

Date: August 5, 2021

To: Tender Participants

E-Tender (Online) No. 15/21 A Framework Tender for the Supply, Integration, Operation and Maintenance for a MTMS (Metropolitan Traffic Management System) and its Modules (the "Tender")

Clarification Notice no. 6

Ayalon Highways Co. Ltd. (the "**Company**") is hereby publishing a clarification to the Tender Documents, as follows.

Please be advised that as previously stated in Clarification Notice no. 5, the Deadline for Submission of Clarification Questions has been extended until August 15, 2021 ("Clarification Question Round 2"), and the Deadline for Submission of Bids has been extended until September 30, 2021 (no later than 15:00 Israel local time).

It is now further clarified that:

- (i) The Deadline for Submission of Clarification Questions in Clarification Questions Round 2, shall be extended to August 20, 2021 (no later than 15:00 Israel local time).**
- (ii) In Clarification Questions Round 2 (beginning on the publication date of this Clarification Notice no. 6), each Bidder may submit no more than 20 clarification questions (any additional questions shall be disregarded). We refer Bidder's attention to line 13 of the table below, which clarifies that each Specific Invitation process shall also include a procedure for submission of clarification questions.**

This notice centralizes **all** questions raised until August 03, 2021 and not addressed in previous Clarification Notices, unifying similar questions, with no background detail or identifying data. For the avoidance of doubt, it is clarified that requests that have been submitted but do not appear in previous Clarification Notices or in the table below, have been rejected.

0.	Docu ment	Section	Question	Answer
1.	A	General	Please note that at the time of submission of proposals for a Specific Invitation, Bidders will be requested to provide the name and contact information of a professional representative who resides in Israel.	
2.	A	General	Can we submit a proposal response in English or must it be in Hebrew?	The proposals must be submitted in English

3.	A	1.2 Background	What access is there to cameras and video in Tel Aviv?	The MTMS shall have an interface with external Video Management Systems (see section 3.2.4 of Document C). The VMS will be determined at a later stage.
4.	A	1.3.3, 7 and 9.3	<p>(1) Is there a maximal amount of winning bidders which will be included in the Pool of Framework Suppliers for each category A and/or B?</p> <p>(2) Please clarify what does the term "Complementary Tender" mean.</p>	<p>(1) No. Also note that as written in section 1.3.3, the Company may also publish complementary tenders to enlarge the Pool of Framework Suppliers.</p> <p>(2) A Complementary Tender is a way to enlarge the Pool of Framework Suppliers. However, it is clarified that the Company shall also be entitled to publish a new tender and/or engage with different suppliers in any other way permitted by law, regarding the said services, and the Framework Suppliers waive any claim and / or demand against the Company regarding such decision.</p> <p>It is further clarified that during the engagement with the winning Category A Supplier for a Specific Task, the Company is also entitled, following prior coordination with such Supplier, to issue a "change order" to expand the MTMS to additional modules, whether or not they were included in its proposal for the Specific Task (and the Company decided at first not to order such modules), in lieu of an Invitation for a Specific Task to Category B Framework Suppliers.</p>
5.	A	1.5.3- 1.5.4	(1) We understand that Bidders that submit a Proposal for Category A, will be deemed to have submitted a Proposal for Category B as well, regarding each and every module (MTMS Core Modules and Non-Core Modules) contained in their Proposal for Category A, and there is no need for such Bidders to submit a separate proposal for Category B regarding	<p>(1) That is correct.</p> <p>(2) No.</p> <p>(3) Yes, as long as it can integrate with the MTMS and may enhance Mantam's services (see definition of "Non-Core Module").</p>



			<p>these Individual Modules. Is that correct?</p> <p>(2) Is the above also correct vice versa?</p> <p>(3) Regarding Category B - can a Bidder propose additional modules on top of those listed as core modules in Category A or those listed on page 7 of Document A?</p>	
6.	A	1.5.3-1.5.4	Can a Bidder submit a proposal only for one or more modules for Category B, and not submit a proposal for Category A?	Yes
7.	A	1.6	The Period of Engagement is for 24 months plus 3 possible extensions of 12 months each. Is this independent of the Specific Task/s in which the Framework Suppliers are involved at the moment of time in which this period ends? I.e. if a Framework Supplier is working on a Specific Task that is scheduled to finish at a date later than the end of the period of engagement, it is not affected by it. Please confirm.	Yes, the Bidders are hereby referred to sections 5.1-5.2 of the Framework Agreement.
8.	A	3	<p>In Category B:</p> <p>(1) During the Specific Invitation stage, may a Framework Supplier propose a module it developed which is a different module from the one/s presented in its Proposal in the Framework Tender?</p> <p>(2) During the Specific Invitation stage, is it possible that Framework Suppliers be requested to propose a core module (one that is listed as part of Category A)?</p>	<p>(1) Yes. Since this is a dynamic and evolving field, it is hereby clarified that the Company is entitled, but not required, to convey a Specific Invitation to Framework Suppliers in Category B for an Individual Module, even if such module was not part of their Proposal in the Framework Tender and was developed by them during the Period of Engagement.</p> <p>(2) It is possible (for example see second part of section 3.3).</p>
9.	A	3	How many Framework Suppliers will be chosen in each Specific Invitation in Category A?	In general, and without derogating from the Company's right to decide differently, it is the Company's preference and its current intention to issue one Specific Invitation and select only one of the Framework Suppliers in Category A. However, for example, if one of the Framework Suppliers proposes a Core Module that is

				<p>of higher quality than that offered under the MTMS, the Company will consider choosing more than one Framework Supplier for Category A.</p> <p>Also, and without derogating from section 1.3.3 of Document A, the Company may issue a Specific Invitation regarding the said services, for additional regions in Israel, in which the Company will decide to establish a MANTAM.</p>
10.	A	3	How many Framework Suppliers will be chosen for each Specific Invitation in Category B?	In general, and without derogating from the Company's right to decide differently, the Company currently intends to issue a number of Specific Invitations in Category B (depending on the outcome of Category A Specific Invitation), and select one Framework Supplier for each Individual Module the Company will require.
11.	A	3.5	What is the given time frame to submit a Framework Supplier's Proposal after receipt of an Specific Invitation for a Specific Task?	The timeframe for the submission of proposals regarding a Specific Task, shall be determined in each Specific Invitation for the execution of a Specific Task, at the Company's discretion, taking into account the complexity of the submission.
12.	A	3.8	It is requested that Framework Suppliers shall not be obligated to submit proposals to Specific Invitations (thus not mandatory).	<p>Section 3.8 is clarified as follows:</p> <p>In general, a Framework Supplier is required to submit its proposal to any Specific Invitation to which it qualifies, however the Company will not remove a Framework Supplier from the Pool of Framework Supplier for failure to submit a proposal for a Specific Invitation up to three times during the Period of Engagement.</p> <p>It is further clarified that the only sanction the Company will take against a Framework Supplier which will not submit proposals, is its removal from the Pool of Framework Suppliers.</p>
13.	A	Sections 4.2+3.8	The Tender Committee is requested to clarify that each Specific Invitation process shall include a procedure of clarification questions.	That is correct.

14.	A	3.9	Please clarify that if the Company entered into and executed a Specific Agreement with a Framework Supplier and terminates or cancels for any reason, the Framework Supplier will be entitled to the consideration for all the services it provided as well as all the expenses borne by it till the termination/cancellation (for example orders of supplies it cannot cancel, personnel it hired and now might be redundant) – kindly amend the Section to reflect this.	Request partially accepted, with respect to the termination of a Specific Agreement, see new section 8.8 to the Framework Agreement in line 44 below.
15.	A	3.11	The Tender Committee is requested to clarify that in case it decides to assign a Specific Task to a Framework Supplier, the terms and conditions of such Specific Task shall be negotiated between the Framework Supplier and the Company.	Request denied. However, the Specific Invitation documents as well as the Specific Agreement, will be conveyed to the Framework Suppliers in advance, in which case if a Framework Supplier deems a certain provision of the Specific Invitation to be unreasonable, it can submit clarification questions and/or requests.
16.	A	4.5	Kindly amend this Section 4.5 to state only that the Company has no obligation to convey Specific Invitations and Tasks as current language is reflecting waiver of all claims in respect to ALL the terms of the Tender.	Request denied. If the Bidder deems a certain provision of the Tender to be unreasonable, it can make a specific request at the clarifications stage of the Tender, and following the Company's answer, decide whether to submit a proposal.
17.	A	8.4-8.5	Bidder developed a MTMS Command and Control System in a 50% JV .The other partner wrote the code for high level modules as part of the JV agreement. Could the Bidder consider that both companies own the valid reference or only the partner who wrote the code is owner of a valid reference?	The Bidder cannot be considered the entity which “developed” the MTMS/ Individual Module for the purpose of threshold conditions 8.4-8.5, it is not the entity which developed it itself and does not own the know-how. The legal right to use such system/module alone, or to sell it, is not enough - Bidders are hereby referred to question no. 4 in Clarification notice no. 5 with respect to the meaning of the term "developed". Without derogating from the foregoing, the ownership of the code is a matter between the two partners, a Bidder cannot propose a system that it has no rights to.
18.	A	8.7	Please delete the words “For the purpose of submitting a Proposal for Category A”,	Request denied. Please note that the word “only” after the words “Category A” was

			allowing a submission of a Proposal by a Joint Venture for Category B as well.	mistakenly deleted in Appendix A to Clarification notice no. 5 (the document titled as "Threshold Conditions marked Clarification no. 5" on the Company's Website). However, please note new section 8.9 in Document A (as published in Clarification notice no. 5), stating that at the Specific Invitation stage, the Framework Suppliers may form and submit a proposal as a Joint Venture with additional entities, provided certain condition (specified therein) are met.
19.	A	Section 10.2.5.1 and Appendix 4 - Attorney Confirmation (Section 1)	This paragraph is not a representation and a statement that can be made by an attorney - but rather the business/commercial/delivery teams of the Bidder to state (Bidder's experience), which actually is the essence of Appendix 7. Kindly delete Section 10.2.5.1 and Section 1 of Appendix 4.	Request denied. The meaning of the representation in Section 10.2.5.1 and Section 1 of Appendix 4 is that there is no impediment in the Bidder's incorporation documents or Board resolutions from contracting with the Company.
20.	A	Section 10.2.5.2 + Appendix 4 - Attorney Confirmation (Section 2)	Kindly change "managers" to directors (as there are managers in the company in different field of business).	Bidders may (not mandatory) make a handwritten change from "managers" to "directors" in Section 2 of Appendix 4.
21.	A	Appendix 5	Kindly confirm whether Appendix 5 is needed for a Bidder who is not incorporated under the laws of Israel	Yes, all Bidders must submit Appendix 5.
22.	A	Appendices	Please allow a notary in a foreign country to attest the signatures, instead of an attorney, and that in such a case an apostille stamp will not be required.	Request accepted.
23.	A	Appendices	Please provide the Bidders with the appendices in WORD format.	Request denied.
24.	A	Appendices 7 + 7a	Due to the amendment of the threshold conditions in Section 8 (see Clarification notice no. 5), attached as Appendix A to this notice is the Updated Appendix 7 of Document A (Affidavit Concerning the Bidder's Status and Experience) – Bidders must fill out and submit the Updated Appendix 7 instead of the original appendix. Additionally, a new Appendix 7a (Affidavit Concerning the Subcontractor's Experience) is also attached to this notice, to be	

			submitted in the event the Bidder meets the threshold condition of section 8.4/8.5 via its proposed subcontractor.	
25.	B	General	The Tender Committee is requested to clarify that in all places the word "law" appears, the meaning is any applicable law.	Request accepted, the term "law" means any applicable law and as shall be amended from time to time.
26.	B	General	Since the content of the Specific Tasks are unknown on the date of bid submission and on the date of signature of the Framework Agreement, at this stage the Bidder/Supplier can neither make any representations, nor take any commitments with respect to any Specific Task. Please clarify.	These are common provisions of a framework agreement, and Bidders are also referred to the Company's answer to question 12.
27.	B	2	In the description of Appendix A the Tender Committee is requested to delete the sentence starting in the words "and any Tender Documents" and ending in the words "integral part of this agreement".	Request denied.
28.	B	4.5	The Tender Committee is requested to: (1) replace the words "any standard" with the words "any applicable standard"; and (2) clarify that the Supplier is obligated to comply with all the provisions of the law and any standard, stipulation or other instruction, stipulated in the Tender Documents.	(1) The request is accepted. (2) The request is accepted. It is emphasized that the Specific Invitation is an integral part of the Tender Documents including the Bidder's proposal and the design reviews to be agreed between the parties.
29.	B	4.5	Kindly add "(industry practice)" after the wording "high quality and precision", as well as kindly amend "the requirements of any law" to the wording "the requirements of the Israeli law which apply to the Supplier".	Request denied.
30.	B	4.6	(1) Kindly add "(industry practice)" after the wording "efficiently excellently". (2) Kindly clarify that "Company's satisfaction" shall mean provision of the services in accordance with Supplier's proposal, as otherwise the definitions subjective and cannot be measured objectively.	(1) Request denied. (2) The Company's satisfaction means in accordance with the Tender Documents, the Specific Invitation, the Bidder's proposal, and the design reviews.
31.	B	4.8	We kindly request to amend the paragraph so that the	Request partially accepted - after the words "first demand",



			amounts awarded to the Company will be subject to a final court verdict and provided that the Company will notify the Supplier of such claim and allow it to defend itself and nor settle with the plaintiff without the Supplier's consent.	the following shall be added: "after a final verdict of the court, provided that the Company will promptly notify Supplier in writing of such claim, reasonably supply information requested by Supplier and reasonably cooperate in the defense and not settle with plaintiff without the Supplier's consent."
32.	B	4.9	Kindly delete "and/or the system and/or its Modules".	Request denied.
33.	B	4.10	The Tender Committee is requested to clarify that this section shall only apply to a Bidder/Supplier who is incorporated in the State of Israel.	No, a foreign Supplier registered to do business in Israel must also comply with such requirements. Bidders are advised to consult Israeli accountants/tax advisors.
34.	B	4.10	That it maintains its bookkeeping and/or reports in accordance with to the Income". Kindly change the word "to" with the word "with".	Request accepted.
35.	B	4.11	Please delete section 4.11.	Request accepted.
36.	B	5.1	The Tender Committee is requested to confirm that the Company's decision not to extend the Period of Engagement with the Framework Supplier (and the subcontractor on its behalf) is subject to a hearing.	Request partially accepted. The following will be added to the end of the section: "However, should the decision relate to specific Supplier(s) only, then the Company will notify the Supplier in advance of its decision, allowing the Supplier to submit its claims in writing, before the Company makes its final decision."
37.	B	5.3	The Tender Committee is requested to clarify that any Specific Agreement already signed shall not be affected by such termination of the Period of Engagement with respect to the Framework Agreement.	It is clarified that the termination of the Period of Engagement doesn't automatically terminate an existing Specific Agreement. Also see in this regard the new section 8.8 added to the Framework Agreement (line 44 below), and in case of termination for fundamental breach see section 23 of the Framework Agreement and clarifications to such section in this document.
38.		6	Will the Company convey the Specific Invitations to all the Framework Suppliers included in the Pool of Framework Suppliers?	The Participants are hereby referred to sections 3.10-3.11 of Document A, as well as question 8 above.
39.	B	7.4	Kindly clarify, as training and implementation services cost should be limited and clear, even if it means for example	Request denied. The pricing method (e.g whether the Supplier must include all its costs, including training and implementation, in one fixed

			purchasing and pricing a bank of hours for such .	price, or if these expenses shall be priced separately) will be determined in the Specific Invitation.
40.	B	7.5	Kindly replace "to the services" with" which applies to Supplier" at the end of the first sentence, as Supplier will apply with all the laws applicable to it, but interpretation and effect of the laws upon the services requested are up to the Company to process such into specifications, as such apply to the Company.	Request denied.
41.	B	8	It is requested that the documents that are the subject of these sections be submitted to the bidders in English and, if possible, in Hebrew too.	All documents will be in English.
42.	B	8.7	The Tender Committee is requested to extend the time frame granted to 21 business days.	Request partially accepted. The time frame will be extended to 14 business days.
43.	B	8.7.2	Kindly delete this clause, as this should be under a Specific Invitation and not here under this Agreement.	Request denied. The Company will attach the insurance certificates and guarantees forms to each Specific Invitation and the Supplier will have sufficient time to review them and request any amendments during the clarification stage. See also reply to question 42 above.
44.	B	New sections 8.8-8.10	<p>The following new sections shall be added to the Framework Agreement:</p> <p>“8.8 The term of the Specific Agreement will be defined in the Specific Invitation. However, without derogating from section 23 of the Framework Agreement, the Company may terminate the Specific Agreement for any reason at any time, at its sole discretion, by providing 60 days notice, and the Supplier will not be entitled to any payment or compensation, other than the consideration for services properly rendered by the Supplier, in accordance with the Agreement, until the termination date. Notwithstanding the foregoing, insofar as the termination of the Specific Agreement is not due to fundamental breach by the Supplier (as per section 23 of the Agreement), the Company will reimburse the Supplier for irrevocable reasonable expenses to third parties, subject to the Supplier's damage reduction obligation.</p> <p>8.9 The Company is entitled to order the Supplier, in writing, to suspend the performance of a Specific Task for up to 120 cumulative days throughout the entire engagement period of a Specific Task, for any reason at its sole discretion, without paying any compensation to the Supplier.</p> <p>8.10 In case of (i) suspension by the Company of a Specific Task, or (ii) delays in the critical path for which the Company is solely responsible, for a period longer than 120 cumulative days,</p>	

			the Company will compensate the Supplier for any direct and reasonable expenses it incurred from the 121 st day, subject to the Supplier's damage reduction obligation."	
45.	B	9.1	Kindly add at the end "unless there is a chronological order which requires otherwise."	Request denied, however the words "as defined by the Company" shall be replaced with "as reasonably defined by the Company".
46.	B	9.1	All should be in written under a Specific Invitation, and not arbitrary, therefore kindly add "under the specific invitation" at the end of the 1st sentence	Request denied.
47.	B	9.2	The Tender Committee is requested to add the words "in the Specific Agreement" after the words "as defined by the Company" in the third row.	Request denied.
48.	B	9.3	Kindly clarify or amend this section so that the Company shall be responsible for obtaining all the necessary approvals, and not the Supplier.	Request denied. However, The Company will assist the Supplier, to the best of its ability, in obtaining the relevant authorizations from various authorities in the State of Israel.
49.	B	10.1	Kindly delete "and any other and/or additional issue which will be defined by the Company", or clarify the type of issues.	The issues all relate to the Supplier's work for the Company.
50.	B	10.4	The Tender Committee is requested to: (1) delete the words "and its decision shall be final"; and (2) add the following sentence at the end of the section: "without prejudice to any of the Framework Supplier's rights"	(1) Request denied. (2) Request denied. See section 26 of the Framework Agreement.
51.	B	10.4-10.5	Kindly add at the end of the sentence : "provided that the Supplier will not bear any costs and expenses in this regard ."	Request denied.
52.		10.5	Would you clarify what the concepts of "cooperation and coordination" stand for?	For example, and without derogating from the generality of section 10.5, cooperation and coordination of a Category A Supplier with Category B Suppliers with respect to interfaces between the MTMS and additional Individual Modules, cooperation and coordination with suppliers of supplementary services such as GIS, etc.
53.	B	11.1	Kindly amend the clause to be reasonable and proportional, as follows: "For the purposes of providing the services, the Supplier's will assign experienced professionals".	Request denied.



54.	B	11.2	(1) Kindly add "(industry practice)" after the wording "at a high professional level with the utmost efficiency," (2) Kindly clarify that "Company's satisfaction shall mean provision of the services in accordance with Supplier's proposal, as otherwise the definitions subjective and cannot be measured objectively"	(1) Request denied. (2) See answer to question 30.
55.	B	11.4	The Tender Committee is requested: (1) to delete the words "at its sole discretion"; (2) at the beginning of section after the words "The Company" to add the words "acting reasonably"; and (3) to add the following sentence at the fourth line, before the words "To the extent": "The Company shall not exercise its right prior to providing the Supplier a 14-day notice, stating the reasons for its decision."	(1) Request denied. (2) The word "reasonably" will be added before the word "order". Immediate removal will be ordered in severe cases only. (3) In the fifth line, after the words "alternative staff member" the words "within 30 days of the Company's request".
56.	B	11.5	The Tender Committee is requested: (1) to delete the words "at its sole discretion"; (2) at the beginning of the second sentence, after the words "The Company" to add the words: "acting reasonably"; and (3) to add the following sentence at the fourth line, before the words "To the extent": "The Company shall not exercise its right prior to providing the Supplier a 14-day notice, stating the reasons for its decision."	(1) Request denied. (2) The word "reasonably" will be added before the word "order". Immediate suspension or replacement will be ordered in severe cases only. (3) Before the words "To the extent" an additional sentence shall be added as follows: "If the Company has ordered the Supplier to replace the subcontractor, the Supplier shall do so and obtain the Company's approval, within 30 days of the Company's request".
57.	B	11.9	Kindly delete "including convenience arrangements means of arrival at the site, proper dining sites and any required clothing, if applicable".	Request denied.
58.	B	12.1	The Tender Committee is requested to amend the provisions of this section so that the Company will be responsible for the full cooperation of the interfacing entities in the testing process.	It is clarified that the Company shall facilitate such testing process with the interfacing entities.
59.	B	12.3	Kindly delete – " and/or any other Company requirements" – as not	Request denied, however it is clarified that the Company's requirements shall be in line

			defined and broad and Supplier cannot assess such.	with the requirements of the Tender Documents, the Specific Invitation, the Bidder's proposal, and the design reviews.
60.	B	12.6	The Tender Committee is requested to clarify that the "additional inspections" mentioned in this section shall be limited to the specific scope of work defined in the Specific Agreement which is required in order to verify that the deliverables meet the technical specifications	Request accepted, it is clarified that the additional inspections are limited to those required in order to verify that the deliverables meet the Tender Documents, the Specific Invitation including the technical specifications, the Bidder's proposal and the design reviews.
61.	B	12.7	Kindly delete " The Company may charge the Supplier for the said cost or deduct such cost from any consideration owed to the Supplier".	Request denied.
62.	B	12.9	Please change wording: "The Company may postpone the launch and the Supplier may claim payment for termination fee or as per acceptance tests".	Request denied. However, see new section 8.10 of the Framework Agreement.
63.	B	12.9	Does this provision apply when the parties have already signed a Specific Agreement for the development of Specific Tasks?	Yes, the provision applies to the launching date set forth in the Specific Agreement (or as later amended by the Company).
64.	B	12.9	The Tender Committee is requested to clarify: (1) the meaning of the term "launch of the project"; (2) that a possible postponement on behalf of the Company in the launch of the project shall not affect the Supplier's entitlements, inter alia, for payments for work already performed and components already supplied prior to such postponement . and (3) that in case such postponement exceeds 3 months, the Supplier shall be entitled to reimbursement for the actual expenses it incurred due to such postponement.	(1) The launch of the project, refers to the operational date of the project (after successful acceptance tests). After a successful operation evaluation stage, the operational stage will begin. (2) The following will be added at the end of section 12.9: "Should the Company postpone the launch of the project, not due to any fault of the Supplier, for a period longer than 30 days, the Company will pay the Supplier for the payment launching date milestone (if applicable, as to be determined in the Specific Invitation)". (3) See new sections 8.9-8.10 of the Framework Agreement.
65.	B	12.10	The term "supervision period" is not clear. The Tender Committee is kindly requested to clarify this section.	Section 12.10 will be replaced with the following: "In accordance with the provisions of the Specific Invitation, after the launch there will be an



				operational evaluation stage, and after its successful completion, the operational stage will begin". It is clarified that during the operational evaluation stage, the Supplier and its staff will be required to actively participate in Israel.
66.	B	12.11	Such are provided per the catalog of the relevant manufacturer (warranted for 1 year up to 3 years for example ,and not "on-demand") kindly narrow the language of the clause.	The Section states that the minimal warranty period is 1 year so the wording doesn't need to be altered.
67.	B	12.11	Since a product delivered to the Company may include tens or hundreds of components from different manufacturers ,the Company's request to be provided with warranty certificates from all manufacturers is impractical . The Tender Committee is requested to: (1) amend the section, so that the Supplier shall be allowed to provide the Company with its own warranty certificate, without having to provide warranty certificates from all of the manufacturers; and (2) clarify that the warranty period required in each specific technical specification shall not exceed the higher of (a) the period required by law ;or (b) one year.	Requests denied. For the avoidance of doubt it is clarified that the warranty certificates from the manufacturers are in addition to the Supplier's obligations to meet all its contractual obligations including the SLA. When issuing a Specific Invitation, the Company will decide regarding the warranty certificate periods, including whether to request the Supplier to hold valid warranty certificates for the entire period of engagement of the Specific Agreement, or alternatively to hold an inventory of spare parts. The Supplier will be able to price its proposal to the Specific Invitation accordingly.
68.	B	13.3	The Tender Committee is requested to delete the words "such to be added" and replace them with "necessary for the proper and full compliance with the applicable technical specifications".	The words "such to be added" will be replaced by the words "necessary for the proper and full compliance with the contractual obligations".
69.	B	13.3	Such are bearing costs, so consideration should be paid to Supplier for any changes required.	Request denied, these are requests in order for the Supplier to meet its existing contractual obligations, not new ones, and therefore are not considered "changes" (as per section 14 of the Framework Agreement).
70.	B	13.4	The Tender Committee is requested to: (1) delete the words "at its sole discretion"; and (2) add the following sentence at the end of the	Both requests are denied, however see section 26 of the Framework Agreement.

			section: "Such decision shall not prejudice to any of the Framework Supplier's rights".	
71.	B	15.1	The Tender Committee is requested to clarify that the Company's right to decrease the quantities actually ordered compared to the quantities stated in a specific price quote shall be limited to 8% of the original quantities. Should the decreased amount exceed 8%, the Supplier shall be allowed to amend the price per unit.	The pricing method for the Specific Invitations is yet unknown, the request is premature. The Bidder may resubmit the clarification question during the Specific Invitation stage, if relevant.
72.	B	15.4	Since the scope of work is not yet defined, Supplier will provide only the relevant responsibilities offered under its proposal .Kindly delete this clause.	Request denied.
73.	B	15.5	Since the scope of work is not yet defined, Supplier will provide only the relevant responsibilities offered under its proposal. Kindly add "all as defined in its proposal" and also delete "(including additional and/or indirect services)".	Request denied. This is a general provision that the Consideration (defined in Section 15.1, <i>inter alia</i> on the basis of the Supplier's price quote for a Specific Invitation), will be final and all inclusive.
74.	B	15.9-15.10	The Tender Committee is requested to clarify the payment procedure.	Section 15.10 will be amended as follows: the sentence "The Company will pay the Supplier...tax invoice", will be replaced by the following: "The Company will pay the Supplier within 45 days to be counted from the end of the month in which the approved bill was submitted to the Company, subject to a receipt of a lawful tax invoice, and to the extent the Company is requested to transfer the payment to an offshore account - also subject to the Supplier presenting all the required approvals in accordance with Israeli law and the requirements of the Israeli tax authorities (including withholding tax certificate, etc.)".
75.	B	15.11	The Tender Committee is requested to delete the words "and/or any other agreement that it has with it".	Request denied.
76.	B	16.2	Are liquidated damages going to be limited in the Specific Agreements?	The liquidated damages will be determined by the Company in each Specific Invitation, in accordance with its scope of



				work. The Supplier will be entitled to request amendments during the clarification stage of the Specific Invitation.
77.	B	16.4	The Tender Committee is requested to add the following sentence at the end of the section: "provided however, that the Company issued the Supplier a 14-day advanced notice of its intention, stating the alleged breach of obligation and allowing the Supplier to rectify the breach".	Request partially accepted. The following will be added to the first sentence:" following 7 days advance notice to the Supplier".
78.	B	16.6	The Tender Committee is requested to clarify the term "activation period".	The term "activation period" will be replaced with the term "operational phase", which commences following the successful completion of the operational evaluation phase and terminates at the end of the period of engagement of the Specific Agreement.
79.	B	16.6	Kindly delete the clause. There are penalties for SLA, this should not derogate from the consideration for Supplier for its services.	Request denied. It is clarified that the consideration to be paid to the Supplier will be reduced by Liquidated Damages imposed, however the liquidated damages that will be set forth in the Specific Invitation documents may also address additional issues such as security or confidentiality breach etc., and not just not meeting service levels, and additional remedies beyond the Liquidated Damages may also be claimed (see section 16.7).
80.	B	16.7	Please amend the provisions of this section so that the Liquidated Damages shall be the sole remedy for the breach of contract specified under section 16.1.	Request denied.
81.	B	17.3	The Tender Committee is requested to add the words "subject to a final verdict which execution has not been withheld by court's decision" after the word "then" in the seventh row.	Request accepted.
82.	B	17.3	The Tender Committee is requested to add at the end of this Section: "which were finally awarded by a court against them or included in a settlement approved by Supplier ,immediately upon the Company's first demand,	Request is partially accepted. At the end of the Section, the following shall be added: "provided that Company will promptly notify Supplier in writing of such claim, enable Supplier to participate in defense against such claim and



			provided that Company will promptly notify Supplier in writing of such claim ,and if possible will transfer the defense to Supplier (including via 3rd party notice) "	not settle with plaintiff without the Supplier's consent."
83.	B	17.4	The Tender Committee is requested to delete the words "and/or any of its employees and/or anyone on its behalf."	Request denied.
84.	B	17.4.1	Kindly delete this clause as courts nowadays shifted to a different calculation which takes in mind the specific circumstances.	Request accepted; section 17.4 shall be deleted. It is clarified that Supplier's indemnification obligation is for all expenses as per section 17.3.
85.	B	18	Kindly add a mechanism which notifies Supplier in advance before such forfeiture and the opportunity of Supplier to explain and claim to Company against such.	At the end of section 18.3, the following will be added: "the Company will notify the Supplier, in writing, 5 days in advance, regarding its intention to forfeit the Guarantee".
86.	B	18.5	Clause is actually defining an open cheque, therefore kindly amend to be limited (for example for one cycle of supplement).	Request accepted, the supplement amounts shall not exceed 100% (thus the original Guarantee amount and the supplement amounts shall total no more than twice of original Guarantee amount).
87.	B	19	Participants have submitted a number of requests to limit Supplier's liability, such as limitation to a certain cap amount, to certain types of damages, etc.	The Company will consider easing the liability provisions during the Specific Invitation stage.
88.	B	19.2	Please clarify that the Supplier has no responsibility for claims based on non-Supplier products and services, items not provided by Supplier, or any violation of law or third-party rights caused by Company's content, or any Company's materials, designs, specifications.	It is clarified that the Supplier will not be responsible for claims based on the use of products/ services not supplied by the Supplier, or the Company's materials/designs/ specifications, if were not coordinated with the Supplier, and subject to any specific provisions that may be set at the Specific Invitation stage.
89.	B	19.3	The Tender Committee is requested to add the words ""subject to a final verdict which execution has not been withheld by court's decision" after the words "first demand" in the third row;	Request accepted.
90.	B	19.3	We request that Supplier's liability for third party claims shall be limited to IP infringement claims only.	Request denied.
91.	B	19.3	It is requested that the Company will not settle with	Request accepted, provided that if the Company deems the

			any third party without the consent of the Supplier	Supplier's refusal to settle unreasonable, it may settle with the third party without Supplier's consent.
92.	B	19.4	Kindly delete "Their content must not be interpreted as the Company's waiver of any right or remedy legally imparted on it.	Request denied.
93.	B	20.4 ,20.1	The Tender Committee is requested to amend section 20 so that the Supplier shall be the owner of all intellectual property rights in the Products of the Services, and that the Company shall be entitled to receive a non-exclusive, royalty-free, fully paid-up unlimited and irrevocable license to use the deliverables and all their components for their intended purpose.	Please note that the last paragraph of Section 20.1 states that "the aforementioned <u>shall not</u> apply to products and services that were not developed for the Company, and that were developed regardless of the provision of the services subject to the Agreement". Section 20.4 will be replaced by the following: "Any inventions and developments by the Supplier prior to the parties' signing of the Specific Agreement, including off-shelf software, will be owned by the Supplier. Any rights regarding future developments to be developed for the Company in accordance with a Specific Invitation, shall be determined at the Specific Invitation stage. The Supplier shall grant the Company a non-exclusive, irrevocable, and transferable license (including unlimited sub-licenses), which is not subject to royalties or payments of any kind, for use in the State of Israel only (hereinafter: " the License "). Such License shall include additions and/or developments to be integrated in the system (unless otherwise specified in the Specific Invitation), especially those necessary for the proper operation of the system."
94.	B	20.1	Off Shelf Products and Services (license, XaaS, S&S, etc.) are sold as-is per the manufacturer license terms/terms of use. Text should clarify that off shelf products and services not uniquely developed for Company under this Agreement are sold under the Agreement as-is, according to their licenses/term of use.	Request denied. The Supplier must ensure that the system meets all the requirements of the Tender Documents, the Specific Invitation, the Supplier's proposal and design reviews. The Supplier must also ensure that the licenses are appropriate for the off-shelf products used by the Supplier. The Company shall not be

				<p>limited to the product licenses and terms of use.</p> <p>A new section will be added as section 19.6 of the Framework Agreement, as follows: "The provisions of this section 19 shall also apply to any part of the system that is not owned by the Supplier, and will replace the provisions of any agreement or warranty whether signed by the parties or imposed on the user via the actual use of product or by opening its package or in any other way, unless the terms of the other agreement or warranty are more favorable to the Company".</p>
95.	B	20.2	<p>The Tender Committee is requested to amend the section as follows: (1) the words "for the purpose of the Project only" shall be added after the words "any use" at the second row; (2) delete the words "and for any purpose" in the fourth row; and (3) add the following sentence at the end of the section "The Supplier shall not be liable to any of the Products of the Services in case such shall be used for any purpose other than their intended purpose and/or in case the Products of the Services are modified by others".</p>	<p>(1) + (2) Requests denied. However, the Company will use the Products of the Services for public/governmental use only.</p> <p>(3) It is clarified that Supplier shall not be liable if the different use or the modification causes damage unless they were coordinated with the Supplier.</p>
96.	B	20.3	<p>We cannot agree to anyone being our Client. Thus, kindly limit such assignment to another Gov owned entity (owned by the Gov of Israel).</p>	<p>Request denied. Please note that section 20 does not deal with assignments of rights, but rather the Company's right to transfer the execution of services from the Supplier to a different entity.</p>
97.	B	20.3	<p>The Tender Committee is requested to: (1) clarify that the provisions of this section shall only apply in case the Specific Agreement is terminated due to Supplier's breach; (2) set a separate reasonable time frame for transferring the activity and/or knowledge and/or Products of the Services for each Specific Task, based on the special characteristics of that same Specific Task; and (3) clarify that the entity receiving the</p>	<p>(1) Request denied. The aforesaid does not derogate from the Supplier's rights for reimbursement of expenses and/or compensation according to any relevant provisions of the Framework Agreement, taking into account the reason of the transfer.</p> <p>(2) Request accepted. The section shall be amended as follows: the words "fourteen (14) days" shall</p>



			activity and/or knowledge and/or Products of the Services shall be subject and adhere to the provisions of the Agreement.	be replaced by the following: "twenty-one (21) days, or a longer period the Company deems necessary. (3) Request denied, this isn't the Supplier's concern. See answer to question 96 above.
98.	B	20.5	The Tender Committee is requested to amend the section as follows: (1) the words "which were previously provided to it by the Company" shall be added after the words "in its possession" at the second row; and (2) the word "such" shall be added before the words "original documents" at the fourth row.	Requests partially accepted. Section 20.5 will be replaced with the following: "Upon termination of this Agreement for any reason, the Supplier will provide the Company with all original Documents and copies of any Documents in its possession that are related to the Products and previously provided to it by the Company or directly concerning or mentioning the Company, within fourteen (14) days, as well as a written affidavit stating that the Supplier has no such original Documents or copies in its, or anyone else's, possession. In the event the Specific Invitation states that the Company shall own the IP rights in developments made during the execution of a Specific Task, then the above shall also apply to all Documents relating to the Products of the Services of such developments, including those created by the Supplier or anyone on its behalf. Additionally, the Supplier shall provide the Company with a copy of all Documents necessary in the Company's reasonable opinion for the full usage of the License conferred to the Company. 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. For avoidance of doubt it is clarified that a copy of any of the Documents above may also be requested by the Company on an ongoing basis during the Period of Engagement." In addition, Section 20.1 will be amended - the word

				"databases" will be added after the word "patents" in the third row.
99.	B	21.2	Kindly clarify that only the Supplier will oblige to confidentiality towards the Company, in order to avoid individuals being obliged directly as a personal individual towards the Company.	Request denied, the Supplier must procure signatures on confidentiality undertaking in Appendix B, of all employees, subcontractors and subcontractor employees, that will have access to such information.
100.	B	21.3	Kindly add to the exclusions (1) already in Supplier's possession without obligation of confidentiality, (2) developed independently by Supplier (3) obtained from a source other than Company without obligation of confidentiality.	This issue has been addressed in Appendix A to Document B (NDA).
101.	B	22.2	Kindly delete number of days in order to work out together the best way of replacement.	Request partially accepted. The section will be amended as follows: the words "will be replaced...conflict of interest" will be deleted and replaced by: "will be removed immediately or by a longer period, as shall be determined solely by the Company. The replacement of the said staff member shall be within fourteen (14) days or a longer period, as shall be determined by the Company".
102.	B	23.1+ 23.2.1	Kindly extend the 5 days to a longer period.	Request accepted, the number of days in sections 23.1 and 23.2.1 will be extended to 10 business days.
103.	B	23.1.1	Supplier will not be able to freeze a project for indefinite time, therefore add that should the suspension last longer than 60 days, this shall mean termination, or otherwise Supplier will be compensated for all its costs and expenses for such suspension	Request denied. However, see new sections 8.9-8.10 of the Framework Agreement in quoted in line 44 of this clarification notice.
104.	B	23.1.2	This means termination, so kindly delete and state entitles to terminate	Request partially accepted. The word "permanently" will be deleted.
105.	B	23.1.3	Please amend clause so that the Company is free to terminate for breach not remedied, and can continue with others, however Supplier will not pay for such expenses and extra fees. Company can claim against Supplier for damages under the limitation of liability clause.	Request denied.

106.	B	23.1.4	Contradicts a replacement. Either terminate a specific invitation or continue the work, not in between. Please clarify.	The section does not contradict the replacement, since the Company is entitled to terminate the performance of a Specific Task by the Supplier, and at the same time – not to remove it from the Pool of Framework Suppliers.
107.	B	23.2	The Tender Committee is requested to amend the section as follows: the words “except for the consideration for services and deliverables already carried out and/or provided by the Supplier prior to the date of termination)” shall be added after the words “any compensation” at the fifth row	Request partially accepted. The following will be added at the end of section 23.2: “It is clarified that in the event of termination, the Supplier shall be entitled to consideration for services and deliverables properly carried out or provided prior to the date of termination, however the Company has the right to offset any expenses and damages it may have as a result of the Supplier's breach and/or actions, and any other rights and remedies according to the agreement (including section 23.1) and/or applicable law.”
108.	B	23.2.1	Kindly change to 14 days	Request accepted.
109.	B	23.2.3	Kindly add which was not removed within 30 days	Request accepted.
110.	B	23.2.4	Kindly amend to 30 days	Request accepted.
111.	B	25.1	The Bidder has announced that it will transfer that portion of its business operations responsible for the Services to an affiliate (“Newco”), and will then spin out Newco from Supplier's enterprise. Supplier will provide Company with prior notice before the transfer effective date and Newco will provide Company prior notice before the spin out is affected. Please clarify that the Company agrees to the assignment of Supplier's rights and obligations to Newco, that further consent from the Company will not be necessary and that such assignment will release Supplier from its obligations towards the Company.	The question is missing pertinent information and cannot be answered at this time. It may be resubmitted with the following additional information: (1) a holding structure diagram of the Bidder, including all relevant affiliates and holdings percentages, both current and post transaction (2) when are the transfer and spin-off anticipated? (3) what part of the business of the Bidder will be transferred? If only a portion - will such portion include the entire operations that relate to the services, including all managers and employees involved in the development, integration, and operation of the MTMS/module? (4) (i) please provide additional details regarding the spin off and what it entails (ii) will there be a sale of all Newco shares or just a portion? (iii) will managers and employees of Newco (originally employed by



				Bidder) remain employed under the new ownership? (5) (i) for what Category is the Bidder planning to submit a proposal (A or B), (ii) will the Bidder be submitting the proposal on its own or as a JV with an additional entity (if so – please provide details) and (iii) will the Bidder meet the threshold condition of section 8.4/8.5 on its own or via a proposed subcontractor (see amended sections 8.4-8.6 of Document A)?
112.	B	25.2	Kindly limit to another Government owned entity (owned by the Gov. of Israel), we cannot be facing an unknown client with no financial stability.	Request denied, section 25.2 concerns the assignment by the Supplier, not the Company.
113.	B	25.3	In order not to keep the Supplier as a guarantor to another assignee, please clarify this Section shall only apply in case of subcontractors. As an assignment/novation, Supplier will be free from its obligations.	Request denied.
114.	B	25.4	Kindly delete "to any other relevant entity" so as to limit to another Government owned entity (owned by the Gov. of Israel), we cannot be facing an unknown client with no financial stability.	Request accepted.
115.	B	25.5	Kindly clarify - Supplier need to have one focal point to work with, and a relevant contact for authoring.	It is clarified that the Company will assign a point of contact for the purpose of a Specific Task.
116.	B	26	Kindly add another step of escalation before CEOs level, to head of project from each side.	Request accepted. The section will be amended so that after the words "to settle it amicably" in the second line, the following shall be added: "before the parties' Deputy CEO. If the dispute is not resolved as aforesaid, the dispute will be brought...".
117.	B	26.3	Please amend this section so that the Supplier will be paid for its service and not wait for the court's ruling.	Request denied. Notwithstanding the provisions of this section, the Company will continue to make non-disputed payments.



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This document is integral part of the Tender Documents, and the Participant is requested to attach a signed copy thereof to its Proposal.

Name of Participant: _____

Participant's Signature: _____

Date: _____