



Document C' - The Framework Agreement

Ayalon Highways Co. Ltd

Framework Tender No. 21/20

Agreement No. _____

The Framework Agreement

For the Supply of Accessories, Construction, Installation, and Operation of Adaptive Traffic Light Systems for Ayalon Highways Ltd

Drawn and Signed on the _____ of the Month of _____ in the Year _____

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 and the Client is interested in the Supply of Accessories, Construction, Installation, and Operation of Adaptive Traffic Light Systems (hereinafter: "**the Project**").

And Whereas and the Client published Framework Tender No. 21/20 for the Supply of Accessories, Construction, Installation, and Operation of Adaptive Traffic Light Systems (hereinafter: "**the Tender**") to assemble Framework Suppliers' Repositories, as per the various Service Packages as detailed in the Tender, which with whom this Agreement was drawn, and from whom the Client can choose, as per and subject to the provisions of this Agreement, the Framework Suppliers in the Relevant Service Package(s) that will perform for it an individual executional task, as there will be from time to time, and as will instruct the Client as per this Agreement.

And Whereas and the Client has accepted the Supplier's proposal to the Tender, and with its signature on this Agreement with the Supplier, has included the Supplier in the Framework Suppliers Repository in the following Service Package(s):

- Service Package 1
- Service Package 2
- Service Package 3
- Service Package 4

And Whereas and the Supplier accepts performance of the executional tasks as per this Agreement, Ayalon Highways regulations, and as will be instructed by the Client from time to time.

And Whereas, the Parties are interested in defining in this Agreement their relationship concerning the Supplier's inclusion in the Framework Supplier Repository in the Service Package(s) as detailed above and 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 Section Headings in this Agreement are provided solely for the reader's convenience, and will not be used to interpret the content of the Sections in any way.
- 1.3 In this Agreement, all is stated in the masculine and feminine 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 Contractual Agreement for Task Execution, as defined below, however, they will override any contradictory statement found in the Contractual Agreement for Task Execution, 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;

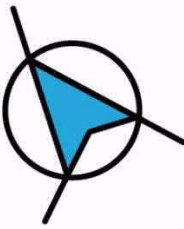
2.2 Documents presented by the Bidder as part of the proposal review procedure as detailed in the Tender Documents, including a review of its proposal as a "**Continuing Bidder**."

2.3 Document B' - The Contractual Agreement for Task Execution

3. **Definitions**

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

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|---|---|
| "Bill of Quantities" | - A bill of quantities that was outlined by the Company for an executional task. |
| "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 Special Framework Agreement has been signed (this Agreement) concerning the relevant Service Package. |
| "Executional Task" | - A specific task for the execution of services that will be executed by a Framework Supplier as per the results of the Individual Referral concerning this task. |
| "Works" | - The tendered services and works that as part of the executional tasks will be executed by the Framework Suppliers. |



- "Individual Referral"** - As implied in Clause 5 herein:
- "Plans"** - The engineering plans that will be conveyed to the Client, or its representative, and by which the Supplier will execute the executional task (concerning Service Package 4).

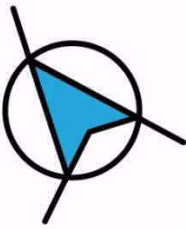
4. The Contract Period

- 4.1 The period of the contract between the Client and the Supplier will be for 24 months (hereinafter: "**the Contract Period**").
- 4.2 The start of the Contract Period will be the date that the first Framework Supplier in the relevant Service Package has signed the Agreement with the Company and 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 Contract Period with the Supplier will begin on the date of the Contract Period 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 Contract Period as per the Agreement, up to 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 a reason for his decision, to extend the Contract Period with only some of the Framework Suppliers while concerning some the Contract Period 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 its sole discretion, to conclude the Contract Period by a notification that will be given 30 days *a priori*, and this without derogating from any other provisions in this Agreement, or the Executional Task Contractual Agreement, or both.
- 4.5 A Supplier that has signed this Framework Agreement concerning Service Package 1, or Service Package 2, or Service Package 3, or all of the above, undertakes that the Accessories and AIO systems, as appropriate and as offered in its proposal, will be available for supply for at least five (5) from the date of this Agreement's signing.

4.6 Subsequent to the Client commissioning the Supplier, in the framework of the Contract Period and according to this Agreement, in the implementation of the executional task, the provisions of this Agreement will continue to apply concerning the execution of the said task until its completion, including its delivery and inspection period, even if in the interim, the Contract Period or Extension Period, or both, have concluded as per this Agreement. Upon conclusion of the Contract Period, including the Extension Period, the Client will not be entitled to turn to the Framework Supplier for the execution of new executional tasks; however, implementation of executional tasks conveyed to the Framework Supplier within the Contract Period and/or the Extension will conclude as per to their determined timetable, and this is also if the conclusion of the execution of the same executional tasks falls after the Contract Period and/or the Extension. Nothing in the prejudices as mentioned above the rights of the Client as per this Agreement relative to any executional task, including his right to canceling the said contract.

5. An Individual Referral for Receipt of Proposals Concerning the Execution of a Task

- 5.1 After Ayalon Highways has formulated specifications for services that it requires, Ayalon Highways will distribute an Individual Referral for the receipt of proposals (RFP) concerning the executional task (hereinafter: "**Individual Referral**").
- 5.2 The Individual Referral may be distributed to the Framework Supplier that are in one or more of the Service Packages relevant to the referral, at the Company's discretion.
- 5.3 As part of the said Individual Referral, Ayalon Highways will convey to the Framework Suppliers, the documents concerning the Individual Referral. These documents will contain all the documents, plans, quantities, and instructions concerning the task's execution.
- 5.4 The Tenders Committee of Ayalon Highways, in the context of a written reasoned decision, will be entitled to turn to only some of the Framework Suppliers that are in the relevant Service Packages, at its discretion, and among other things, in light of the systems proposed by the Framework Suppliers, the capacity and experience of the Framework Suppliers in the execution of similar works including previous works executed for Ayalon Highways and/or other public entities, their organizational and economic capabilities, and any other consideration or reasoning that Ayalon Highways may deem appropriate and correct, including those considerations detailed in Section 5.5 below.



- 5.5 The Company will be entitled to assign tasks to a framework supplier without conducting the pricing competition as mentioned above among the framework suppliers, in the case that the Company, at its sole discretion, is led to believe that execution of the said task cannot be assigned to the other framework suppliers, because of the burden of activity facing one or more framework suppliers that would prohibit meeting the requested timetable, cause a late date on the delivery of other projects, execute works at a quality deemed unsatisfactory by the Company, in those circumstances in which uniformity is required for the sake of technical and professional reasons, as well as cost savings and efficiency. In the case, as stated the Framework Supplier assigned an executional task for execution will be obligated to execute the works as per the prices charged in the execution of the previous works conducted for Ayalon Highways and in any case no higher than the prices stated in the framework of its Tender proposal.
- 5.6 The Company will be able to include additional demands in its Individual Referral, as per the character of the services incorporated in the Individual Referral, including technical and prerequisites for proposal submission to the Individual Referral.
- 5.7 Also, the Company will be able to decide the composition of the Framework Suppliers required for the implementation of the specific executional task, including the selection of several Framework Suppliers from various Service Packages, to the extent such is required.
- 5.8 The Individual Referral will be conveyed to the Framework Suppliers by any means chosen by Ayalon Highways, at its sole discretion, including physical delivery, electronic mail, digital media, and download from a cloud, or similar means. In the Individual Referral documents, a deadline for submission of technical proposals and price quotations concerning the execution of the task by the Framework Suppliers will also be outlined.
- 5.9 The Bidders will submit the proposal as per the specifications detailed in the Individual Referral (hereinafter: "**A Proposal for an Individual Referral**"). In addition to any other response required as part of the Individual Referral, the Supplier will state in the proposal issued in response to the Individual Referral, the proposed consideration it is offering in connection to the execution of the works listed in detail in, and in response to, the Individual Referral on the Price Quotation Form that will be attached to the documents of the Individual Referral. It is hereby clarified that the prices proposed by

the Framework Supplier in its Tender proposal, are maximum prices that the Framework Supplier is entitled to submit in the framework of its proposal to the Individual Referral.

It should be clarified that the consideration will be as per the taxation and reporting rules of the State of Israel.

- 5.10 The Supplier undertakes to participate in all of the Individual Referrals that will be conveyed to it by Ayalon Highways as part of this contract and submit its proposals concerning each of these referrals. Should the Supplier fail to submit a proposal to the Individual Referral by its set deadline, Ayalon Highways will then be entitled to act toward removing the Framework Supplier from the repository, or act toward its forfeiture of the current guarantee (as it is defined in Section 7.1 below), 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 concerning 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 Suppliers' proposals to the Individual Referral will be reviewed as per the provisions as per the parameters of the Individual Referral, the provisions of this Agreement, and the remaining Tender Documents. Among other things, an Individual Referral may contain a review of its proposals solely as per a Price Quotation, or according to a weighted score containing the components of a Price Quotation and a quality score that will be given in response to the Individual Referral as will be detailed in the referral
- 6.2 Subject to the provisions of the relevant Individual Referral, this Agreement, and the remaining Tender Documents, Ayalon Highways will assign implementation of the executional task to the Framework Supplier(s) that its weighted score or Price Quotation (in the absence of a quality component) to the Individual Referral that it has submitted, as appropriate, is deemed the best.

6.3 If two (or more) Framework Suppliers have submitted proposals to an Individual Referral that are equal, 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. The Framework Supplier that will submit the proposal that will receive the highest weighted score, or provide the best Price Quotation (in the absence of a quality component in the Individual Referral), will be selected to perform the executional task. A Framework Supplier permitted to submit an improved offer as stated in this Section, but has chosen not to do so, will be considered to have proposed a 0% discount relative to the original proposal, and the monetary proposal will be in accordance to the proposed Price Quotation to the Individual Referral previously submitted.

Even after the above mentioned additional pricing competition, there remained offers of equal status, and the Ayalon Highways Tenders Committee is authorized, as part of a reasoned, written decision, to decide on the winning proposal as per the considerations detailed in Section 9.4 of the Tender or conducting an additional pricing competition or conducting a lottery as detailed in Section 6.3.2 below.

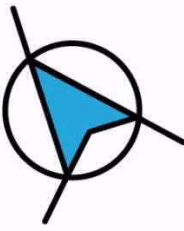
6.3.2 Conducting a Lottery

In the framework of these proceedings, Ayalon Highways will conduct a lottery between those Framework Suppliers that have submitted equally weighted proposals, 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 its 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 concerning the financial scope of the executional task.

6.4.2 If the Supplier failed to fulfill his obligations as imposed in the framework of the executional task, Ayalon Highways would be entitled, at its sole discretion, to cancel the executional task win, or allocate an additional extension for the fulfillment its obligations. If Ayalon Highways canceled the Supplier's



awarding of the executional task because the latter failed to fulfill his obligations, Ayalon Highways would be entitled to foreclose as pre-assessed and agreed compensation of the deposited current 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 the latter failed to fulfill its obligations, Ayalon Highways will be entitled to declare the Framework Supplier whose weighted proposal to the Individual Referral was ranked in the position after the Framework Supplier whose winning proposal was canceled in the relevant package, 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 as per any law, under the terms of the Tender and the Agreement, in the case in which Ayalon Highways has canceled the Contractual Agreement for Execution of an Executional Task 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 Contractual Agreement for Execution of an Executional Task to continue execution of the works as per the terms and conditions of the proposal submitted concerning the executional task. To dispel any doubt, it is clarified that realization of the above mentioned right as per this Section, will be given to the sole and absolute discretion of Ayalon Highways.
- 6.4.5 Also, and without derogating from the above mentioned and below, in the event where it is made known to Ayalon Highways that the Supplier is failing to fulfill its obligations as pertaining to an executional task as per 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 operate an alignment to assess the quality of the Framework Suppliers during its Contract Period with them, according to criteria that it will establish for this purpose, at its sole and professional discretion. It is hereby clarified that in the framework of the quality alignment, Ayalon Highways will be entitled to determine criteria for the removal of a Framework Supplier from the Framework Suppliers Repository, in the case where the evaluation of the Framework Supplier proves to be lower than the minimum threshold that will be determined 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 Section 6.4, including for and/or in connection with the cancellation of its awarding and/or forfeiture of the Guarantee and/or its removal from the Framework Suppliers Repository.

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

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.

- 6.5.1 Without derogating from the stated above, among the documents to be conveyed, will include the following documents, as per the subject of the Individual Referral, and the relevant Service Package, all as per the decision of the Client:

[A] Specifications of the required Accessories

[B] Specifications of the required system

[C] Plans for execution

[D] Completions, or additions, or clarifications, or amendments, or each and all, to the executional task planning package relating and being applied specifically to the executional task.

[E] A Bill of Quantities for the executional task

[F] A timetable for execution

[G] Any other document that is relevant to execution, and is consistent with the plans, the Bill of Quantity, and the timetable for execution.

[H] This Agreement and all of its attached documents constituting a part thereof will be considered at any time part of the executional task, even if not attached.

6.5.2 The timetable for the execution and conclusion of the executional task will be according to milestones and assignments to be determined by the Client in the framework of the Individual Referral.

6.5.3 It is hereby clarified that from the moment the Supplier submitted a Tender proposal, which was accepted, and included in the Framework Suppliers Repository, and it will be obligated to execute, as required by the Company, any executional task conveyed 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 Terms & Conditions for the Company's Signature on a Contractual Agreement for Execution of a Task, and the Allocation of a Start to Work Order

6.6.1 For every executional task assigned to the Framework Supplier, a separate Contractual Agreement for Execution of Task will be signed between the parties.

6.6.2 Where the Framework Supplier is a company or partnership not registered in Israel, the Company is entitled to demand from the Framework Supplier, as a stipulation for assigning it the said executional task and signing with it a Contractual Agreement for Task Execution, that the Framework Supplier register in Israel as a foreign company or foreign partnership (as appropriate) under the provisions of the Companies Law 5759-1999, or the Partnerships Ordinance [new version] 5735-1975, as appropriate.

6.6.3 As a stipulation for the Company's signing the Contractual Agreement for Task Execution, and allocation of a Start Work Order for a specific executional task (when relevant), the Framework Supplier will convey to the Client, within five (5) business days from the date notification was received

concerning the Company's decision to assign it the execution of an executional task:

6.6.3.1 Five (5) copies of the Contractual Agreement for Task Execution earlier received from the Company concerning the execution of the executional task, each of which is signed by the signatories authorized on its behalf.

6.6.3.2 **Performance Guarantee** - where such is required, as per the provisions of Section 7 below, and those of the Contractual Agreement for Task Execution.

6.6.3.3 **Insurance Confirmation** - to the extent such is required by the Company, and as per the conditions that will be outlined by the Company.

6.6.3.4 Any other certification, or document, or both, that will be required by the Company as a condition for the Company's signature on the Contractual Agreement for Task Execution.

6.7 The starting date for execution of the executional task will be as detailed in the Start Work Order (SWO) 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 Contractual Agreement for Task Execution that will be signed with it concerning the executional task. This order will be considered an "SWO" to the matter of any document referring to or relating to the notification, as mentioned earlier. The Client has the authority to instruct the Supplier to execute preparatory assignments in advance of the execution, before the stated date.

7. **Guarantees**

The Supplier will convey to the Client, guarantees, as detailed below:

7.1 **A Current Guarantee to Secure the Winners' Obligations in Service Package 2 and/or Service Package 3**

7.1.1 As a condition for the Company's signature on this Agreement and secure and ensure that the Framework Suppliers in Service Package 2 and/or Service Package 3 will accept performance of the executional tasks assigned by the Company from time to time, and will accept execution of the works incorporated in the said executional tasks as per the terms of this Agreement,

the Suppliers in these packages will post to the Company, within 14 days following receipt of the notification of their Tender win, an unconditional, autonomous, and irrevocable bank guarantee of an Israeli bank, or an insurance company in possession of a license to engage in insurance under the Control of Financial Services (Insurance) Law 5741-1981, for the benefit of the Company, in the wording attached as **Appendix 1** to this Agreement, (above and below: "Current Guarantee").

- 7.1.2 The current guarantee will remain in effect for 26 months from the date of the start of the contract. Should the Company exercise its option and extended the contract with the Framework Supplier, the latter will extend its current guarantee such that its validity will terminate two months after the termination of the extended contract.

Should the Framework Supplier fail to extend the validity as stated, of the current guarantee, the Company will be entitled, without derogating from any other remedy afforded it, to foreclose as pre-assessed and agreed compensation the current guarantee of the Framework Supplier, and subsequently initiate its removal from the Framework Suppliers Repository.

- 7.1.3 Without derogating from the stated, the Company may order the forfeiture of the current guarantee of a Framework Supplier, in whole or in part, after allowing presenting its claims, and as agreed and pre-assessed compensation, to the extent that the Framework Supplier failed to accept the execution of an executional task assigned by the Client, including signing the Contractual Agreement for Task Execution and/or issuance of a performance guarantee for the performance of the work subject of the said executional task. Nothing in this Section will derogate from any right or remedy (or both) of Ayalon Highways, including its right to cancel the Framework Agreement signed with the Framework Supplier and to remove it from the Framework Suppliers Repository

To dispel any doubt, it is clarified that a Supplier will not be entitled to raise any argument concerning the financial scope of any assigned executional task and obligated to execute every assigned executional task, including a task, the financial scope of which is not high.

- 7.1.4 Should the Client foreclose the current guarantee, all or parts thereof, and not cancel this Agreement, the Framework Supplier undertakes to present to the Client within seven (7) days of the date of the current guarantee's forfeiture, a new current guarantee, or a current guarantee complementary to the current

guarantee that remained under the Client's possession, or both, such that the Client will possess a current guarantee for the full amount as stated in Section 7.1.1 above. If the Framework Supplier failed to present a new or complementary current guarantee, or both, as stated, the Client would be entitled to initiate the immediate cancellation of this Agreement, and insofar as it continues to possess a current guarantee, foreclose on it as pre-assessed and agreed compensation, and this without derogating from any available remedy according to the Tender and/or this Agreement and/or any law.

7.2 Performance Guarantee (as per the financial scope of the executional task) in Service Package 4

A Framework Supplier that has been assigned an executional task as part of Service Package 4 will convey to the Company an autonomous, independent and unconditional bank guarantee to secure the fulfillment of its obligations, and this, under the Agreement for the execution of the said task, in the wording attached to the said Contractual Agreement for Execution of a Task, and comprising an inseparable part thereof, or in any other wording that may be determined by the Company from time to time, at a rate that will be determined of the financial scope of the works incorporated in the executional task (VAT not included), or at another rate that will be determined in the Agreement for the execution of a task.

This guarantee will be conveyed to the Company within five (5) business days from the date the Supplier received notification that the Company has decided to assign it the execution of an executional task. Delivery of the performance guarantee, as stated, will constitute a stipulation of the Client's signature on the Contractual Agreement for Execution of a Task.

7.3 It is hereby clarified that wherever it is recorded "bank guarantee" in this Agreement, it also refers to a guarantee issued by an insurance company in possession of a license to engage in insurance under the Control of Financial Services (Insurance) Law 5741-1981.

7.4 It is hereby emphasized that any guarantee issued by an insurance company (whether a current guarantee or a performance guarantee) must be signed by the insurance company, and not by any agent on its behalf.

7.5 It is further clarified that there is nothing in this Section 7 that will derogate from any right or remedy (or both) of Ayalon Highways, including its right to cancel the Framework Agreement signed with the Framework Supplier and to remove it from the Framework Suppliers Repository.

7.6 Rectification Guarantee (as per the scope of execution of the executional task) -

This guarantee is to secure the Framework Supplier's warranty in Service Package 4 that it will execute a certain executional task to the executional quality of the works that were executed by it during the rectification period.

The rectification guarantee will be at a rate to be determined in the competitive referral from the amount of the final accumulated invoice of the executional task, VAT included, including provisions for change, and all as detailed in the Contractual Agreement for the Execution of a Task concerning the relevant executional task.

Despite any other provision in any of the Tender Documents, it is hereby clarified that the rectification period concerning all the work that may be executed by any of the Framework Suppliers will be for a period of one year.

8. Absence of Exclusivity and Absence of a Commitment for Minimum Activity

8.1 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 including complimentary 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 as per 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.

8.2 This Agreement in no way constitutes an 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 in the relevant Service Package(s), and that as per 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 in the relevant Service Package(s), with whom it will enter into a contract for the execution of a specific executional task.

8.3 The Supplier declares that it has no expectation and/or right of claim concerning 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.

9. Priorities and Coordination

9.1 The Client is entitled to convey to the Supplier several concurrent executional tasks. If the Client conveys 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.

9.2 The Supplier will execute the executional tasks as per 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 according to the project's needs, including a single executional task concerning works in several different worksites and/or operate several concurrent work teams and/or execute works at night.

9.3 The tasks required under the Contractual Agreement for Execution of a Task include everything required for their full execution, 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.

9.4 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 as per Ayalon Highway instructions and guidelines.

10. Remedies and Relief

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

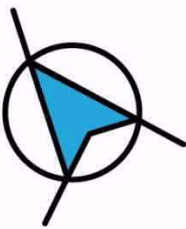
10.2 If the Framework Supplier has breached his obligations in the execution of any task, such will be a violation of this Agreement and the Contractual Agreement for Execution of a Task.

10.3 The Client will be afforded the right to offset payments owed the Framework Supplier under this Agreement any payment that is owed the Framework Supplier.

IN WITNESS WHEREOF the parties have signed:

The Client

The Framework Supplier



Appendix 1

The Wording of a Current Guarantee from a Bank/Approved Insurance Company Form

Date: _____

FAO
Ayalon Highways Co. Ltd

RE: Bank Guarantee No. _____

1. As per the request of _____ (hereinafter: "**the Framework Supplier**"), we hereby guarantee to pay you any amount as per your demand, until a total amount of NIS _____ (in words: New Israeli Shekel _____) plus linkage differentials, as detailed below (hereinafter: "**the Amount of the Guarantee**"), concerning the Framework Supplier's obligations and liabilities as per Special Framework Agreement No. ____.

For purposes of this guarantee:

The term "**Index**" meaning: The Road Construction and Bridging Price, as published by the Central Bureau of Statistics.

The term "**The Base Index**" meaning: The index known at the time of entry into force of Special Framework Agreement No. ____ between the Framework Supplier and Ayalon Highways Ltd, i.e., the index for the month of _____ published on [date] _____.

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

2. We undertake to pay you, upon your first written demand, the entire amount that will be noted in the same demand, immediately, and in any case, no later than seven (7) days from the reception of your demand in our office, as per the address appearing in the letterhead of this Letter of Guarantee.
3. For the avoidance of doubt, it is hereby clarified that your demand for payment under this Letter of Guarantee may be at rates and that the payment will be made as per your demand as stated, provided that all payments under this Letter of Guarantee do not exceed the amount of the Guarantee attached above.
4. Our obligation under this Letter of Guarantee is unconditional, autonomous, and irrevocable, including you will not have any obligation to explain, justify, specify, substantiate or prove your claim or demand the payment from the Bidder.
5. This Letter of Guarantee is non-transferrable.

This Letter of Guarantee will enter into effect on the date noted on top, and will remain in effect until [date] _____.

Sincerely yours,
