual Referrals conveyed to him by Ayalon Highways, Ayalon Highways will be entitled to foreclose as pre-assessed and agreed compensation the current deposited guarantee, as well as remove him from the Framework Suppliers Repository, all at its sole discretion and without derogating from any other available remedies.
- 6.4.7 Without derogating from the above mentioned, Ayalon Highways will be entitled to operation an alignment to assess the quality of the Framework Suppliers during its Period of Contract with them, according to criteria that it will establish for this purpose, according to its sole and professional discretion. It is hereby clarified that in the framework of the above mentioned quality alignment, Ayalon Highways will be entitled to determine criteria for the removal of a Framework Supplier from the Framework Suppliers Repository or his suspension for a specified period, in the case where the evaluation of the Framework Supplier proves to be lower than the minimum threshold that will be established by Ayalon Highways, as per its sole and professional discretion.
- 6.4.8 The Supplier hereby waives *a priori*, and undertakes not to raise any claim and/or suit and/or demand against the Company for and/or in connection with the exercise of Ayalon Highways rights as stated in this Clause 6.4, including for and/or in connection with the cancellation of its awarding and/or forfeiture of the Guarantee and/or his removal from the Framework Suppliers Repository.

## 6.5 **Conveying the Executional Task to the Framework Supplier**

- 6.5.1 Should the Client decide to convey the Framework Supplier an executional task, the Client will convey to the Framework Supplier the documents containing the relevant instructions for execution of the task.





- 6.5.2 The timetable for the execution and conclusion of the executional task will be according to milestones and assignment to be determined by the Client.
- 6.5.3 It is hereby clarified that from the moment the Supplier submitted a tender proposal, and his proposal was accepted, he was included in the Framework Suppliers Repository, and as such obligated to execute, as required by the Company, any executional task conveyed to him by the Company as per the terms and conditions of this Agreement.
- 6.5.4 All the documents conveyed by the Client in connection with an executional task, will be considered an integral part of this Agreement.
- 6.6 The starting date for execution of the executional task, will be as detailed in the Notice to Proceed (NTP) issued to the Framework Supplier following the completion of all the preliminary obligations pertinent to the executional task, as detailed in this Agreement and in the Standard Suppliers Agreement that will be signed with him with respect to the executional task. This notice will be considered and “NTP” to the matter of any document referring or relating to the above mentioned notification. The Client has the authority to instruct the Supplier to execute preparatory assignments in advance of the execution, prior to the stated date.

## **7. Absence of Exclusivity and Absence of a Commitment for Minimum Activity**

- 7.1 The Company, at its sole discretion, is entitled not to impose on any of the Framework Suppliers any executional task and, instead, publish additional tenders and/or conduct other competitive procedures in connection with the execution of any executional task, which may have been carried out under the Tender, or contract with any other entity for this purpose, all in accordance with the law, and there is nothing in the winning of the Framework Suppliers in the Tender and/or signing this Agreement and/or the inclusion of the Framework Suppliers in the Framework Suppliers Repository to assure said Framework Suppliers that the Company will afford them, all or parts thereof, execution of the executional tasks.
- 7.2 This Agreement in no way constitutes any obligation on the part of the Client to convey to the Supplier any scope of works, or if at all, and it is possible that a Framework Supplier will not be conveyed a single executional task. This Agreement does not create any commitment toward the Framework Supplier, except for a commitment that it will be included in the Framework Supplier Repository, and that in accordance with the

terms of this Agreement, the Company will choose from time to time, and at its discretion, and decision, to impose any of the executional tasks on any one of the Framework Suppliers, with whom it will enter into a contract for the execution of a specific executional task.

7.3 The Supplier declares that it has no expectation and/or right of claim in relation to a minimum or maximum scope or learning of the work to be conveyed to him under this Agreement, and hereby waives an irrevocable waiver of any claim, demand or suit against the Company in any matter related to the mentioned in the clause above.

## **8. Priorities and Coordination**

8.1 The Client is entitled to convey to the Supplier several concurrent executional tasks. In the event that the Client will convey to the Supplier several tasks as stated above, the Client will be entitled to determine from time to time the order of priority between the tasks and the Supplier will execute said executional tasks accordingly.

8.2 The Supplier will execute the executional tasks in accordance with the specifications defined by Ayalon Highways relative to the manner and stages of the executional task. In this context it will be clarified that the Supplier will be required to be prepared for the execution of special tasks pursuant to the project's needs, including a single executional task concerning works in several different work sites and/or operate several concurrent work teams and/or execute works at night.

8.3 The tasks required under the Standard Supplier Agreement include everything needed to execute the tasks as required, including obtaining and attaining all approvals and certifications from the competent authorities and coordinating with other Service Providers employed within the relevant project and obtaining all permits and approvals for the lawful execution of the works.

8.4 Without derogating from the generality of the mentioned above, the Supplier will cooperate fully with the relevant Project Manager and all other parties to the Project, all in accordance with Ayalon Highway instructions and guidelines.

## **9. Remedies and Relief**

9.1 Nothing in the remedy and/or right given to the Client under this Agreement derogates any remedy or right afforded by law, according to the Standard Suppliers Agreement, and by the remaining Tender documents.

- 9.2 If the Framework Supplier has breached his obligations in the execution of any task, such will be a violation of this Agreement and the Standard Suppliers Agreement, for all intent and purpose.
- 9.3 The Client will be afforded the right to offset payments due the Framework Supplier under this Agreement any payment that is due to the Framework Supplier.

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

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**The Client**

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**Framework Supplier**