

Document A - Tender Conditions Booklet

**Online Tender No. 65/22**

**For the Design, Procurement,**

**Establishment, Operation and Maintenance**

**of a Congestion Tax Project**

Updated version: September 2022

**Preamble**

**1.1 Introduction**

Ayalon Highways Co. Ltd. (the “**Customer**”) hereby invites receipt of proposals to engage with it in an agreement for the design, procurement, establishment, operation and maintenance of a Congestion Tax project in the Gush Dan Metropolis (hereinafter, the “**Project**” or “**Congestion Tax Project**”), as specified in the Tender documents.

**1.2 General Background**

1.2.1 The Customer is a governmental company as defined in Section 1 of the Government Companies Law 5735-1975, which is subject to the Mandatory Tender Law 5752-1992 pursuant to Section 2(a) of the Law. The Customer deals according to the Government resolutions and its incorporation documents with administration, design and performance of transportation projects.

1.2.2 Since its establishment, the Customer has accrued extensive engineering and administrative experience in complex and large-scope metropolitan and municipal projects, and is currently one of the leading companies in planning and executing infrastructure and transportation projects in the State of Israel.

1.2.3 On November 18, 2021, the Tax for Reduction of Traffic Congestion in the Gush Dan Area Law 5782-2021 (the “**Law**” or “**Congestion Tax Law**”) was enacted, given the current transportation situation in the Gush Dan Metropolis and the expectation of increased congestion. The Law prescribes that Congestion Tax will be charged from car owners who enter and exit the Gush Dan Area when they enter and exit pre-defined Billing Rings. You can access the Congestion Tax Law at [https://fs.knesset.gov.il/24/law/24\\_lsr\\_611801.pdf](https://fs.knesset.gov.il/24/law/24_lsr_611801.pdf).<sup>1</sup>

1.2.4 The purpose of the Law is to help reduce the heavy traffic in the roads of the State of Israel, given its substantial cost to the economy and the damage to quality of life it entails.

1.2.5 In a Government Resolution dated March 17, 2022 the Customer was appointed as the commissioner company under the Congestion Tax Law, responsible to promote the Project contemplated herein and to manage the collection system for the Tax Authority as part of the roles imposed on the commissioner company under the Law.

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<sup>1</sup> P. 93 of the file.

1.3 **The Congestion Tax Project**

- 1.3.1 Under the Congestion Tax Law, the planned payment model is a binary one, based on taxing the entry into, and exit from, Billing Rings, delineating the area to which entry and/or from which exit requires payment by setting Billing Gates, as defined below.
- 1.3.2 The mandatory payment in such model was defined by the Law for transition between the Billing Rings, by dividing the Gush Dan Area into three Billing Rings - the inner charge ring that includes the congestion source, as defined in the Law; the middle charge ring circling the inner ring; and the external charge ring circling the first two. The map indicating these three Billing Rings is annexed to the engagement agreement in Document B of the Tender documents (“**Billing Rings**”) for your information only; however, it is clarified that the binding map will be the one updated by the Law from time to time.
- 1.3.3 Entry to and exit from the Billing Rings will be identified with independent external systems based on a system of cameras to be provided and maintained by the winner operating the Project, and independent of confirmation of the car owners or drivers. These systems will be posted in each Toll Gate, in each of the Billing Rings access points.
- 1.3.4 This tender is a tender for the design, procurement, establishment, installation, operation and maintenance of everything required to collect tax from debtors as specified in the specifications. The charging sites will be established by contractors on behalf of the Customer and delivered by them to the Winning Bidder as specified in the Establishment Volume.

1.4 **Services in the Project**

- 1.4.1 The Winning Bidder will be responsible for design, procurement, establishment, operation and maintenance of identification means and technology systems, including:
  - 1.4.1.1 Procuring all equipment required to identify vehicles, including ALPR cameras and VDS systems, and their installation in the Billing Gates.
  - 1.4.1.2 Procuring and installing all equipment required to ensure the ongoing operation of the billing system, including electricity, communication equipment, etc.

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- 1.4.1.3 Designing, establishing, procuring, developing and supplying all systems needed for calculation and collection of the Tax, including:
- a. The billing apparatus, including the billing system;
  - b. The collection system;
  - c. The technology apparatus, with all infrastructure and systems included;
  - d. Control centers and data centers;
  - e. The service center apparatus for debtors and the public;
  - f. The system to manage the operation and maintenance services;
  - g. Service levels compliance control systems.
- 1.4.1.4 Operating and maintaining a technical apparatus to maintain the Billing Gates and all technology systems.
- 1.4.1.5 Operating manual photos analysis apparatus to improve the rates of license plate identification.
- 1.4.1.6 Operating and maintaining an apparatus for collection from vehicle owner passing in the charge zone.
- 1.4.1.7 Management of the information request process and the submission inquiries/reservations about a charge process.
- 1.4.1.8 Supporting and advising the Customer, the Israel Tax Authority and any party on behalf of the State in appeals, including administrating inquiries and preparing information files; supporting and advising the Customer in any legal proceeding with respect to the Project contemplated herein.
- 1.4.1.9 Further developing and upgrading the technology systems.
- 1.4.1.10 Providing reports regarding the Project activity.
- 1.4.1.11 Design, establishment, management, maintenance and operation of a service center (customers' service) for the debtors and public.
- 1.4.1.12 Design, establishment, management, maintenance and operation of a communication apparatus.

All, according and subject to the specifications in the Tender documents (hereinafter jointly referred to as the “**Services**”).

- 1.4.2 The Services include everything required for their performance and all approvals required for performing the Services under any applicable Law(s), in coordination with other service providers in the Project.
- 1.4.3 At the termination of the engagement (whether at the end of the agreement Term or on its termination for any reason) the Winning Bidder will deliver all Project activities and assets, except the Project assets not designated to be returned, to the Customer.
- 1.4.4 Without derogating from the above, the Winner will fully cooperate with the Customer, the Israel Tax Authority and any other party authorized on behalf of the State in the Project and with any other entity , all, according to the Customer's directives and orders.
- 1.4.5 Proposal Submission Preparation
  - 1.4.5.1 By submitting Proposals in the procedure, each participant, participants shareholder and Parent Company Guarantee (to the extent relevant), and anyone on their behalf, acknowledges that it has received, read and understood the Tender documents, and that it assumes their terms and all undertakings included therein.
  - 1.4.5.2 Every Bidder, Bidder Shareholder, and Parent Company Guarantee (to the extent relevant) and anyone on their behalf will be considered to have obtained appropriate legal advice to participate in the Tender, and as if it has studied and is proficient in every Law(s) applicable for the procedure, the tender and the Project. Bids will be made and submitted according to the provisions of any applicable Law(s) (including amendments to the Law(s) that may apply during the Tender procedure).
  - 1.4.5.3 The Bidder also acknowledges that it has incorporated as an SPC (Single Purpose Company) under any Law(s), limited for the sole purpose, under its articles of incorporation, to participation in the Tender , submission of a Proposal and execution of the Project (to the extent the bidder is declared a Winning Bidder) only.

1.5 **Independent Inspections and Inspecting the Billing Sites**

- 1.5.1 The Bidder must inspect, in the eyes of an expert, on its expense and responsibility, independently, all aspects, risks and information that may directly or indirectly affect submission of the Proposal, agreement execution and Project performance according to the provisions of to the Tender documents, including all of the following:

- 1.5.1.1 The location of the Billing Gates and their surroundings, including physical and geological conditions, site infrastructure, and access options to the Billing Sites;
  - 1.5.1.2 Technology aspects;
  - 1.5.1.3 Financial aspects;
  - 1.5.1.4 Planning and establishment aspects;
  - 1.5.1.5 Operation and maintenance aspects;
  - 1.5.1.6 Environmental aspects;
  - 1.5.1.7 Legal aspects including compliance with any applicable Law(s);
  - 1.5.1.8 Demands of the relevant authorities including the relevant municipal authority;
  - 1.5.1.9 Any legal, planning, engineering, technological, operational, executional, financial or other business data and risk that is relevant to submit the Proposal, execute the Project and the entire undertakings of the Winning Bidder under the Tender documents;
  - 1.5.1.10 All systems and equipment required for the implementation of the Project, and all information security and manpower aspects derived therefrom according to the Tender documents.
- 1.5.2 Bidders are welcome to independently inspect the Billing Sites and independently obtain any information required in order to prepare and submit their Proposals, execute the agreement and perform the Project according to the provisions of the Tender documents.
- 1.6 **Information Provided to Bidders**
- 1.6.1 The data included in the Tender documents or any other data provided by the Customer or anyone on its behalf, should not be considered as any representation, declaration or undertaking of the Customer or anyone on its behalf, among else, with respect to the Project and its performance, including its content, scope, allocation of risks, date and performance manner or that the information is complete, true or accurate.
  - 1.6.2 Reliance of the Bidder or anyone on its behalf, including officers, employees, managers, or anyone related to them, on information included in the Tender documents or on any information provided or to

be provided by the Customer or anyone on its behalf, including any assumption, conclusion, interpretation, intention or other information with respect to the Project description and Tender process, is on their sole responsibility and they will have no argument towards the Customer or anyone on its behalf in this regard.

- 1.6.3 The Project description, Tender procedure or delivery of information included in the Tender documents, or to be delivered pursuant thereto, do not impose liability on the Customer or anyone on its behalf for such information or use thereof, if made by the Bidders, anyone on their behalf, or by the Winning Bidder or anyone on its behalf. Without derogating from the above, the Tender Committee or anyone on its behalf will not be held liable for any kind of damage, loss or expense caused to any of the Bidders or anyone on their behalf or any third party due to reliance on any assumption, conclusion, interpretation, intention or information detailed in the Tender documents.
- 1.6.4 In case of any discrepancy identified by the Bidder between the design and the requirements specified in the specifications, the Bidder should submit a request for clarification on the matter, according to the procedure prescribed in Section 11 below, no later than the Deadline for Submission of Clarification Questions prescribed in Section 1.12 below.
- 1.6.5 Without derogating from the above, the Customer intends to publish information and plans about the project in an information room (VDR) and they will be updated from time to time. Bidders must regularly monitor updates in the VDR.

1.7 **Priorities Among Documents**

In case of contradiction between parts of the Tender documents, the Bidder will be bound by the stricter provision, according to the determination of the Tender Committee, unless expressly determined otherwise in writing by the Tender Committee. Without derogating from Section 11.1 below, the Tender Committee will be notified of every such contradiction as soon as possible.

1.8 **Tender Documents Validity**

If a competent court finds that a section or sections or part thereof of the Tender documents, are invalid, or void, or unenforceable, that would not diminish from the other parts of the Tender documents, which will remain valid and binding in every respect. If the Tender documents require interpretation or enforcement, any part declared as invalid by the competent court will not be taken into account for such interpretation or enforcement.

1.9 **Cost of Proposal Preparation**

Except as specifically stated on Section 15.3 below, the Bidders, Bidder's Shareholders, and Parent Company Guarantee (to the extent relevant) and anyone on their behalf, will incur the entire expenses of their participation in the Tender and preparing the Proposals, as updated according to the provisions of the Tender documents, and will not be entitled to any compensation or indemnification from the Tender Committee or anyone on its behalf for such expenses, including in case of annulment of the Tender for any reason.

1.10 **Definitions**

For the purposes of this tender, the following terms shall have the meanings specified next to them:

- |                                   |   |
|-----------------------------------|---|
| <b>"Means of Control"</b>         | - each of the following:<br><br>(1) Voting power in a general meeting of a company<br><br>(2) The right to appoint a corporation's directors or general manager<br><br>(3) The right to proceeds  |
| <b>"Ayalon Highway's Website"</b> | the Customer's Website at: <a href="http://www.ayalonhw.co.il">www.ayalonhw.co.il</a>   |
| <b>"Billing Sites"</b>            | every Billing Gate and its surroundings   |
| <b>"Bidder's Shareholders"</b>    | each of the corporations or individuals holding the Bidder's shares as elaborated in the Proposal submitted under the terms and conditions of this Tender   |
| <b>"Law(s)"</b>                   | The Congestion Tax Law and all laws, regulations, orders, rules, judgments and legal rulings, ordinances, binding standards, auxiliary laws, administrative orders, plans and permits as defined in the Planning and Construction Law 5725-1965 (including statutory plans), all, whether explicitly mentioned in the Tender documents or not, as well as other foreign and local standards to which the winner is bound under the tender document, all, as amended or modified from time to time |
| <b>"Tender Committee"</b>         | - the Customer's Tender Committee   |
| <b>"Billing Rings"</b>            | - as defined in Section 1.3.3   |



- “**Bidder**” - Any party that submits a Proposal to the Tender
- “**Winning Bidder**” - a Bidder who was declared as a winner in the Tender with whom the Customer will execute the agreement
- “**Control**” - as defined in the Securities Law 5728-1968
- “**Billing Gates**” - physical gates to be installed in the Billing Rings, fitted with the end gear of the billing apparatus
- “**Mandatory Tenders Regulations**” - the Mandatory Tenders Regulations 5753-1993.

#### 1.11 **Period of Engagement**

- 1.11.1 The period of engagement with the Winning Bidder will be as of the Customer’s execution of the agreement and until the end of **twelve (12) years from the receipt of operation approval for the Project**. The Winning Bidder must conclude the Project and receive the operation approval no later than February 28, 2025.
- 1.11.2 The Customer has the option, in its sole discretion, to extend the Period of Engagement beyond twelve (12) years from receipt of an operation approval for the Project, by two (2) additional periods of up to three (3) years each, as set forth in the engagement agreement.

#### 1.12 **Timetable**

The planned timetables for the procedure as are follows:

- Online Bidders’ Meeting - October 23, 2022 at 1 PM
- Deadline for Submission of Clarification Questions – Round 1 - October 27, 2022 until 1 PM
- Deadline for Submission of Clarification Questions – Round 2 - November 24, 2022 until 1 PM
- Deadline for preliminary review of the tender guarantee - Fourteen (14) days before the Deadline for Submission of Proposals
- Deadline for Submission of Proposals - January 31, 2023 until 1 PM

The Customer may, at any time and at its sole discretion, change the procedure timetable with a notice issued to Bidders.

## **2. Tender Documents**

2.1 These are the documents comprising the Tender documents:

2.1.1 Document A - Tender Conditions Booklet and its annexes (this document):

2.1.1.1 Annex 1 - Bidder Profile and Representations;

2.1.1.2 Annex 2 - Representations and Warranties of the Shareholders and Parent Company Guarantees;

2.1.1.3 Annex 3 - Price Proposal Form (**specify the price proposal information in the online system only, no later than the Deadline for Submission of Proposals**);

2.1.1.4 Annex 4 - Letter of Indemnity Undertaking;

2.1.1.5 Annex 5 - Affidavit under the Public Entities Transactions Law 5736-1976;

2.1.1.6 Annex 6 - Tender Guarantee Form;

2.1.1.7 Annex 7 - Attorney Confirmation;

2.1.1.8 Annex 8 - Declaration of No Payment of “Brokerage Fee” to “Brokers”;

2.1.1.9 Annex 9 - Affidavit to Prove the Bidder’s Experience for Meeting the Professional Threshold Conditions;

2.1.1.10 Annex 10 - Affidavit on the Status of the Bidder/Bidder Shareholder;

2.1.1.11 Annex 11 - Bidder’s Shareholders’ Affidavit of Financial Strength;

2.1.1.12 Annex 12 - CPA Confirmation;

2.1.1.13 Annex 13 - Representations and Warranties of Parent Company Guarantee;

2.1.1.14 Annex 14 - Representation and Warranty of a Party with Toll Project Experience;

2.1.1.15 Annex 15 - Representation and Warranty of a Related Company;

- 2.1.1.16 Annex 16 - A Declaration Concerning the Absence of Conflict of Interest;
  - 2.1.1.17 Annex 17 - Links to Specification (and confirmation that the Bidder has downloaded, viewed and approved all Project specifications – Appendix A of the engagement agreement);
  - 2.1.1.18 Annex 18 - A Declaration Concerning the Terms for Participation in the Tender Using the “Dekel Tender System”;
  - 2.1.1.19 Annex 19 - List of the Customer’s Consultants;
  - 2.1.1.20 Annex 20 - New Vendor Form;
  - 2.1.1.21 Annex 21 - Instructions for Submitting the Financial Model;
  - 2.1.1.22 Annex 22 - Basic Assumptions.
- 2.1.2 Document B - the agreement with its schedules including the specifications and their attachments.
- 2.2 All Tender documents whether attached or not constitute the Customer’s property and are provided to the Bidders for the purpose of preparing and submitting their Proposal, and for this purpose alone. For the avoidance of doubt it is clarified that these documents are the property of the Customer even after completed by the Bidder and that the Customer may make any use thereof in its sole discretion whether or not the Bidder was chosen to execute the Services contemplated herein, and the Bidder will have no argument or claim in this respect. The Bidders and/or those receiving the Tender documents may not copy or use them for any other purpose.
- 2.3 **The Tender documents may be downloaded free of charge from the Ayalon Highway’s Website under the tab “tenders and engagements” in the homepage.**

### **3. Threshold Conditions**

A Bidder May submit a Proposal which complies with the following cumulative threshold conditions, as of the Deadline for Submission of Proposals:

#### **3.1 General Threshold Conditions:**

- 3.1.1 **SPC:** the Bidder has incorporated as an SPC (Single Purpose Company) under any Law(s), limited for the sole purpose under its articles of incorporation, to participation in the Tender, submission of a Proposal and execution of the Project (to the extent the Bidder is declared a Winning Bidder) only.
- 3.1.2 **Bidder structure:** The Bidder may have up to 3 shareholders each holding at least ten percent (10%) of the Bidder Means of Control, who

joined together for the purposes of participation in the Tender and execution of the Project, provided that the following are met:

3.1.2.1 The Bidder's Shareholders are corporations duly incorporated and registered in Israel, or corporations that incorporated in a country with which the State of Israel maintains diplomatic relations and registered to do business in Israel, or individuals who are citizens and residents of Israel or of a country that maintains diplomatic relations with Israel.

3.1.2.2 **At least one of the Bidder's Shareholders, holding at least thirty percent (30%) of each of the Means of Control meets the professional threshold conditions (alternative A or B) specified in Section 3.2 below.**

3.1.2.3 The Bidder, through all its Shareholders, meets the financial threshold conditions specified in Section 3.3 below.

3.1.2.4 The Bidder's Shareholders executed a shareholders' agreement and declared in the Annexes 1-2, inter alia, the following information:

- (a) The details of the Bidder's Shareholders and the holding rate of each in the Bidder.
- (b) An undertaking to contribute capital to the Bidder.
- (c) The identity of the authorized representative on behalf of the Bidder to negotiate on its behalf with the Customer and receive notices and/or instructions for it and on its behalf, whose signature will be binding upon the Bidder in every respect related to the tender.

3.1.3 The Bidder holds all the approvals and affidavits required under the Public Entities Transactions Law 5736-1976. Notwithstanding the above, the Bidder will be exempt from submitting approvals that were not issued resulting of it being a new corporation, provided that it submits a letter from an attorney certifying that the approvals were not yet issued for this reason.

3.1.4 The Bidder furnished an unconditional and irrevocable autonomous bank tender guarantee, as set forth in Section 6.1 below.

3.2 **Professional Threshold Conditions:**

The Bidder is required to meet a professional threshold condition under alternative A **or** under the two cumulative conditions in alternative B, as of the Deadline for Submission of Proposals.

For the purposes of this Section 3.2 -

“**Subscriber**” - anyone holding a cellular line that regularly receives communication services under an agreement from the cellular licentiate.

“**Toll Project**” - a project under which payment was charged from road users that meets the following cumulative requirements:

- a. At least ten million vehicle transitions were identified annually, that are liable to pay;
- b. Identification was conducted based on photographing the vehicles and analyzing of the license plates;
- c. The project included payment calculation, collection processes and providing service to customers.

“**PPP Project**” - a project for provision of services or products in a concession agreement (every category of PPP including BOO, PFI, BOT) between the concessionaire and the state or a body on its behalf, which included the establishment and later provision of operation and maintenance services for at least ten (10) years, with the party having the represented experience being responsible for the establishment, financing, operation and maintenance of the service of the concession services with a total financial scope (establishment, operation and maintenance) of at least ILS 1 billion (excluding VAT).

“**Congestion Tax Project Operation Contractor**” - a sub-contractor engaged by the Winning Bidder who will be responsible for all operation and maintenance services in the Congestion Tax Project, as defined in Schedule B of the engagement agreement.

“**O&M Services in Toll Project**” - operation and maintenance of at least photography and analysis, toll calculation and collection services.

“**O&M Services in a Transit Infrastructure PPP Project**” - services provided to ensure the ongoing activity of the entire project including its infrastructure and systems.

“**Transit Infrastructure Field**” - road or light rail.

### 3.2.1 **Alternative A:**

One of the Bidder’s Shareholders, holding at least thirty percent (30%) of the Means of Control, has the experience, of at least three (3) consecutive years out of the seven (7) years preceding the Deadline for

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Submission of Proposals, in providing O&M Services in at least one Toll Project, in Israel or abroad.

It is clarified that if the Bidder wins the tender, such Shareholder would be required to hold at least thirty percent (30%) of the Means of Control in the Congestion Tax Project Operation Contractor.

### 3.2.2 **Alternative B:**

3.2.2.1 Condition 1 - one of the Bidder's Shareholders, holding at least thirty percent (30%) of the Means of Control:

[a] has the experience, of at least three (3) consecutive years out of the ten (10) years preceding the Deadline for Submission of Proposals, in providing O&M Services in at least one PPP Project in Israel, in the Transit Infrastructure Field.

**or -**

[b] performed works to spread out communication infrastructure for at least two-hundred thousand (200,000) households, by which it serves, as of the Deadline for Submission of Proposals, at least one million (1,000,000) Subscribers, holding a valid general license to provide mobile cellular phone services.

**and -**

3.2.2.2 Condition 2 - the Bidder has a signed memorandum of understandings with a party that has the experience, of at least three (3) consecutive years out of the seven (7) years preceding the Deadline for Submission of Proposals, in providing O&M Services in at least one Toll Project, in Israel or abroad.

The memorandum of understandings should prescribe that such party should hold at least fifty percent (50%) of the Means of Control in the Congestion Tax Project Operation Contractor. The party should sign the letter of representation and warranty attached hereto as **Annex 14**.

### 3.2.3 **With respect to both alternatives, it is clarified:**

3.2.3.1 The required experience may not be proved using two shareholders holding thirty percent (30%) together.

3.2.3.2 Only the following will be recognized as having experience in a Toll Project or PPP Project:

A. The body in direct engagement with the state or a body on its behalf to provide the services. Notwithstanding the above, in Alternative A and in Condition 2 of Alternative B (experience in a toll project), the body that serves as the project's operation contractor will also be recognized to have experience (signed an agreement with the body that directly engaged with the state as noted above).

B. Any shareholder/partner in such body as per Section A that held a share of at least thirty percent (30%), provided that it held it for the minimal time required in the threshold condition.

3.2.3.3 Attributing the experience of a Related Company to the party proving its experience under threshold condition 3.2 is allowed, except if the Related Company meets the provisions of Section 3.2.3.2, and provided that the Related Company executed the Letter of Representation and Warranty attached hereto as **Annex 15** in which it undertook, inter alia, towards the Bidder and Customer to provide its know-how and experience for the Project. For the purposes of this Section: **"Related Company"** - a legal entity directly or indirectly Controlling, Controlled by, or under the same Control of another party together with, such party. **"Control"** - as defined in the Securities Law 5728-1968. The Bidder will attach a holding tree describing the direct and indirect holdings between the party whose experience is sought in attribution and the Related Company.

### 3.3 **Financial Threshold Conditions:**

The Bidder's Shareholders (except a Bidder Shareholder who is a Financial Body) will have the financial strength as required in the cumulative threshold conditions specified in Sections 3.3.1 – 3.3.3 below.

For the purposes of this Section 3.3 -

**"Institutional Body"** - each of the bodies listed in Sections 1-3, First Addendum of Securities Law 5728-1968; in case of foreign bodies - similar bodies to those by the relevant Law(s), applicable in their domicile.

**"Financial Body"** - a Banking Corporation, an Institutional Body or a private investment fund.

**"Financial Statements"** - the annual consolidated financial statements (to the extent relevant), audited according to the accepted accounting standards (as detailed in Section 3.3.9 below).

“**Shareholders’ Equity**” - “Shareholders’ Equity after neutralizing rights that do not grant control”, “Shareholders’ Equity after neutralizing minority rights”, “total Shareholders’ Equity attributed to the company owners” or any section in the Financial Statements that has a similar meaning.

“**Unrealized Investment Liability**” - the total investment liabilities, after deducting the money spend by the Private Investment Fund and the money which the Private Investment Fund undertook to invest.

“**Insurer**” - whoever received an Israeli insurer license under the Financial Services Supervision (Insurance) Law 5741-1981.

“**Private Investment Fund**” - an Israeli fund with a majority of investors (over 50%) being Israeli institutional parties, after the first closing, and not listed for trade.

“**Previous Fiscal Year**” - the year 2021.

“**Three Previous Fiscal Years**” - the fiscal years 2019, 2020 and 2021.

“**Banking Corporation**” - each of the bodies listed in Section 4, First Addendum, Securities Law 5728-1968, and in case of foreign bodies - similar bodies to those by the relevant Law(s), applicable in their domicile.

### 3.3.1 **Income turnover**

3.3.1.1 Over the Three (3) Previous Fiscal Years the weighted average of the annual average income turnovers of all Bidder’s Shareholders who are not Financial Bodies, was at least ILS one hundred and fifty million (150,000,000), based on the Financial Statements of each of the Bidder members for such years.

3.3.1.2 For the purposes of this Section 3.3.1, the average annual average income turnovers of all Bidder’s Shareholders will be calculated based on their holding rate in the Bidder, as follows:

$$AAI = (R1 + R2 + \dots + Rn) * 150,000,000$$

AAI - Average annual income turnovers of all Bidder’s Shareholders.

R - holding rate of a Bidder Shareholder.

n - the number of Bidder’s Shareholders.

3.3.1.3 Notwithstanding the above, in case one or more of the Bidder’s Shareholders is a Financial Body, the minimal average annual income turnover for all Bidder’s



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Shareholders will be ILS one hundred fifty (150,000,000) million multiplied by the holdings rate of the Bidder's Shareholders that are not Financial Bodies according to the following formula:

$$AAI = (R1 + R2 + \dots + Rn) * 150,000,000$$

AAI - Average annual income turnovers of all Bidder's Shareholders (other than Financial Bodies).

R - holding rate of a Bidder Shareholder that is not a Financial Body.

n - the number of Bidder's Shareholders that are not Financial Bodies.

- 3.3.1.4 For the purposes of this Section 3.3.1 the average annual average income turnover of all each Bidder Shareholder will be calculated as follows:

$$\text{Average annual income turnover} = \frac{(TO_t + TO_{t-1} + TO_{t-2})}{3}$$

TO - Bidder Shareholder income turnover for the relevant year.

t - Previous Fiscal Year.

### 3.3.2 Cash flow from current activity

Meeting one of the Sections 3.3.2.1 or 3.3.2.2 below is required:

- 3.3.2.1 The average cash flow from current activity of each Bidder Shareholder that is not a Financial Body over the Previous Three (3) Fiscal Years is positive (or equals zero).

For the purpose of this section, the average cash flow from current activity of a Bidder Shareholder will be calculated as follows:

Average cash flow form current activity =

$$(CF_t + CF_{t-1} + CF_{t-2}) / 3$$

CF - the average cash flow from current activity of a Bidder Shareholder for the relevant year.

t - Previous Fiscal Year.

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3.3.2.2 Where the average cash flow of a Bidder Shareholder from current activity according to the above provisions is negative, it will be required to meet the two following cumulative conditions:

- a. The ratio between the absolute value of the cash flow over the Previous Three (3) Fiscal Years of a Bidder Shareholder and its Shareholders' Equity for the end of the Previous Fiscal Year is below twenty five percent (25%), i.e.:

$$[(CF_t + CF_{t-1} + CF_{t-2}) / 3] / E_t < 25\% \text{ ABS.}$$

CF - the average cash flow from current activity of a Bidder Shareholder for the relevant year.

E - Bidder Shareholder Shareholders' Equity at the end of the year t.

t - Previous Fiscal Year.

ABS - absolute value.

- b. The ratio between the absolute value of the cash flow from current activity of a Bidder Shareholder in the year t (the last of the said Previous Three Fiscal Years) and its Shareholders' Equity at the end of the Previous Fiscal Year is below 25%.

### 3.3.3 Shareholders' Equity

Every Bidder Shareholder that is not a Financial Body has the Shareholders' Equity of at least ILS two million (2,000,000) for each one percent (1%) of holdings in the Bidder, based on its Financial Statements for the Previous Fiscal Year.

### 3.3.4 No going concern notice

The Bidder's Financial Statements for the Previous Fiscal Year (if it already has one) and of each Bidder Shareholder do not include a going concern notice.

### 3.3.5 No insolvency

As of the Deadline for Submission of Proposals, the Bidder and every Bidder Shareholder is not under freezing of proceedings, bankruptcy, receivership, liquidation, or reorganization, or foreclosures were imposed on its assets at a rate exceeding its Shareholders' Equity.

3.3.6

**Financial strength - a Bidder Shareholder that is Institutional Body or Banking Corporation**

A Bidder Shareholder that is an Insurer, Institutional Body or Banking Corporation must meet one of the Sections 3.3.6.1 or 3.3.6.2 below:

3.3.6.1 Holds a Shareholders' Equity (after deduction of the minimal Shareholders' Equity required under the Law(s), if relevant) of at least ILS three million (3,000,000) for each one percent (1%) of holdings in the Bidder, based on its Financial Statements for the Previous Fiscal Year.

3.3.6.2 For each one percent (1%) of the holding rate in the Bidder, it manages assets worth at least ILS fifty million (50,000,000) at of the end of the Previous Fiscal Year.

3.3.7

**Financial strength - a Bidder Shareholder that is a Private Investment Fund**

A Bidder Shareholder that is a Private Investment Fund must meet the following requisition:

3.3.7.1 The Bidder Shareholder would be required to prove to for each one percent (1%) of holdings in the Bidder - the total Unrealized Investment Liability in the fund is at least ILS six million (6,000,000) as of fourteen (14) days prior to the Deadline for Submission of Proposals.

3.3.7.2 For that purpose, the Bidder Shareholder should submit its Financial Statements for the end of the Previous Fiscal Year and a declaration of its finance manager for changes since the said Financial Statements up to a date that is fourteen (14) days prior to the Deadline of Submission of Proposals. In addition, a Bidder Shareholder should attach investment agreements to prove the said changes declared by the finance manager.

3.3.8

**Reliance on a Parent Company Guarantee**

3.3.8.1 For the purpose of the Bidder Shareholder meeting the financial threshold conditions under this Section, each Bidder Shareholder may rely on a legal persona Controlling the said Bidder Shareholder (as the term "Control" is defined in the Securities Law 5728-1968) (hereinafter referred to as "**Parent Company Guarantee**"), provided that the Parent Company Guarantee in itself meets all financial strength conditions

in full (cumulatively). Note, that except the sections of no going concern and no insolvency, that must also be met by the Bidder Shareholder itself, the other conditions of financial strength will be inspected with the Parent Company Guarantee if the Bidder chooses it **instead** of the Bidder Shareholder. In this case, the Bidder will attach **Annex 13** of the Tender Conditions Booklet, signed by the Parent Company Guarantee to its Proposal, in addition to filing **Annexes 10-11** signed by the Bidder's Shareholders (although it does not in itself meet all the financial threshold conditions). Both the Bidder Shareholder and the Parent Company Guarantee will submit the CPA Confirmation in **Annex 12**.

3.3.8.2 Where the Parent Company Guarantee is also a Bidder Shareholder, for determining financial strength, the Parent Company Guarantee's holdings in the Bidder will be considered to include all the holdings of a Bidder Shareholder that wishes to rely on it.

3.3.9 **Submission content and form**

3.3.9.1 In order to demonstrate its financial strength, the Bidder will submit all its audited consolidated (to the extent relevant) Financial Statements (if it already has Financial Statements) and all Bidder's Shareholders (and all Parent Company Guarantees, if relevant) for the Previous Three (3) Fiscal Years.

3.3.9.2 These Financial Statements will be composed according to one of the following accounting standards:

(a) Generally accepted accounting principles in Israel, as published by the Israeli Institute for Accounting Standards, including the directive for disclosure of statement on cash flow, as published in Opinion 51 concerning reports of cash flows;

(b) The US GAAP as published by the Financial Accounting Standards Board (FASB), including directives for disclosure of the statement of cash flows, as published in standard ASC 230 Statement of Cash Flows;

(c) The IFRS as published by the International Accounting Standards Board (IASB), including directives

for disclosure of the statement of cash flows, as published in standard IAS 7 Statement of Cash Flows;

It is made clear that the Financial Statements need to be approved and signed by the Bidder Shareholder and its external auditors.

- 3.3.9.3 A party with Financial Statements based on accepted accounting principles in their country of origin and that are not included in the above, is required to ask the Customer's approval to submit and rely on such Financial Statements, at least thirty (30) days prior to the Deadline of Submission of Proposals; the Customer will decide regarding such request in its sole discretion, on a case-by-case basis, and will issue a clarification notice if required.
- 3.3.9.4 Without derogating from the above, the Financial Statements will include CPA report, profit and loss, balance sheet and cash flow, audited by the audited body's CPA, and will include the Statements explanatory notes.
- 3.3.9.5 A party whose Financial Statements do not include cash flows reports, will submit these reports according to one of the accounting principles indicated above, duly audited by a CPA.
- 3.3.9.6 The Financial Statements attached will be in English or Hebrew only, and not in any other language.
- 3.3.9.7 Where the Financial Statements for the Previous Fiscal Year include comparative figures to the preceding year, there is no need to submit Financial Statements for such years, and you may rely on the comparative figures indicated in the Financial Statements for the Previous Fiscal Year.
- 3.3.9.8 In order to comply with the financial strength threshold conditions, in addition to submitting the Financial Statements as per Section 3.3.9.1 above:

[a] each Bidder must complete and duly sign **Annex 10** of this Tender Conditions Booklet;

[a] each Bidder Shareholder must complete and duly sign **Annexes 10-11** of this Tender Conditions Booklet and submit the CPA Confirmation as per **Annex 12**. A Bidder Shareholder that is a Financial Body will also submit

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proof for its compliance with Section 3.3.6 or 3.3.7, as the matter may be;

[c] A Parent Company Guarantee (to the extent relevant) will complete and duly sign **Annex 13** of this Tender Conditions Booklet and attach a CPA Confirm as per **Annex 12** according to Section 3.3.8.1 above.

- 3.3.9.9 Without derogating from the Customer's authorities by the provisions of this invitation and any applicable Law(s), in case of contradiction between the Financial Statements and the content of **Annexes 11-13**, the Financial Statements will supersede.

### 3.3.10 Currency Conversion

- 3.3.10.1 All fiscal data included in Annexes 11-13 will be submitted in ILS.

- 3.3.10.2 Where the Financial Statements data is presented in a currency that is not ILS, the Bidder will convert the financial data as follows:

Income turnover and cash flow from current activity will be converted to ILS according to the average exchange rate for that year as indicated in the following table:

Currency	Exchange rate (ILS) to convert financial data for the year -		
	2019	2020	2021
1 US Dollar (US\$)	3.5643	3.4367	3.2293
1 Euro (€)	3.9926	3.9252	3.8203

Shareholders' Equity will be converted to ILS according to the exchange rate for December 31 of the relevant year as indicated in the following table:

Currency	Exchange rate (ILS) to convert financial data for December 31 of the year -	Exchange rate (ILS) to convert financial data for December 31 of the year -
	2020	2021
Year	2020	2021

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1 US Dollar (US\$)	3.2150	3.1100
1 Euro (€)	3.9441	3.5199

3.3.10.3 A party for which the fiscal data is presented in currency other than US Dollars (US\$) or Euro (€), is required to request the Customer's confirmation to other exchange rates, at least thirty (30) days prior to the Deadline for Submission of Proposals.

3.3.10.4 A party for which the fiscal year under the Law(s) of its place of registration ends on a day that is not December 31, is required to request the Customer's instructions on the years relevant for the review, and the conversion rates according to other exchange rates, at least thirty (30) days prior to Deadline for Submission of Proposals. The request will detail all relevant data, including all exchange rates tables it wishes to rely on. The Customer will decide regarding the request in its sole discretion, on a case-by-case basis, and issue a clarification notice if required.

### 3.4 **Proposal Participation**

#### 3.4.1 **General**

3.4.1.1 Each Bidder may only submit one Proposal.

3.4.1.2 Every Bidder Shareholder may directly or indirectly hold Means of Control in one Bidder only.

3.4.1.3 Every additional party through which the Bidder meets the threshold conditions in Section 3.2 above may only participate in one Proposal.

3.4.1.4 Every Parent Company Guarantee may only participate in one Proposal.

3.4.1.5 For the purposes of this Section, all parties above in this Section 3.4.1 will be considered to include every legal entity that Controls, is under shared Control with, or is under the Control, of such entity.

#### 3.4.2 **Additional Participation Limitations**

##### 3.4.2.1 Security clearance and security provisions

The Tender Committee may disqualify the Bidder or make any requirement or condition with respect to the Bidder's participation in the tender where any party related to the

Bidder, a Bidder Shareholder, the Professional Expert or a Guarantor is a resident or citizen of a hostile country that does not maintain diplomatic relations with the State of Israel or does not have full trade relations with the State of Israel, without derogating from any other right or authority reserved to the Tender Committee under the Tender documents or the Law(s).

3.4.2.2 Lack of Connection

It is clarified that the following bodies will be denied from participation in the tender and may not, directly or indirectly, be Bidder's Shareholders or advise tender participants:

- [a] an individual who is a citizen or resident of a country that does not have diplomatic relations with the State of Israel or bodies incorporated in a country that does not maintain diplomatic relations with the State of Israel, or a stakeholder in them is an individual who is a citizen/resident or a body incorporated in such country.
- [b] local authorities and companies owned by local authorities.
- [c] bodies or consultants (including those that have a relation to them) which served as consultants to the Tender Committee in preparation and administration of this tender. The list of the Customer's consultants is detailed in Annex 19 of the Tender Conditions Booklet.

3.5 **Proof of the Bidder's Compliance with the Threshold Conditions**

3.5.1 We direct the Bidders' attention to Section 4.1 above, specifying documents and proof that must be attached by the Bidder to its Proposal, in order to prove its compliance with the threshold conditions.

3.5.2 The Customer distinguishes between threshold conditions that must be met by the Deadline for Submission of Proposals, or earlier if noted in the threshold conditions and according to their conditions, and the manners of proving that threshold conditions are met. Thus, threshold conditions may be proved, inter alia, in case of a mistake, insufficient record, good faith error in the Bidder's Proposal, etc. - also by submitting documents or otherwise providing information after the



Deadline for Submission of Proposals, including by submitting alternative projects.

- 3.5.3 The Customer may demand that the Bidders to add and attach additional proof and data with respect to proving that they meet the threshold conditions, including proof created or prepared after submitting the Proposals, and to continue demanding further proof, provided that it is proved the threshold conditions were met when due.
- 3.5.4 The Customer may make any decision with respect to interpretation of the threshold conditions, including interpretation that is broad or not the most reasonable or probable in terms of language, remove or waive any formality, provided that the meaning chosen corresponds to the purpose of the demand in the overall context of the Tender documents. In this regard, inter alia, the Customer may, in its sole discretion, attribute qualities of a certain corporation or body to another even if not proved to be fully identical, convert a demand with another equal demand that complies with the purpose of the original demand.
- 3.5.5 The Customer may approach any of the Bidders and/or third parties with a request for clarifications about their Proposals or to receive additional information or documents, as it considered to be required, to inspect their compliance with the threshold conditions.
- 3.5.6 The Customer may use additional information sources to those indicated in the Proposals with respect to the projects presented by the Bidders, including contacting the contacts noted in the Proposals, or other contacts.
- 3.5.7 The Bidder's response to the requested clarifications will be attached to its Proposal and considered an integral part thereof. In case of contradiction between the Proposal in a certain context and the Bidder's response to the Customer's question in such context, the Bidder's response to the Customer's question will supersede.
- 3.5.8 The Customer may demand that any Bidder discloses full and accurate information about its identity, business, Shareholders' Equity structure and financing sources, and any other information which the Customer believes there is an interest to disclose.
- 3.5.9 The Customer may demand that any Bidder discloses the above information also with respect to a Bidder stakeholder and any other party holding, directly or indirectly, including through another person or corporation, Means of Control in the Bidder.

#### **4. Documents to be Attached to the Proposal**

- 4.1 To prove the Bidder's experience as required under the tender conditions, including in Section 3 above, the Bidder should attach all required documents and approvals, including the following:
- 4.1.1 **To prove the Bidder's compliance with the threshold condition prescribed in Sections 3.1.1-3.1.2,** the Bidder should attach a certificate of incorporation, current extract (up to 60 days prior to the submission date) from the Registrar of Companies or Registrar of Partnerships, as the matter may be, its articles of association, profile form and Bidder's representations in the form attached as **Annex 1** to the Tender Conditions Booklet, the representations of warranties of shareholder and Parent Company Guarantees in the form attached as **Annex 2** to the Tender Conditions Booklet, the shareholders' agreement signed to establish the Bidder and to regulate the relationship between the Bidder Shareholder;
- 4.1.2 **To prove the Bidder's compliance with the threshold condition prescribed in Section 3.1.3 above,** the Bidder should attach all the required approvals under the Public Entities Transactions Law 5736-1976 (valid approval from the tax assessor or CPA confirmation indicating that the Bidder duly maintains the books and records it must maintain under the Income Tax Ordinance 5721-1961 and the Value Added Tax Law 5736-1975), and an affidavit under the Public Entities Transactions Law 5736-1976 in the form attached as **Annex 5** of the Tender Conditions Booklet;
- 4.1.3 **To prove the Bidder's compliance with the threshold condition prescribed in Section 3.1.4 above,** the Bidder should attach to its Proposal a tender guarantee as required in the said threshold condition and in Section 6.1 below according to the guarantee form attached as **Annex 6** to the Tender Conditions Booklet;
- 4.1.4 **To prove the Bidder's compliance with the threshold condition prescribed in Section 3.2 above,** (the professional threshold conditions) the Bidder should attach a duly made and verified affidavit in the form attached as **Annex 9** to the Tender Conditions Booklet, and, to the extent relevant - **Annex 14** (including a signed memorandum of understanding with the Bidder) and/or **Annex 15** (including the tree of holdings between the party for which experience is sought in attribution and the related company). The Bidder may also attach an appendix to **Annex 9**, detailing the scopes of each of the projects mentioned therein. In addition, where the Bidder proves compliance with the threshold condition under alternative B Section 3.2.2.1, it should also attach a CPA approval of the financial scope of the PPP Project or copy of a general license to provide mobile phone services, as the matter may be;

- 4.1.5 To prove the Bidder's compliance with the threshold condition specified in Section 3.3 above (the financial threshold conditions), all documents mentioned in Section 3.3.9.8 above will be submitted;
- 4.1.6 The Bidder should also attach to its Proposal all other documents required to prove that it meets the threshold conditions prescribed in Section 3 above.
- 4.2 The Bidder should attach to its Proposal, in addition to the other attachments required under the Tender Conditions Booklet and the signed Tender documents with every amendment, update and clarification thereto, including the signed Bidders' Meeting minutes, also the following:
- 4.2.1 Valid approval of tax withholding exemption;
- 4.2.2 A financial proposal, in the form attached as **Annex 3** to the Tender Conditions Booklet; **it is clarified that the price proposal may only be completed in the table found in the designated tab in the online system, no later than the Deadline for Submission of Proposals, and only Annex 3 itself should be signed and submitted with the other Tender documents, without indication to the price proposal amounts;**
- 4.2.3 A financial model as detailed in **Annex 21** of the Tender Conditions Booklet;
- It is clarified that **the financial model will be opened by the Customer only at the price proposal review stage** (stage B of the tender, as per Section 10.2.2 below).
- Without derogating from the above, the Bidder should specify the basic assumptions for the establishment costs and operation and maintenance services according to **Annex 22** and the Tender Conditions Booklet.
- 4.2.4 Attorney confirmation according to the form attached as **Annex 7** to the Tender Conditions Booklet;
- 4.2.5 Declaration of no payment of "brokerage fee" to "brokers" in the form attached as **Annex 8** to the Tender Conditions Booklet;
- 4.2.6 A Declaration Concerning the Absence of conflict of interest in the form attached as **Annex 16** to the Tender Conditions Booklet;
- 4.2.7 Confirmation that the Bidder downloaded, viewed and approved all Project specifications (Appendix A of the engagement agreement) in the form attached as **Annex 17** to the Tender Conditions Booklet;
- 4.2.8 Terms for participation in the tender using the Dekel Tender System in the form attached as **Annex 18** to the Tender Conditions Booklet.

- 4.3 The Bidder must complete all information that should be completed in all Tender documents.
- 4.4 All Tender documents as specified in Section 2 above, as well as clarifications published by the Customer in the tender, will be signed by the Bidder's authorized signatories in the space designated for the Bidder's signature (full name and corporate stamp, to the extent required) including attorney and/or CPA confirmation, to the extent required there. It is clarified that there is no need to sign each page, and the Bidder's signature in the designated spot in each document will constitute confirmation of its consent to all document pages as posted in the Ayalon Highway's Website, even if it is found that certain pages were omitted from the document submitted in the Proposal. Notwithstanding the above, there is **no** need to submit with the Proposal the specifications in Appendix A to the engagement agreement (Annex 17 of the Tender Conditions Booklet is submitted instead), while the insurance confirmation in the appendix to the engagement agreement and the guarantee in the appendix to the engagement agreement should be submitted, unsigned, as part of the agreement.
- 4.5 The Tender Committee may, but not obligated to, disqualify and not review a Proposal only because it was submitted without all said requested documents.
- 4.6 The Bidder must make sure that the identifying number in all submitted documents, including registration in the VAT (authorized dealer certificate) and Income Tax (confirmation of bookkeeping) is the same. If and to the extent that the identifying numbers mismatch, the Bidder will attach a confirmation/explanation from the competent authorities regarding the said mismatch.
- 4.7 The annexes to the Tender Conditions Booklet will be completed and submitted in Hebrew only. Additional documents, including supporting documents intended to establish, clarify or support the Proposal, will be in Hebrew or English only, and if originally composed in another language - submitted in a notarized translation into Hebrew or English.

## **5. Online Tender**

- 5.1 This tender will be conducted as an online tender under Regulation 19C of the Mandatory Tenders Regulations. Bidders are aware that they must act to have their Proposal submitted through the electronic bidding system maintained and operated by Dekel (the "**Online System**") and that proposals not submitted via the Online System will not be accepted in this procedure.
- 5.2 Anyone who wishes to participate in the tender must register to the Online System in advance. Advance registration requires entering the link to the Online System, to be posted in the Ayalon Highway's Website under the "tenders" tab in the relevant tender page, complete the required information and send the

registration request. Early registration is recommended to avoid late submission due to various delays and malfunctions.

- 5.3 It is clarified that if the participant registered to the Online System in the past, there is no need to register again.
- 5.4 After registering to the “tender”, the Bidder will receive an email confirming the registration from the system with the system login information. We recommend that Bidders retain this confirmation for continued monitoring and control.
- 5.5 If registration confirmation was not obtained, the Bidder should contact Ms. Katya Goldovitch of Dekel phone 04-8145400 line 1, or by email: [service@dekel.co.il](mailto:service@dekel.co.il) and verify that the tender registration application was completed. It is the Bidder’s sole responsibility to verify, sufficient time in advance, that the tender registration was duly executed and that it was provided with access to the Online System for its participation in the procedure, and the Bidder hereby irrevocably waives in advance any argument towards the Customer that the Bidder was unable to submit the clarification questions / proposal when due using the said Online System.
- 5.6 Since only a Bidder who completed prior registration to the tender and equipped itself with the identification measure as required may submit the clarification questions in the procedure / a proposal, no argument will be made that the Bidder was denied submitting its questions / proposal when due for any reason, including for technical malfunction, no appropriate Internet connection, or unavailability of technical assistance in conducting registration.
- 5.7 The Bidder must scan all Tender documents signed by it as set out in Section 4 above, including the tender annexes, and attach all documents required to support the Proposal and prove compliance with the threshold conditions.
- 5.8 We refer the Bidders to **Annex 18** to the Tender Conditions Booklet - conditions for participation in the tender via the Dekel Tender system.

## **6. Guarantees**

### **6.1 Tender guarantee**

- 6.1.1 The Bidder should attach to its Proposal an unconditional, autonomous and irrevocable bank guarantee of an Israeli bank or insurance company holding license to deal in insurance under the Supervision of Financial Services (Insurance) Law 5741-1981 in favor of the Customer in the form attached as **Annex 6** to the Tender documents, for a sum of ILS thirty million (30,000,000) (hereinafter: the “**Tender Guarantee**”), with a single guarantee or several, but no more than three (3) guarantees, each of them submitted according to the tender guarantee form attached as Annex 6 to the Tender Conditions Booklet.

- 6.1.2 The Tender Guarantee will be issued by one of the following:
- 6.1.2.1 An Israeli bank or Israeli financial institution rated (long-term corporate rating) at least Aa3.il by the rating company Midroog (or ilAA- by Ma'alot rating company);
  - 6.1.2.2 A foreign commercial bank (from a country maintaining diplomatic relations with the State of Israel) rated (long-term corporate rating) at least A+ by S&P rating company (or A 1 by Moody's rating company);
  - 6.1.2.3 A foreign insurance company (from a country maintaining diplomatic relations with the State of Israel) with a credit rating of at least A- with positive or stable forecast by the rating company S&P or Fitch, or a credit rating of at least A3 with a positive or stable forecast by Moody's.
- 6.1.3 A Tender Guarantee of a foreign qualified financing body will be confirmed by an Israeli qualified financing body.
- 6.1.4 The Tender Guarantee will be subject to the provisions of Israeli Law(s).
- 6.1.5 The Tender Guarantee is an integral part of the Proposal and must be submitted as part of it by the Deadline for Submission of Proposals.
- 6.1.6 The Tender Committee will not review a Proposal, to which a Tender Guarantee was not attached until the Deadline for Submission of Proposals -.
- 6.1.7 The Tender Guarantee will be effective until February 28, 2024 subject to Section 6.1.9 below.
- 6.1.8 **Note that the Tender Guarantee must but physically submitted to the Customer's offices in a closed envelope labeled with the tender name to the tenders box designated for the tender, located in the Customer's offices in Azrieli Rishonim building, 7<sup>th</sup> floor, 2 Nim Ave. Rishon LeZion, no later than the Deadline for Submission of Proposals. A Tender Guarantee submitted not in time and/or at a later hour than the above will be not accepted. Please coordinate the time with Ms. Farley Romi Richter, via email romir@ayalohw.co.il.**
- 6.1.9 As noted in Section 13.5 below, the Customer may ask the Bidder to extend the validity of its Proposal and in such event also extend the effect of the Tender Guarantee issued for a period prescribed by the Customer. Where the Bidder failed to extend the effect of its Proposal and/or Tender Guarantee, the provisions of Section 6.1.10 below shall apply.

6.1.10 The Tender Committee may order forfeiture of the Bidder's Tender Guarantee, all or some thereof, in its sole discretion, as liquidated damages without the need to prove damage after it was given the opportunity to make its arguments, in any of the following cases, without derogating from any other relief available to the Customer under these Tender documents and any applicable Law(s):

- (1) during the tender it acted cunningly, manipulatively or without integrity;
- (2) it provided the Tender Committee with misleading or inaccurate material information;
- (3) it withdrew its Proposal or any part thereof following the Deadline for Submission of Proposals or a Bidder Shareholder notified that it will cease being a shareholder of the Bidder;
- (4) the Bidder failed to extend the Tender Guarantee effect or failed to replace it by reason of decrease in the credit rating of a qualified foreign financing body as required by the Customer;
- (5) after being selected as the Winning Bidder, it failed to act under the provisions prescribed in the Tender documents that are a preliminary condition for forming the engagement with the Winning Bidder;
- (6) whenever the Bidder acts, with regards to the tender, in bad faith or outside the customary manner in tender procedures of this kind.

6.1.11 It is hereby clarified that the Tender Committee may, but is not obligated to, accept a Proposal notwithstanding a flaw in the Tender Guarantee form if it is convinced in its best discretion and under any applicable Law(s) that the deviation from the Tender Guarantee form attached to the Tender documents was in good faith and does not grant an unfair advantage or harm the principle of equality among Bidders.

6.1.12 If the Bidder's Proposal is denied or disqualified or the tender is canceled, the Customer will release the Tender Guarantee soon after the notice of the above. If the Bidder's Proposal is accepted, the Tender Guarantee will be released within three (3) days from the day it furnishes the Customer with the performance guarantee to secure its undertakings in the engagements, as specified in Section 0 below.

6.1.13 Submitting the Tender Guarantee for preliminary review

- 6.1.13.1 Without derogating from the above, a Bidder may submit a draft of the tender guarantee it intends to submit in the Proposal for pre-examination by the Customer no later than fourteen (14) days prior to the Deadline for Submission of



Proposals (“**Pre - Examination of the Tender Guarantee**”). The Pre - Examination of the Tender Guarantee request will be submitted to Adv. Or Baruch at [orb@ayalohw.co.il](mailto:orb@ayalohw.co.il), and should indicate in the email subject “Tender no. 65/22 - request for preliminary review of the tender guarantee.”

- 6.1.13.2 The Customer may inspect the tender guarantee draft and return it to the Bidder with notes or corrections, or approve it without changes.
- 6.1.13.3 Without derogating from the above, the Customer may publish its notes and even the language of the tender guarantee draft and its opinion on such language including permitted deviations from the language in this Tender Conditions Booklet to all Bidders, omitting the identity of the Bidder at whose request the tender guarantee draft was prepared.
- 6.1.13.4 Where a Bidder submitted with its Proposal a Tender Guarantee using the language pre-approved by the Customer, its Proposal will not be disqualified later if it is found (by the Customer, by another participant or as determined by a court) that its Tender Guarantee is flawed, subject to replacing it with an amended Tender Guarantee within three (3) days from the Customer’s demand to amend it.
- 6.1.13.5 The Bidder alone is responsible for the properness of its Tender Guarantee submitted, and the Pre - Examination of the Tender Guarantee may not impose on the Customer any liability for reviewing and approving or giving notes on the tender guarantee language.

## **7. Performance Guarantees**

In order to guarantee compliance with all its undertakings under the agreement:

- 7.1 The Winning Bidder will deliver to the Customer within sixty (60) days from receiving notice of winning the tender an irrevocable, unconditional, autonomous performance guarantee to the Customer’s order, according to the language in Appendix L of the engagement agreement, at a sum of ILS fifty million (50,000,000) (the “**Performance Guarantee**”). This Performance Guarantee will be in effect until the beginning of the last operation period year, at which time its amount will increase, as per Section 26.2 of the engagement agreement.



7.2 For this purpose, the letter of indemnity undertaking from the Winner Shareholders and Parent Company Guarantees submitted as per Section 10.4.1 below will also serve.

7.3 The Tender Guarantee will remain in effect and returned to the Winning Bidder only after the Customer's execution of the agreement. For the avoidance of doubt it is clarified that the Tender Guarantee will also serve to secure the Winning Bidder's undertakings in the tender until the execution of the engagement agreement.

## **8. Evaluation of Proposals**

In this tender, the only standard to consider the Proposals is the price proposal (100%).

## **9. Price Proposal**

9.1 An establishment grant with a total of ILS one hundred and fifty million (150,000,000) including VAT to be paid to the Winning Bidder as per the Consideration Appendix attached to the engagement agreement, and will be paid according to the payment milestones detailed in the Consideration Appendix of the engagement agreement.

9.2 The competition is based on the lowest price proposal for the fixed payment made to the Winning Bidder during the operation period.

9.3 The Bidder is requested to complete the total fixed payment requested by it for the provision of the Services in the price proposal form on the Online System only.

9.4 The Bidder is also requested to complete its choice on linkage differences (index and currency rate), on the Online System price proposal form, according to the instructions in **Annex 3**. This choice has no effect on rating the Bidder's Proposal.

9.5 In order to allow the Customer objective inspection of the Proposals' compliance with the threshold conditions prescribed for the tender, Bidders are required to complete their price proposal only in the table found in the designated tab in the Online System, no later than the Deadline for Submission of Proposals.

9.6 **It is stressed that the price proposal form in Annex 3 should be submitted together with the other Tender documents, signed without indication of the price proposal amount which, as noted above, should be completed in the Online System only.**

## **10. Examination of the Proposals and Selection of the winning Proposals**

10.1 The Customer will review the Proposals, and may use experts as it deems fit in its absolute discretion for this purpose.

10.2 This is a two-stage tender as defined in the Mandatory Tenders Regulations. The Proposals will be inspected in a gradual manner, by stages:

10.2.1 **Stage A- examination of the Bidders' compliance with the threshold conditions**

At this stage, the Proposal integrity and the Bidders' compliance with the threshold conditions will be examined. Only Bidders' which comply with the threshold conditions, will continue to Stage B.

10.2.2 **Stage B -examination of the price proposals (100%)**

the Proposals will be ranked from cheapest (ranked first) to the most expensive one.

10.3 The Customer will choose **one winner** in this tender, the Bidder who proposed the cheapest price proposal, subject to the Customer's rights noted in Section 15 below.

10.4 **Preliminary conditions for the Customer's execution of the engagement agreement**

10.4.1 Within sixty (60) days from receipt of the tender win notice, the Bidder should furnish the Customer with the following documents and information:

10.4.1.1 **Guarantees.** The Winning Bidder will furnish the Performance Guarantee as required in Section 0 above.

10.4.1.2 **Letter of indemnity undertaking.** The Winning Bidder will furnish a letter of indemnity undertaking in the form in **Annex 4** to the Tender Conditions Booklet from the Bidder's Shareholders and Parent Company Guarantees (if any), jointly and severally, with a total amount of ILS two hundred million (200,000,000). The letter of indemnity undertaking will be effective until the full performance of the undertakings for which it was issued, as of the execution of the engagement agreement with the Winning Bidder.

10.4.1.3 **Confirmations by the Public Entities Transactions Law.** The Winning Bidder will furnish the Customer with all required confirmations by the Public Entities Transactions Law 5736-1976.

10.4.1.4 **Insurances.** The Winning Bidder will furnish the Customer with all insurances required for the stage of engagement agreement execution according to the provisions of the appendix to the engagement agreement.

- 10.4.1.5 **Approval of Project contracts.** The Winning Bidder will receive the Customer's approval to the Project contracts with the operation contractor, establishment contractor and toll system contractor as noted in the appendix **to the engagement agreement - principles for engagement in the Project contracts** that meet all the requirements elaborated in that appendix. Bidders are referred to the dates prescribed in the appendix to bring the Project contracts to the Customer's inspection. With respect to the contract with the operation contractor, the Bidder would have to demonstrate the operation contractor shareholders and to prove that the party with experience in a toll project holds the operation contractor as required in Section 3.2 above.
- 10.4.1.6 **Key personnel approval.** The Winning Bidder will receive the Customer's approval to the identity of the key personnel for the planning stage (as defined in the manpower chapter of the specifications, except for the key persons for the service apparatus). In order to meet the said date, the Winning Bidder must submit to the Customer within fifteen (15) days from receiving the win notice, their information, résumé, and any other document required to prove that they meet the preliminary demands of the specifications (if any).
- 10.4.1.7 **Skeleton Project timetable.** In order to meet the said date, the Winning Bidder will present to the Customer a skeleton timetable to provide the Services within twenty one (21) days from receiving the win notice, which includes reference to every subject detailed in the appendix to the **engagement agreement - timetables** and amend it according the Customer's demands.
- 10.4.1.8 **Signing Project specifications.** The Winning Bidder will submit to the Customer all specifications found in the link published in **Annex 17**, signed on the first page of each volume, by the Bidder's authorized signatories.
- 10.4.1.9 **New Vendor Form.** The Winning Bidder will furnish to the Customer **Annex 20** to the Tender Conditions Booklet, duly signed.
- 10.4.2 Where the Winning Bidder failed to meet the conditions detailed in Section 10.4.1 within sixty (60) days from receiving the tender win notice, without derogating from every other right and relief available to the Customer under this tender or any applicable Law(s), including the

right to annul the Bidder's win and forfeit the tender guarantee as liquidated damages, the Customer will be entitled to receive from the Winning Bidder liquidated damages for every day of delay in completing the preliminary conditions. The liquidated damages for the first two weeks of delay will amount to ILS five thousand (5,000) for each day of delay or part thereof. After two weeks of delay, the liquidated damages amount will increase to ILS twenty thousand (20,000) for each day of delay or part thereof, and after another week the amount will increase to ILS fifty thousand (50,000) for each day of delay or part thereof. The liquidated damages may be collected, inter alia, from the Tender Guarantee.

- 10.4.3 Only once the above preliminary conditions are met to its full satisfaction, the Customer will execute the engagement agreement within sixty (60) days from the date in which all said conditions were met.
- 10.4.4 For the avoidance of doubt, it is clarified that prior to the formal execution of the engagement agreement by the Customer, there will be no effective agreement between the parties. The Customer's notice of tender results in itself will not be considered in any way to create a contractual relationship between the Customer and Bidder, or to invalidate the other Proposals.
- 10.4.5 Where the Winning Bidder complied with the conditions specified in Section 10.4.1 but the Customer failed to execute the engagement agreement with it within sixty (60) days from the date in which all conditions were met as per Section 10.4.3 above, the Customer will pay the Winning Bidder ILS three hundred thousand (300,000) for each month of execution delay (and a relative part with respect to any part thereof) as of the sixty-first day (61). If the Customer fails to execute the agreement within six (6) months from the issuance of a win notice to the Winning Bidder, it will pay damages as if it canceled the tender as per Section 15.3.2 even if no termination notice was sent, in addition to the said monthly damages, and the Winning Bidder will not be liable to provide the Service. It is clarified that if both parties wish for the Bidder's Proposal to remain in effect, the Bidder may extend the validity of its Proposal and of its Tender Guarantee.

## 10.5 **Alternative Winner**

- 10.5.1 Once the Winning Bidder is chosen, the Customer may (but not obligated to) declare, in its sole discretion, that the Bidder who submitted the second-ranked Proposal is considered winner no. 2 (the "**Alternative Winner**").

- 10.5.2 Where the Customer chose an Alternative Winner, it may ask the Alternative Winner to retain its Proposal with all its conditions and undertakings in full effect without reservations, for a period that will not exceed eighteen (18) months from the declaration on the Winning Bidder, in written notice sent to the Alternative Winner (hereinafter, respectively: “**Alternative Winner Proposal Effective Period**” and “**Customer Notice to Alternative Winner**”). In such event, the Alternative Winner will extend the validity of its Proposal, including the Tender Guarantee included therein for the Alternative Winner Proposal Effective Period as specified in the Customer Notice to Alternative Winner. The Alternative Winner will be entitled to consideration of ILS twenty five thousand (25,000) for each month in which the Alternative Winner’s Tender Guarantee remains in effect as of its declaration as an Alternative Winner, and a relative amount for part of a month.
- 10.5.3 Where an agreement was not yet executed between the Winning Bidder and the Customer, or an agreement was already executed between the parties and the Customer sent the Winning Bidder notice of its termination under the provisions of the agreement, the Customer may execute an engagement agreement with the Alternative Winner, subject to the Alternative Winner Proposal Effective Period has not yet elapsed. The Customer’s resolution in this matter will be made according to the Customer’s internal process and subject to the provisions of any applicable Law(s).

## **11. Contradictions and/or Non-Conformities, Clarifications and Changes**

- 11.1 To the extent, according to the Bidder’s opinion, the Tender documents include contradictions or unclarity, the Bidder may appeal in writing **up to the date prescribed in Section 1.12 above**, via the designated tab in tender page in the Online System, and detail any clarifications, contradictions, errors, non-conformities or doubts found by it, concerning the exact meaning of any clause or detail.
- 11.2 To clarify, for the purpose of submitting clarification questions, it is necessary to register to the Online System as per Section 5 above.
- 11.3 As noted in Section 1.12 above, two rounds of clarification questions will be held, without derogating from the Customer’s right to order of one or more additional clarification rounds, as it deems fit, including after publishing the Billing Gates design documents. It is, however, clarified that without derogating from this Section 11, **the Customer may refuse to answer in round B clarification requests that concern this Tender Conditions Booklet (this document) which could have been submitted in round A.**

- 11.4 The Customer's answers to the Bidders' inquiries will be uploaded to the tender page in the Online System, under the tender tab, and will be available to the Bidders' inspection, together with all other Tender documents. **Bidders must keep themselves updated on the website at all times concerning the Customer's publications on the tender.**
- 11.5 Note, at the Deadline for Submission of Clarification Questions, the Online System will be locked for submitting clarification questions. Clarification questions may not be submitted in any other manner except as specified above using the Online System.
- 11.6 Anyone not making such inquiries will be precluded from making arguments of unreasonableness and/or unclarity, errors, non-conformities, mistakes, etc.
- 11.7 The Customer may ignore clarification requests and/or reservations and is not obligated to publish the inquiries/clarifications in the manner in which they were asked as per Section 11.1 above, or some thereof, and may also deliver its response to all Bidders (without naming the Bidder who inquired), all in its sole discretion. If the Customer failed to refer to an inquiry and/or reservation by the Deadline for Submission of Proposals, it would be considered rejection of the Bidder's inquiry.
- 11.8 Without derogating from the above, the Customer reserves its right to introduce amendments and modifications to the Tender documents by the Deadline for Submission of Proposals, by its initiative or in response to the Bidders' questions, all in its sole discretion. Such amendments and modifications will be an integral part of the tender conditions and be brought, in writing, to the attention of all tender participants with a notice posted on the Ayalon Highway's Website. To the extent such modifications are material and necessitate, by the Customer's opinion in its discretion, postponing the Deadline for Submission of Proposals, the Customer may notify of such postponement.
- 11.9 Any answer of the Customer and/or its representative to the Bidder will be in writing only and no answer given in another manner will have any effect. The Customer will not be responsible to verbal explanations by its employee, sub-contractors and/or anyone else with respect to the tender conditions and/or Proposal, and the relationship between the Customer and Bidders will be based on written documents only.
- 11.10 It is clarified that the Customer's response to the Bidders' inquiries for clarifications and/or modifications, if any, by the Customer's discretion, will not name the Bidder who approached it.

## **12. Bidders' Meeting**

- 12.1 The Customer intends to hold a Bidders' meeting. The purpose of the meeting is to provide general background on the tender and answer questions from the

Bidders that may arise. At the same time, for avoidance of any doubt, the Bidders' Meeting is a tool meant to try and resolve questions that may arise. It is declared and clarified that any verbal statement during the Bidders' meeting will not bind the Customer, will not constitute any representation, and may not contradict the Tender documents. By participating in the Bidders' Meeting, the Bidder consents to this condition.

12.2 Unless determined otherwise, **the Bidders' Meeting will take place at the date prescribed in Section 1.12 above. The meeting will take place online, and the link will be published in a clarification notice soon prior to its date.**

12.3 **It is hereby clarified that participation in the Bidders' Meeting is not mandatory.** It is further clarified that the Customer, in its sole discretion, may hold one or more additional Bidders' Meeting.

### **13. Proposal Submission**

13.1 The Proposal, with all annexes thereto, including all documents and proofs which the Bidder is required to attach, will be submitted in the Online System as detailed above, **except the Tender Guarantee which will be physically submitted as noted in Section 6.1.8 above.**

13.2 You may not submit the Proposal in a different manner, including via email, in the Customer's offices, fax or mail.

13.3 **The Deadline for Submission of Proposals is prescribed in Section 1.12.** A Proposal not submitted to the online tenders' box by such date will be disqualified.

13.4 The Proposals will remain in effect without the right of withdrawal for 12 months.

13.5 It is clarified that in case no Winning Bidder is chosen or the Customer fails to sign an engagement agreement with the Winning Bidder during the validity of Proposals period, the Tender Committee may extend the validity of the Proposals for another period or several additional periods of up to twelve (12) months, cumulatively, (in this Section, the "**Extension Period**"), in its absolute discretion with the written notice delivered to all Bidders. Where the Tender Committee extended the Proposal' validity period as noted above, the Proposals will remain in full force and effect until the end of the Extension Period as determined by the Tender Committee as noted above, and the Tender Guarantee of each Bidder will be extended until the end of the Extension Period accordingly (as detailed in Section 6.1.9) above.

13.6 Where the Proposal or Extension Period expired, as the matter may be, the Proposals will remain in effect as long as not canceled by the Bidders in a written notice to the Tender Committee at shanil@ayalohw.co.il.



- 13.7 Where the Winning Bidder or Alternative Winner was declared, their Proposals will be extended as noted in this Section and the instructions of the Tender Committee.
- 13.8 Throughout the Proposal validity period and the Extension Period, the Bidder, any of the Bidder's Shareholders, the Parent Company Guarantee (to the extent relevant) and any other party through which the Bidder proved its compliance with the threshold conditions may not withdraw the Proposal or any detail therein in any manner, and in this regard, may not refrain from complying with any demand or condition by which it is liable under the Tender documents including all conditions of the engagement agreement signed by it and every detail of its Proposal.
- 13.9 Redacted copy
- 13.9.1 The Bidder must clearly and expressly indicate in its Proposal the data and documents included therein which it believes constitute confidential information. It is clarified that in any case, the final and exclusive discretion on such data and/or documents is given to the Customer.
- 13.9.2 Without derogating from the above, the Bidders may submit an additional copy of the documents filed by it, redacting information which the Bidders believe to be confidential or a trade or professional secret that may not be disclosed to the other Bidders. Such copy will be marked with the words "*commercial confidentiality*" and attached as a document in the Online System.
- 13.9.3 It is clarified that to the extent the Bidder does not win the tender and wishes to inspect the winning Proposal, it may not inspect that parallel data in the winning Proposal which were redacted in its Proposal and defined by it as a trade or professional secret. For the avoidance of doubt it is made clear that the Bidder's price proposal will not be considered information subject to professional or trade confidentiality.
- 13.9.4 The Customer has extensive discretion on what is considered a trade secret, it is not bound to accept the Bidder's opinion and will not be required to reason its decision on information disclosure. Without derogating from the above, it is clarified that the Bidder's price proposal and information relating to its compliance with the threshold conditions and mandatory requirements - is presumed not to be confidential information. For the sake of good order, it is hereby clarified that to the extent the Customer chooses to disclose to other Bidders information marked by the Bidder as information that may not be disclosed, the Customer would notify the Bidder, prior to disclosing the information of its decision about the information it intends to



disclose to the other Bidders, and give the Bidder forty eight (48) hours to appeal such decision.

- 13.9.5 For the avoidance of doubt, if the Bidder fails to submit such redacted copy, the Customer may disclose to the other Bidders its full Proposal with all its details and conditions, in its sole discretion and without prior notice.

## **14. Reservation**

14.1 No modification may be made to the Tender documents, whether by adding, deleting or in any other manner. In any case of change, omission or addition made by the Bidder to its Proposal, compared to what the Tender documents require, or any reservation concerning the requirements, in any manner or form (herein above and below, “**Reservation**”), the Customer may:

14.1.1 Disqualify the Proposal;

14.1.2 Consider that the Reservation was never written, and ignore it;

14.1.3 Consider the Reservation as a technical defect only, and qualify it;

14.1.4 Demand that the Bidder amends the Reservation, whether by submitting a clarification to the Proposal, all or some thereof, whether by notice of the Bidder to the Customer that it removes the Reservation, or in any other manner, in the Customer’s sole discretion;

14.2 It is clarified that choosing among the above options will be in the Customer’s sole discretion. If the Customer decides to act by one of the alternatives listed above, and the Bidder notifies that it refuses to consent to its decision, the Customer may disqualify the Bidder’s Proposal, without derogating from any other right and authority granted to the Customer. Under special circumstances, the Customer may be lenient with a certain requirement, if it deems that it is for the best interests of the Project.

## **15. Rights of the Customer**

15.1 Without derogating from any provision herein and in addition thereto, the Customer may, but not must, deny any Proposal that is incomplete or unclear or not made according to the Tender documents, in the Customer’s final and sole discretion.

15.2 The Customer retains its right to cancel the tender for any reason at any time, including after the Deadline for Submission of Proposals. In this regard, the number of Proposals submitted, their nature and the price proposals reasons based on which the Customer may decide to cancel the tender.

15.3 Without derogating from the above, where the tender proceedings were discontinued by the Tender Committee for reasons unrelated, directly or

indirectly, to the Proposals, the Bidders, or the Bidders' compliance or non-compliance with the tender requirements, acts, omissions or other defects:

- 15.3.1 After the Deadline for Submission of Proposals and prior to the declaration on Winning Bidder - every Bidder who whose Proposal was found to qualify, will be entitled to compensation for expenses incurred by it by reason of its participation in the tender at an amount that in any way will not exceed ILS one million (1,000,000) (including VAT), subject to providing a written confirmation from an external CPA detailing and approving the said expenses;
- 15.3.2 After the declaration of the Winning Bidder and prior to the agreement execution - the Winning Bidder will be entitled to compensation at an amount that in any way will not exceed ILS two million and five hundred thousand (2,500,000) (including VAT), subject to providing a written confirmation from an external CPA detailing and approving the said expenses.
- 15.4 For the avoidance of doubt, it is clarified that the compensation amounts indicated in Sections 15.3.1 and 15.3.2 above, constitute liquidated damages and a sole relief of the Bidder for discontinuation of the tender process, and the Bidder represents and agrees that the liquidated damages amounts are reasonable with respect to the foreseeable damage, and that except for them the Bidder will not be entitled to any other or additional right or relief from the Customer.
- 15.5 The Customer reserves the discretion to update, modify, amend, add, diminish, limit, cancel or clarify any condition, provision, demand or date included in the Tender documents to the extent it believes that such update, modification, amendment, addition, reduction, limitation, reservation, cancellation or clarification, are needed for the purposes of the Tender documents or the Customer.
- 15.6 The Customer may decide that non-conformity of a Proposal to the Tender documents conditions constitutes a clerical or accounting error in the Proposal or another error that may be corrected under any applicable Law(s), and correct it. Such decision and correction will be kept on record.
- 15.7 The Customer reserves the right to waive any demand or condition herein which are immaterial and may not harm the principle of equality, all in the discretion of the Tender Committee.
- 15.8 The Customer reserves the right, in its sole discretion, to ask all Bidders to amend their Proposals, including remove any defect from the Proposal, and resubmit it, including as part of negotiation with Bidders.
- 15.9 Given the complexity of the Services contemplated herein, their extent, essence and timetable for performance, and without derogating from this Section 15, it

is hereby expressly clarified and stressed that the Customer does not undertake to accept any Proposal, and reserves the right to reject any or all Proposals, in its final and sole discretion. In this regard, it is hereby expressly clarified and stressed that the Customer does not undertake to accept the lowest price proposal or any Proposal, and reserves the right to deny any or all Proposals, in its final and sole discretion, inter alia, noting the Project budget.

- 15.10 Regulation 7 of the Mandatory Tenders Regulations applies to this tender. Without derogating from the Customer's rights under the Tender documents and any applicable Law(s), during the review of Proposals procedure, the Customer reserves the right, at any stage, to negotiate with the Bidders or some of them, several times without limitation, subject to the provisions of the Mandatory Tenders Regulations and any applicable Law(s). In this regard, without derogating from the above, it is made clear that the Customer may, but not must, if it believes that none of the Proposals may be accepted, negotiate with the final group of Bidders determined by it, in its discretion, allow the Bidders in that group to improve their Proposals, and according to the outcomes of such negotiations decide whether to accept their improved Proposals to replace their original Proposal, or cancel the tender.
- 15.11 Without derogating from any right available to it, the Customer may include among its other considerations the Bidder's qualifications, experience in performing similar services, including prior services performed for the Customer as the Customer deems fit. The Customer may also reject a Proposal, inter alia, based on the Customer's bad experience with the Bidder and/or familiarity with the Bidder, or, if it is a corporation, bad experience with the individuals or bodies controlling it and acting on its behalf and/or its familiarity with them. The Customer may also reject a Proposal if it finds, after conducting inspections and by its professional judgment, that other public bodies have had bad experience with the Bidder and if the Bidder is a corporation - with the individuals or bodies controlling it and acting on its behalf.
- 15.12 The Tender Committee may also not consider a Proposal that is in deficit and/or unreasonable Proposal and/or if the Tender Committee believes that the Bidder will not be able to execute the Project under the conditions of the price proposal and/or that the Bidder's assumptions in the Proposal do not allow it to meet all its undertakings under the agreement, all, according to the professional sole discretion of the Tender Committee. Without derogating from the above, the purpose of submitting the financial model is to enable the Customer to evaluate the Bidder's business analysis of the Project and understanding its complexity, and the Customer may disqualify a Proposal that includes an incomplete and/or wrong financial model and/or one which is based on misguided assumptions and/or faulty understanding of the Project and/or tender, in its discretion. It is clarified that the price proposal is binding for the Bidder and Customer. It is

further clarified and stressed that the financial model will not serve for any reliance with respect to the Project, including calculation of modification instructions, cancellation scenarios, compensation, etc.

15.13 The Tender Committee may also, but not must, disqualify a submission or condition the continued participation of the Bidder in the procedure, or its declaration as the winning bidder, in one or more of the following circumstances:

15.13.1 Any change to the Bidder, Bidder Shareholder, Parent Company Guarantee or any other party used to prove compliance with the threshold conditions, that did not receive the Customer's prior written approval and/or that leads to the threshold conditions not being met or another cause for disqualification arises.

For the purposes of this Section 15, each of the parties through which the compliance with the threshold conditions was proved, will be referred to as "**Participant**".

15.13.2 The commencement of liquidation, receivership, settlement and compromise against a Participant, provided that such procedures were not annulled with a court resolution after holding discussion in the presence of the parties, or within reasonable timeframe determined by the Tender Committee.

15.13.3 The commencement of voluntary liquidation, bankruptcy or cease of operation initiated by a Participant.

15.13.4 The commencement of merger proceedings or proceedings with a view of merger or change to the ownership structure without the prior written approval of the Tender Committee.

15.13.5 The conviction of the Participant, or its holder of control or officer, in an offense of the type that the company may consider under the Criminal Register and Rehabilitated Offenders 5779-2019, as amended from time to time, and which the Tender Committee believes may materially affect the Participant's conduct or imply to the Participant's integrity or credibility, or an indictment was filed against any of those or it was involved in committing an offense under a foreign Law(s) that relates to bribery or corruption.

15.13.6 Where the Customer learned that the Bidder or anyone on its behalf offered any gift or benefit to any public officer, government officer or any third party, or solicited, promised or accepted any gift or benefit for itself or a public officer, government officer any third party in order to obtain favorable treatment of any kind, including license,

permit, authorization, consent or decision related to this tender or to any part of the Project or the Project Services in any way.

- 15.13.7 In case the Participant, its officer or organ, are citizens or residents of a country that has no diplomatic relations or no full trade relations with Israel, or that they have become citizens or residents of a country that has no diplomatic relations with Israel or that they have become citizens or residents of the country that has no full trade relations with the State of Israel after the Deadline for submission of Proposals.
- 15.13.8 In case the Participant received and/or receives services, for participation in the procedure, from one of the Customer's Consultants, without the prior approval of the Tender Committee according to Section 16 (duty to avoid conflict of interest) above or breached the duty to avoid conflict of interest prescribed in such Section in any other way.
- 15.13.9 In case of an extraordinary event that materially affects the ability of the Participant, at the determination of the Tender Committee, to execute the Project, or that Tender Committee believes may prevent its participation in the Proposal or tender procedure or their involvement in the Project, including in case of offenses.
- 15.13.10 A material breach on the Participant's part of the Tender documents provisions, including the representations and warranties submitted by it, including representing information that is incorrect or intended representation of incomplete information to the Tender Committee, and coordinating of Proposals with other Bidders.
- 15.13.11 Any other reason for which the Tender Committee believes denies the Bidder from executing the Project if it is declared the Winning Bidder, or any other reason which the Tender Committee finds, in its sole discretion, to justify disqualifying the Bidder's Proposal.
- 15.13.12 Any other reason for which the Tender Committee believes that the Bidder is not fit to be a Winning Bidder, including for lack of creditability and reliability of the Bidder in the tender stage. As for lack of credibility and reliability of the Bidder in the tender stage, the Tender Committee may take any action it deems fit.
- 15.14 The Bidder is required to notify the Tender Committee of the occurrence of each of the events specified in this Section 15 soon after the occurrence of every such event. The Tender Committee will make its decision based on the information provided by the Bidder and any other information brought to its knowledge. The Tender Committee may also ask the Bidder to furnish further information, as it deems fit.

15.15 Where the Tender Committee decides to disqualify a Proposal or prescribes conditions or limitations to a Bidder's participation in the tender stage under this Section 15 it will give the Bidder the opportunity to make its arguments in writing against such disqualification, conditions or limitations, as the matter may be.

## 16. Conflict of Interest

The Customer hereby notifies the Bidders of the following:

- 16.1 An organ of the Bidder (including director or CEO), its relative, agent or partner, or a corporation directly or indirectly holding any rights thereto by one of the above and/or one of the above is a manager thereof, cannot participate in this tender. In this regard – “**relative**” - spouse, parent, child or sibling.
- 16.2 The Bidder represents that while preparing the Proposal in the tender stage and when executing the Project, if it is declared as the Winning Bidder, it must avoid conflict of interest of any kind whatsoever, including those that may arise from other undertakings of the Bidder or employing employees or consultants or sub-contractors that had business or other relations with the Project. In this regard – the “Bidder” including Bidder Shareholder and guarantor (to the extent relevant) including every legal entity that Controls, is under shared Control with, or is under the Control, of such entity.
- 16.3 The Customer's Consultants in this tender or Project, including those listed in **Annex 19** to the Tender Conditions Booklet, may not participate in a Proposal, their direct or indirect holding of Means of Control in the Bidder, or their direct or indirect consulting to the Bidder or Bidder Shareholder, without the prior written approval of the Tender Committee is prohibited and constitutes a breach of the duty to avoid conflict of interest. The Tender Committee may perform any of its rights and authorities by the provisions of the Tender documents by any of the Customer's Consultants.
- 16.4 Notwithstanding the provisions of Section 16.3, consulting of Customer's Consultants to Bidders, that meets the following cumulative conditions, will not constitute a breach of the duty to avoid conflict of interest:
- 16.4.1 The services provided by the consultant are unrelated directly or indirectly to the tender procedure or the Project;
- 16.4.2 The services are provided to the Bidder by different teams of the consultant than those advising the Customer or related to the Project in any way, and report to another party in the consultant than the party to which the teams advising the Customer report, and they are not involved in the Project in any role; to clarify, with respect to consultants from smaller firms, compliance with this condition may not necessarily suffice to permit the consulting.



- 16.4.3 The consultant's income from all services provided to the Bidder does not exceed 1% of its annual income.
- 16.4.4 The consultant notified the Tender Committee of such consulting and did not receive notice from the Committee that there is concern for conflict of interest with respect to such consulting.

The Tender Committee is authorized to modify the conditions prescribed in this Section or fully rescind it in its full discretion.

- 16.5 A Bidder or anyone on its behalf for which there is concern for conflict of interest with the Services contemplated herein and/or concern for conflict of interest between it and the Customer, including accepting advice from any of the Customer's Consultants listed in **Annex 19** in a matter related to the Services contemplated herein, may not participate in the tender without the Customer's approval and subject to conditions prescribed by it in its sole discretion.
- 16.6 Without derogating from the Bidder's duty to avoid conflict of interest, every Bidder is required to notify the Tender Committee in the relevant sections of the Proposal form submitted in the submission documents, of any relation between it and any of the Customer's Consultants.
- 16.7 It is hereby clarified that as part of its rights, the Tender Committee may take any action and order and instruction that may, in its sole discretion, alleviate concern or alleged concern for current or future conflict of interest, including ordering a change in the engagement terms or termination of engagement between any of the Customer's Consultants or anyone on its behalf, between any of the Customer's Consultants and any of the Bidders, Bidder's Shareholders and guarantors, or prevent or disqualify participation of Bidders, Bidder's Shareholders or guarantors.

## **17. The Right to Review the Winning Proposal**

Once the tender procedure is complete and the tender results are announced, the tender participants may review the tender materials as per Regulation 21(e), Mandatory Tenders Regulations. The review will take place in the Customer's offices, subject to sending a written request for review to the Customer and prior coordination of the review date with the Customer's representative via shanil@ayalohw.co.il, and subject to payment of ILS 500 of expenses to the Customer for sending material for review and/or review meeting, to cover the expenses involved.

## **18. Insurance Requirements**

The Customer directs the Bidders' attention to its requirement that the Bidders maintain insurances. Any reservation on insurance requirements should be brought up in an inquiry for clarifications within the prescribed date. No reservations on insurance requirements will be heard once the Proposal is submitted.

**19. General Terms and Conditions**

**19.1 Budget approval**

It is clarified that on the publication of this tender the budget approval for performing the Services has not yet obtained. Therefore, there is a possibility that the tender is canceled and/or the Services start date is postponed. By submitting a Proposal, Bidders are considered to have consented to and approved the above, and to have waived any argument, demand and/or claim against the Customer and/or anyone on its behalf in this matter and undertake to not raise any argument, demand and/or claim against the Customer and/or anyone on its behalf with respect to the tender cancellation and/or postponement of the Services performance date by reason of failure to obtain budget approval.

**19.2 Applicable Law**

This procedure is subject to the Law(s) of the State of Israel as may be amended from time to time. Proposals will be prepared and submitted in accordance with any applicable Law(s) and the Bidders will be considered to have received the appropriate legal advice regarding participation in the procedure and Proposal submission.

**19.3 Jurisdiction Clause**

Any matter relating to this procedure will be resolved only in the competent courts of the Central District.

Orly Stern

Director      General,  
Customer

**Bidder's Confirmation**

**I hereby confirm with my hand that I have read this document in full and I hereby confirm its conditions.**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Bidder's signature**  
**(Signature and stamp)**



**Bidder Profile and Representations**

Bidder name: \_\_\_\_\_

Authorized Representative: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

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

Email: \_\_\_\_\_

**\* Attach the Bidder’s certificate of incorporation + Registrar of Companies registration extract + articles of association**

Rate of holdings in Means of Control:

Bidder Shareholder	Holdings rate in each category of Means of Control

**\* Attach a control tree of the Bidder up to the level of individuals at the end of the holdings chain.**

**Bidder representations:**

- a. We, the undersigned, authorized to sign and undertake on behalf of the Bidder, after thoroughly reading, inspecting and understanding the instructions of Ayalon Highways Co. Ltd. (the “**Customer**”) in the online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of a Congestion Tax project (the “**Tender**” and “**Project**”, respectively), with all conditions and requirements detailed in all Tender documents and their annexes, appendixes and schedules, hereby offer the Customer that the Bidder establishes the Project, all as specified in the Tender with all its annexes, appendixes and schedules.

- b. We hereby represent that we have understood everything in the Tender documents and made our Proposal accordingly. That we have meticulously studied and inspected everything in the Tender documents and inspected all physical and legal requirements, conditions and circumstances that may affect our Proposal or the performance of the Services contemplated in the Tender. That we consent to the entire provisions of the Tender documents and undertake not to bring any claims or demands based on lack of knowledge and/or misunderstanding and we hereby waive in advance every such argument. Without derogating from the above, we are aware and consent to that by submitting our Proposal, we expressly waive any argument of any kind whatsoever of non-conformity and/or deviation of any kind whatsoever of the Tender conditions and/or any condition of the Tender, from any applicable Law(s).
- c. We represent that we meet all the conditions required in the Tender and that our Proposal meets all Tender documents requirements and that we assume the undertakings according to the Tender documents conditions, including the agreement.
- d. We represent that we are aware that performing the Services under the Tender documents requires confidentiality of information coming to our possession and maintaining a high level of credibility and reliability, and we undertake to follow the Tender documents instructions and to fulfill all our undertakings by this Tender with credibility and reliability while strictly maintaining the provisions of any applicable Law(s). We represent that we may not transfer any information which came into our possession resulting of our participation in this Tender to any other party or to use it in any way outside this Tender.
- e. We hereby represent that this Proposal is submitted without any contact and/or coordination with other Bidders and that we did not disclose the details of our Proposal to other Tender participants.
- f. We represent that this Proposal is within the goals and authorities prescribed in the documents of the Bidder on which behalf the Proposal is submitted, that we are authorized to sign this Proposal on the Bidder's behalf, and that there is no preclusion by Law(s) or agreement to our signature on this Proposal.
- g. Our Proposal is made according to the Tender and all its annexes, appendixes and schedules, all documents related to the Proposal were delivered and/or made available to us, and we received explanations on anything related to the Proposal and performing the Services in the Tender.
- h. We hereby authorize the authorized representative detailed above to negotiate with the Customer on the Bidder's behalf and receive notices or instructions for it and on its behalf, whose signature will be binding upon the Bidder in every respect related to the Tender procedure and the Project.
- i. We hereby represent and undertake that if our Proposal is accepted, we will meet all preliminary conditions for the execution of the agreement by the Customer, including depositing the Performance Guarantees and all additional documents that need to be

provided; we will sign the engagement agreement and perform all Services according to all conditions of the Tender, annexes, appendixes and schedules to your full satisfaction in the form of our price proposal and the consideration specified in the Tender. We further undertake not to transfer to any other party any of our rights under the agreement and not to add or join any partner or form another corporation to obtain use of our rights.

- j. Where, for any reason, we fail to meet our undertakings under the Tender conditions, including non-compliance with the preliminary conditions for the execution of the agreement by the Customer and/or deposit the required guarantees and/or deposit any other document required in the Tender documents, we consent that you exercise the Tender Guarantee and the amount of the Tender Guarantee will be forfeited by you as liquidated damages determined in advance, without derogating from any other right available to you.
- k. This Proposal is submitted after we have inspected and considered, including through experts and consultants, the Tender conditions and timetable, and after we have reviewed and assessed all factors that may implicate the performance of the Project and our undertakings by the contract including all risks related to the Project.
- l. To the best of our knowledge and after conducting proper inspection, all data, representations and declarations included in the Proposal are true, complete, and current for the Proposal submission date, and no detail was omitted from the Proposal that may affect the Customer's judgment.
- m. We are not directly or indirectly related to any of the consultants listed in **Annex 19** of the Tender documents.
- n. To secure the performance of the Proposal, we hereby attach a Tender Guarantee by the form in **Annex 6** of the Tender Conditions Booklet. We also attach to our Proposal all Tender documents signed by us. We are aware that failure to complete or attach any document or making any modification/addition to the Proposal documents may disqualify the Proposal.
- o. This Proposal is irrevocable and may not be terminated or modified and will remain in effect until the date indicated in Section 13.4 of the Tender Conditions Booklet (including extension, if any). We agree that you may, but not must, consider our Proposal and its acceptance by you, as a binding contract between us. We are also aware that you may cancel the Tender or use any right available to the Customer under the Proposal.
- p. Criminal information:
  - There are no convictions for offenses listed in the Fourth Schedule of the Criminal Register and Rehabilitation of Offenders Law 5779-2019 against the Bidder or against us or against the direct or indirect holder of control in us or against an officer in any other above, and no indictment was filed against any of the above and none

of them was involved in committing an offense under a foreign law that relates to bribery or corruption.

or -

- All convictions for offenses listed in the Fourth Schedule of the Criminal Register and Rehabilitation of Offenders Law 5779-2019 and indictments / convictions for offenses under a foreign law that relates to bribery or corruption against us, or against the direct or indirect holder of control in us, or against an officer in any of the above are listed below:

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Names of signatories for the Bidder:

Name: \_\_\_\_\_ ID: \_\_\_\_\_ position: \_\_\_\_\_

Name: \_\_\_\_\_ ID: \_\_\_\_\_ position: \_\_\_\_\_

Bidder signature(s) and stamp	Date	Attorney signature and stamp	Date
		<p>I hereby represent and certify with my signature that the persons signing on the Bidder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Bidder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>	

**Annex 2 - Representations and Warranties of the Shareholders and Parent Company**

**Guarantees**

[This annex will be completed **separately** by each Bidder's Shareholders together with the Parent Company Guarantee (to the extent relevant).

Where the Bidder is declared winner in the tender, the annex will be annexed to the agreement]

To

Ayalon Highways Co. Ltd. (the "Customer")

2 Nim Ave. St.

Rishon LeZion

Warranties of the Shareholders and Parent Company Guarantees

**1. General Information**

Shareholder name: \_\_\_\_\_

Private/public company \_\_\_\_\_

number:

Holdings in the Bidder: % \_\_\_\_\_

Parent Company Guarantee \_\_\_\_\_

name:

Holdings in the Bidder: % \_\_\_\_\_

**2. Representations and Warranties**

The Shareholder and Parent Company Guarantee hereby represent and warrant, jointly and severally:

2.1. We have received, read and understood the Tender documents including the engagement agreement and its appendixes and schedules (the "**Tender Documents**"), and after inspecting and assessing in the eyes of an expert, including through third parties on our behalf, all factors that may impact the Project execution and performing all the Bidder's undertakings by the Tender Documents, including the legal, technical, engineering, technological, financial, economic risks, security instructions, design and establishment risks, operation and maintenance risks, and any other risks related to the Project, and we assume all conditions of the Tender Documents, including the authorities they grant the Customer.

2.2. Without derogating from the above, we have inspected the representations and warranties included in the Tender Documents and the limitations and duties of the

Bidder's Shareholders and Parent Company Guarantees, and each of the said declarations, representations and warranties should be considered as if provided by us and by each of the other Bidder's Shareholders and Parent Company Guarantees, jointly and severally, and by all of us jointly and severally with the Bidder.

- 2.3. We irrevocably assume all responsibility, jointly and severally with the Bidder and each of the undersigned, to fulfill all the Bidder's warranties and representations according to the Tender and the Proposal made by it, subject to Section 2.9.4 of the engagement agreement. In this regard, without derogating from the above, we are aware of and consent to that every argument, relief and/or other right available to the Customer towards a Bidder Shareholder under the provisions of the Tender and/or agreement, will also be directly available to the Customer towards us. We are further aware that the Customer may exercise the letter of indemnity undertaking towards us directly, even without exhausting the proceedings towards the Bidder.
- 2.4. We hereby waive any argument arising of our misunderstanding of the Tender Documents or contradiction (if any) between various provisions in the Tender Documents, or misunderstanding of the risks involved in submitting our Proposal or performing the Project to the extent we are declared winners in the Tender. To the extent we have any such argument, it will be made by us to the Tender Committee prior to the Deadline for Submission of Proposals, and to the extent we do not present it, we would be considered to have waived it.
- 2.5. We hereby authorize the authorized representative detailed in Annex 1 above, to negotiate with the Customer on the Bidder's behalf and receive notices or instructions for us and on our behalf, whose signature will be binding upon the all Bidder's Shareholders in every respect related to the Tender procedure and the Project.
- 2.6. Without derogating from the above, we are aware of the provisions of the appendix to the engagement agreement regarding the principles for engagement in the Project contracts, Section 2.10 of the agreement (change to the service provider's structure, shareholders and other bodies) and Section 12 of the agreement (reports), and we certify that every undertaking included therein binds us directly, to the extent it applies to us according to the instructions of the relevant document or involves exercising authority by us.
- 2.7. If and to the extent the Bidder is declared as the Winning Bidder, we will contribute capital to it according to our share in the Bidder with owners' loans according to the shareholders' agreement or owners' loans agreement, and that these amounts will be invested by the Bidder in the Project.

- 2.8. Every Bidder Shareholder including bodies controlling a Bidder's Shareholders, controlled by the Bidder or Bidder's Shareholders, or under shared control with each of the above, participate in the Tender with this Proposal only.
- 2.9. There is no legal preclusion to our participation as Bidder Shareholder.
- 2.10. We have the legal right to use or transfer any information or intellectual property included in our Proposal.
- 2.11. We will keep confidential every data or information received or obtained by us, currently or in the future, with respect to or by reason of our participation in the Tender, regardless of how such information was provided to us, in writing or orally, directly by the Customer or by anyone on its behalf.
- 2.12. We agree that submission of these Proposal documents does not bind the Customer to declare the Bidder as Winning Bidder, that the Customer has the authority to modify or amend the Tender Documents at any stage of the procedure, to annul this procedure, reject all Proposal submitted in its framework, to negotiate with the Bidders, all or some, or to ask any of them clarify information, and that declaring the Winning Bidder (if and to the extent it is declared as such), does not obligate the Customer to continue the Tender procedure or Project performance, all subject to and without derogating from the Tender Documents.
- 2.13. We will provide any additional information the Customer requires in the Tender stage, for the inspection of the Bidder's compliance with the conditions of the Tender stage.
- 2.14. The Proposal is not submitted for the benefit of or on behalf of any person or entity concealed in any manner.
- 2.15. We did not directly or indirectly solicit, encourage or cause any other party involved in the Tender (including other Bidders, their members, related companies, guarantors or professional experts), to provide in their Proposals false, misleading or inaccurate information, and did not directly or indirectly solicit, encourage or cause any other such party to expose information included in their Proposals, and we did not collaborate, agree or organize with them in any way to ensure advantage to any party participating in the Tender.
- 2.16. The submission of the Proposal and the Bidder Shareholder warranty as noted in this Annex, were duly approved by the competent bodies of the Bidder Shareholder.
- 2.17. After conducting proper inspection, all data, representations and declarations included in Proposal are true, complete, accurate and current for the Proposal submission date, and no detail was omitted from the bid that may affect the Customer's judgment. We are aware that the Customer may sue from us the full



costs and damages suffered by it by reason of information provided by us which proves to be untrue and/or inaccurate.

- 2.18. The shareholders' agreement attached to the Proposal (to the extent relevant, if there are several shareholders), is the only agreement in place between the shareholders (all or some) and/or between them (all or some), and the Bidder with respect to the Tender and/or Project in their status as Bidder's Shareholders, and there are no additional agreements or consents or understandings except it.
- 2.19. There is no conflict of interest or concern for conflict of interest between our participation in this Proposal and compliance with our undertakings in the agreement, to the extent the Bidder is declared the Winning Bidder, and any other activity of us, another undertaking to which we are a party, or a legal provision that applies to us.
- 2.20. We undertake to notify the Bidder and Customer of any material adverse change of our situation (as per Section 2.10 of the agreement), within the required date in the agreement, and to act by the due date in the agreement after the Customer's approval so that we continue to meet the financial threshold conditions for the Tender.
- 2.21. This Annex will remain in effect even if we cease being Bidder's Shareholders or Parent Company Guarantee to the Shareholder, as the matter may be, and as long as no undertaking of the transferee was issued according to the provisions of the agreement.
- 2.22. The effect of our warranties herein will not be diminished even if the agreement is changed at any stage, and we give our advance consent to every such change and that our warranties herein will be adjusted to the agreement as amended.

### **3. Miscellaneous**

- 3.1. Any matter related to this Annex will be subject to the laws of the State of Israel.
- 3.2. Without derogating from the above, the competent courts in the Central District shall have exclusive jurisdiction with respect to any matter originating from or related to this Annex.
- 3.3. All terms in this Annex shall have the meaning ascribed thereto in the Tender Documents, unless required otherwise by context or logic.
- 3.4. The address for the undersigned will be c/o the Bidder and the Bidder will be authorized to accept in our name communication and documents with respect to the Project.



## CONVENIENCE TRANSLATION ONLY

<hr/> <p><b>Bidder Shareholder signature and stamp</b></p> <p><b>By its authorized signatories:</b></p> <p>_____</p> <p>_____</p>	<hr/> <p><b>Date</b></p>	<hr/> <p><b>Attorney signature and stamp</b></p> <p>I hereby represent and certify with my signature that the persons signing on the Bidder Shareholder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender. I hereby certify with my signature that the persons signing on the Bidder Shareholder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence.</p>	<hr/> <p><b>Date</b></p>
<hr/> <p><b>Parent Company Guarantee signature and stamp</b> (To the extent relevant)</p> <p><b>By its authorized signatories:</b></p> <p>_____</p> <p>_____</p>	<hr/> <p><b>Date</b></p>	<hr/> <p><b>Attorney signature and stamp</b></p> <p>I hereby represent and certify with my signature that the persons signing on the Parent Company Guarantee's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender. I hereby certify with my signature that the persons signing on the Bidder Shareholder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence.</p>	<hr/> <p><b>Date</b></p>

Annex 3

Price Proposal Form

Bidders should note that the price proposal form and every other document detailing the price proposal should be submitted through the Online System only. The price proposal will be opened and inspected only once the process to verify compliance with the threshold conditions of the Bidders' Proposals is completed, as specified in the Tender Conditions Booklet.

Without derogating from the above, it is clarified that the Bidder must fully sign this Annex and submit it signed (without indicating amounts) in the Online System together with the other Proposal documents.

We, the undersigned, after thoroughly reading, inspecting and understanding the instructions of Ayalon Highways Co. Ltd. (the "Customer") in online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of a Congestion Tax project (the "Services") with all conditions and requirements detailed in all Tender documents and their annexes, appendixes and schedules, hereby offer the Customer to perform the Services in consideration to the following payment:

1. The amount of our proposal for the fixed payment during the operation period is ILS *-to be completed in the Online System only -*
2. Our choice on consideration linkage is as follows:

	Consumer's price index	Dollar*	Euro*	Total
Establishment grant	<i>-to be completed in the Online System only -</i>	<i>-to be completed in the Online System only -</i>	<i>-to be completed in the Online System only -</i>	100%

<p><b>Fixed payment during the operation period</b></p>	<p><u>-to be completed in the Online System only -</u></p>	<p><u>-to be completed in the Online System only -</u></p>	<p><u>-to be completed in the Online System only -</u></p>	<p>100%</p>
<p>* The rate of linkage to Dollar and Euro (cumulatively) will not exceed thirty percent (30%) at every period (establishment/operation).</p>				

The price proposal for the fixed payment will be indicated excluding VAT.

With respect to consideration linkage it is made clear:

- A. The linkage mechanism is described in the consideration appendix of the engagement agreement.
- B. Percentage is to be indicated with an accuracy of two (2) decimal digits. Where the Bidder used more decimal digits - the figure will be rounded to the level of two (2) decimal digits according to the customary rounding rules.
- c. You may not indicate negative percentage (below zero). Where % negative will be noted, it would be considered as if the Bidder indicated zero rate (0).
- d. In case of deviation from the thirty percent (30%) limit of linkage to Dollar and Euro, the deviating percentage will be reduced from these currencies, pro rata.
- e. In case the total percent for all linkages are below 100%, the balance % will be linked to the Consumer's Price Index.
- f. In case the cumulative percent for all linkages exceed 100%, the excess percent will be reduced pro rata from all linkage in a manner chosen by the Bidder.

We certify that we have inspected everything that requires prior inspection and considered anything that may affect the price proposal determination and expressly waive in advance any argument and/or demand and/or claim towards the Customer for and/or with respect to the above.



**CONVENIENCE TRANSLATION ONLY**

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**Bidder signature and stamp**

---

**Date**

**By its authorized signatories:**

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

**Annex 4**

[This Annex will be executed by all Winning Bidder's Shareholders, together with their Parent Company Guarantee (to the extent relevant) over the same document and annexed to the agreement]

To  
State of Israel - Ministry of Finance and/or Ayalon Highways Co. Ltd. (the "Customer")

**Subject: Letter of Indemnity Undertaking;**

We, all shareholders of \_\_\_\_\_ (the "**Bidder**"), and the Parent Company Guarantees hereby represent and warrant, jointly and severally:

1. We undertake to indemnify the Customer for any debt of the Bidder towards the Customer throughout the term of the agreement for the design, procurement, establishment, operation and maintenance of the Congestion Tax project, to be executed by and between the Bidder and the Customer to the extent the Bidder wins the tender (the "**Agreement**"), up to a total amount of ILS two hundred million (200,000,000), linked to the Consumer's Price Index known on January 31, 2023 [*the Deadline for Submission of Proposals*]. This, subject to the provisions in the Agreement stating that the liability of Shareholders and Parent Company Guarantees is for compensation only for direct damages suffered by the Customer and/or State resulting of any act or omission or breach of statutory duty, or any other breach of the Tender conditions or of the Agreement by the Bidder of any kind whatsoever, including, without limitation - loss of tax collection; however, it is clarified that this limitation to compensation for direct damage will not apply to collecting liquidated damages the Bidder owes under the Agreement.
2. We will pay the Customer, within 7 days from its written demand, any amount required from any of us, up to the said amount, without the need for preliminary exhaustion of proceedings towards the Bidder, and without the Customer being required to demand from all of us and/or first take any measures to collect the said payment from any securities given to you by the Bidder.
3. Payment will be made by wire transfer to the bank account ordered by the Customer.
4. We undertake to notify the Customer and Bidder as soon as we learn of any material adverse change to our financial position, leading to the Bidder's non-compliance with

the financial threshold conditions prescribed in the Tender. In addition, without derogating from the above, we undertake to notify the Customer and Bidder of any event that may cause us to not be able to comply with our undertakings herein, including liquidation or composition of creditors.

5. This undertaking is an indemnity undertaking under Section 16 of the Guarantee Law 5727-1967, and will remain in effect until full performance of the liabilities for which it was issued.
6. It is clarified for the avoidance of doubt, that the above does not derogate from the Bidder's liability under the Tender conditions and the Agreement, and from the Customer's right to forfeit other securities made available by the Bidder according to the Tender and Agreement.
7. Any matter related to this letter of indemnity undertaking will be subject to the laws of the State of Israel.
8. Without derogating from the above, the competent courts in the Central District shall have exclusive jurisdiction with respect to any matter originating from or related to this letter of indemnity undertaking.
9. All terms in this letter of indemnity undertaking will have the meaning ascribed to them in the Agreement.
10. The address for the undersigned will be c/o the Bidder, and the Bidder will be authorized to accept in our name communication and documents with respect to this letter of indemnity undertaking.

1.

---

**Bidder Shareholder  
signature and stamp**

---

**Date**

---

**Attorney signature and  
stamp**

**By its authorized  
signatories:**

I hereby represent and certify with my signature that the persons signing on the Bidder Shareholder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.

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

2.

---





CONVENIENCE TRANSLATION ONLY

**Bidder Shareholder signature and stamp**

**Date**

**Attorney signature and stamp**

**By its authorized signatories:**

I hereby represent and certify with my signature that the persons signing on the Bidder Shareholder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.

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

3.

**Bidder Shareholder signature and stamp**

**Date**

**Attorney signature and stamp**

**By its authorized signatories:**

I hereby represent and certify with my signature that the persons signing on the Bidder Shareholder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.

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

4.

**Parent Company Guarantee signature and stamp**

**Date**

**Attorney signature and stamp**

(To the extent relevant)

**By its authorized signatories:**

I hereby represent and certify with my signature that the persons signing on the Parent Company Guarantee's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.

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

Affidavit

**Concerning the Lawful Employment of Foreign Workers and Payment of Minimum Wage**

**under the Public Entities Transactions Law, 5736-1976**

I, the Undersigned, Mr./Mrs. \_\_\_\_\_, bearer of the ID No. \_\_\_\_\_, after having been warned that I must declare the truth and that I shall be liable for the penalties prescribed by law if I do not do so, I hereby declare in writing as follows:

1. I have been lawfully authorized by \_\_\_\_\_ (hereinafter: "**The Bidder**") to sign this affidavit in support of its Proposal to Online tender No. 65/22 for the design, procurement, establishment, operation and maintenance of a Congestion Tax project (hereinafter: "**The Tender**").
2. I declare that the Bidder complies with one of these:
  - (a) The Bidder and its affiliated party have not been convicted of a decisive verdict of an offense under the Foreign Workers Law or the Minimum Wage Law.
  - (b) Up to the Deadline for Submission of Proposals in the Tender, the Bidder and its affiliated party were not convicted of a decisive verdict of more than two offenses under the Foreign Workers Law or the Minimum Wage Law.
  - (c) If the Bidder or its affiliate have been convicted of a decisive verdict in two or more offenses under the Foreign Workers Law or the Minimum Wage Law - that at least one year has passed since the last conviction until the Deadline for Submission of Proposals.
3. Regarding section 2 above:

"**Means of Control**," "**Holding**" and "**Control**" - Within the meaning of the Banking (Licensing) Law, 5741-1981;

"**Affiliated Party**" - any one of the following:

  - (1) A group of individuals controlled by the Bidder:
  - (2) If the Bidder is a group of individuals, one of the following: (a) its controlling party; (b) a group of individuals whose composition of its shareholders or partners, as the case may be, is essentially similar to the said composition of the Bidder, and the areas of activity of a group of individual are essentially similar to the areas of the Bidder's activities; (c) the person responsible on behalf of the Bidder for the payment of wages;

(3) If the Bidder is a group of individuals controlled by material control - another group of individuals controlled by the person in control of the Bidder.

"**Convicted**" of an offense - convicted by a decisive verdict of an offense committed after 25 Heshvan 5763 (October 31, 2002);

"**Foreign Workers Law**" - Foreign Workers Law (Prohibition of unlawful employment and assurance of fair conditions), 5751 - 1991.

"**Minimum Wage Law**" - Minimum Wage Law, 5747 - 1987

"**Material Control**" - the holding of three quarters or more of a certain type of means of control of a group of individuals;

4. This is my name, and this is my signature, and all I have stated is the truth.

Signature(s)	Date	Attorney signature and stamp	Date
		<p>I hereby represent and certify with my signature that the persons signing on the Bidder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Bidder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>	

**Affidavit**

**Concerning the Appropriate Representation of Persons with Disabilities**

**under the Public Entities Transactions Law, 5736-1976**

I, the Undersigned, Mr./Mrs. \_\_\_\_\_, bearer of the ID No. \_\_\_\_\_, after having been warned that I must declare the truth and that I shall be liable for the penalties prescribed by law if I do not do so, I hereby declare in writing as follows:

1. I have been lawfully authorized by \_\_\_\_\_ (hereinafter: "**The Bidder**") to sign this affidavit in support of its Proposal to Online No. 65/22 for the design, procurement, establishment, operation and maintenance of a Congestion Tax project ("**The Tender**").
2. I declare and confirm that I have received an explanation, and I understand the meaning of Section 9 of the Equal Rights Law for Persons with Disabilities, 5758-1998 (hereinafter: "**Equal Rights Law**").
3. Mark X in the suitable box:
  - The provisions of Section 9 of the Equal Rights Law do not apply to the Bidder<sup>2</sup>.
  - The provisions of Section 9 of the Equal Rights Law apply to the Bidder, and they are maintained.

If the above box was marked – I hereby undertake to forward a copy of this affidavit to the Director General of the Ministry of Labor and Social Welfare and Social Services within 30 days of the date of my contractual engagement with Ayalon Highways Co. Ltd.

In addition, mark X in the suitable box regarding the number of employees employed by the Bidder:

- The Bidder employs less than 100 employees.
- The Bidder employs at least 100 employees. If this box was marked, mark X also in one of the boxes hereunder:
  - The Bidder undertakes to contact the Director-General of the Ministry of Social Welfare and Social Services to examine the implementation of his obligations under Section 9 of the Equal Rights Law and, if necessary, to receive instructions on their implementation.

---

<sup>2</sup> Section 9 of the Equal Rights Law apply to an "employer" as defined thereunder: "An employer who employs more than 25 employees, with the exception of the State or an employer that the provisions of Section 15A of the Service of State (Appointments) Law, 5719-1959, apply to it".

- If the Bidder employs at least 100 employees and has previously undertaken to contact the Director-General of the Ministry of Social Affairs and Social Services to examine the implementation of his obligations under Section 9 of the Equal Rights Law, which states that he has applied as required and implemented any instructions given.

4. This is my name, and this is my signature, and all I have stated is the truth.

Signature(s)	Date	Attorney signature and stamp	Date
		<p>I hereby represent and certify with my signature that the persons signing on the Bidder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Bidder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>	

Language of the Tender Guarantee

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

To  
Ayalon Highways Co. Ltd.  
2 Nim Ave. St.  
Rishon LeZion

**Subject: Bank Guarantee No.** \_\_\_\_\_

1. As per the request of \_\_\_\_\_ (the “**Bidder**”) we hereby guarantee to pay you any amount at your demand, up to a total of ILS 30,000,000 (in words: thirty million New Israeli Shekels) (the “**Guarantee Amount**”), with respect to the Bidder’s Proposal in online tender no. 65/22 for the design, procurement, operation and maintenance of the Congestion Tax project.
2. We undertake to pay you upon your first written demand any amount indicated in such a demand, immediately and in any case no later than the end of seven (7) days from the receipt of your demand in our office according to the address first indicated above.
3. For the avoidance of doubt, it is hereby clarified that your demand for payment pursuant to this Letter of Guarantee may be in installments, and that payment will be made according to your demand as noted above, provided that the total of all installments under this Letter of Guarantee do not exceed the Guarantee Amount.
4. Our undertaking pursuant to this Letter of Guarantee is unconditional, autonomous and irrevocable and in this regard, you will not have to explain, reason, specify, establish or prove your demand or first demand payment from the Bidder.
5. This Letter of Guarantee may not be endorsed.
6. All conflicts and disputes arising of or related to this guarantee, will be resolved exclusively under the provisions of the Law(s) in Israel, and the competent courts in the Central District shall have the exclusive jurisdiction to resolve such matters.

This Letter of Guarantee will enter into effect on the date first indicated herein and remain in effect until February 28, 2024.

Sincerely yours,

\_\_\_\_\_

Annex 7

To

Ayalon Highways Ltd.

2 Nim Ave. St.

Rishon LeZion

Attorney Confirmation

I, the undersigned \_\_\_\_\_, attorney for \_\_\_\_\_ (the “**Bidder**”) hereby certify the following:

1. Performing the services and engagement in an agreement under online tender no. 65/22 for the design, procurement, operation and maintenance of the Congestion Tax project are within the Bidder’s powers and authorities.
2. The Bidder managers are:  
\_\_\_\_\_.
3. The Bidder directors are:  
\_\_\_\_\_.
4. The manner of signature binding the Bidder is:  
\_\_\_\_\_.
5. The signatures of Messrs. \_\_\_\_\_ and \_\_\_\_\_ who signed this bid and the agreement attached thereto before me together with the Bidder corporate stamp are binding on the Bidder corporation in every respect.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Attorney signature and stamp



**Annex 8**

**Bidder's Declaration of No Payment of "Brokerage Fee" to "Brokers"**

1. In addition to all duties and prohibitions applicable to it pursuant to Law(s), including the Penal Law 5737-1977, the Bidder and anyone on its behalf hereby represent and warrant as follows:
  - 1.1 Not to directly or indirectly offer and/or give and/or accept any benefit and/or money and/or anything of value with the purpose of directly and/or indirectly affecting a decision and/or act and/or omission of Ayalon Highways Ltd. ("**Ayalon Highways**"), and/or any Ayalon Highways officer and/or employee and/or anyone on its behalf and/or anyone else with respect to the process of engagement and/or any contract/order arising thereof.
  - 1.2 Not to directly or indirectly solicit and/or cooperate with an Ayalon Highways officer and/or employee and/or anyone on its behalf and/or any party on its behalf and/or anyone else to receive confidential/privileged information related to the engagement process and/or any other contract/order arising therefrom.
  - 1.3 Not to directly or indirectly solicit and/or cooperate with an Ayalon Highways officer and/or employee and/or anyone on its behalf and/or anyone else, with the purpose of setting prices in a manner that is artificial and/or non-competitive.
  - 1.4 We did not act in contrary to subsections 1.1-1.3 above in the engagement procedures contemplated in this tender.
2. In the event of reasonable suspicion that a Bidder and/or anyone on its behalf acted in contrary to Section 1 above, Ayalon Highways retains the right, in its sole discretion, not to include it in the engagement process for which there is suspicion for such action and/or in any other procedure (the "**Engagement**"), and/or not to accept its Proposal in the Engagement procedure and/or cancel its win in the Engagement at any time, and/or cancel the contract/order arising from the Engagement procedure at any time.
3. The Bidder bears the full responsibility to notify its employees, sub-contractors, representatives, agents and anyone on its behalf involved in the Engagement procedure with Ayalon Highways and/or contract/order arising thereof in any way of this Section.

By our hand, the Bidder's authorized signatories, authorized to bind it with their signature:



**CONVENIENCE TRANSLATION ONLY**

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**Bidder signature and stamp**

---

**Date**

**By its authorized signatories:**

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

Affidavit

To Prove the Bidder's Experience for Meeting the Professional Threshold Conditions

[To be signed by the Bidder and relevant shareholder]

I, the undersigned, Mr./Ms. \_\_\_\_\_ holder of ID number \_\_\_\_\_ after being warned that I must state the truth, and that I would be liable to penalties prescribed by law unless I do so hereby declare in writing as follows:

1. I serve as a manager in \_\_\_\_\_ corporation / authorized dealer no. \_\_\_\_\_ (the "**Bidder**"), and was duly authorized by the Bidder according to Law(s) by the Bidder Shareholder to sign this affidavit in support of the Bidder's Proposal in online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of the Congestion Tax project.
2. The Bidder meets the professional threshold conditions in the following manner [*check (v) the appropriate alternative - alternative A or alternative B, and later complete what is required in that alternative*]:

- Alternative A** (Section 3.2.1 of the Tender Conditions Booklet), through the Bidder Shareholder, \_\_\_\_\_ [*indicate the name of the Bidder Shareholder*] (the "**Bidder Shareholder**"), having the experience, for at least three (3) consecutive years out of the seven (7) years preceding the Deadline for Submission of Proposals, in providing O&M Services, in at least one Toll Project, in Israel or abroad, as such terms are defined in Section 3 below (the "**Experience Requirement**").

*Check (v) the appropriate alternative:*

- The Bidder Shareholder itself meets the Experience Requirement, and the experience specified in Table no. 1 below is the experience of the Bidder Shareholder.
- The Bidder Shareholder meets the Experience Requirement through a Related Company, and the experience detailed in Table no. 1 below is the experience of the Related Company. [*Possible under Section 3.2.3.3 of the Tender Conditions Booklet only if the Related Company had direct engagement with*

*the customer, or served as the operation contractor that signed an agreement with the body that has a direct engagement with the customer].*

Related Company name: \_\_\_\_\_; Private/public company no.: \_\_\_\_\_;

The Related Company signed a declaration and undertaking in **Annex 15** to the Tender Conditions Booklet.

- Alternative B** (Section 3.2.2 of the Tender Conditions Booklet), through **these two:**

1. The Bidder Shareholder, \_\_\_\_\_ *[indicate the shareholder name]* (the “**Bidder Shareholder**”), who meets **condition no. 1 in alternative B** (Section 3.2.2.1 of the Tender Conditions Booklet) according to the following alternative (*check (v) the appropriate alternative*):

- Section [a] - has the experience, of at least three (3) consecutive years out of the ten (10) years preceding the Deadline for Submission of Proposals, in providing O&M Services in at least one PPP Project in Israel, in the Transit Infrastructure Field, as these terms are defined in Section 3 below.

- Attached** is confirmation of the customer or CPA regarding the financial scope of the project.

*Check (v) the appropriate alternative:*

- The Bidder Shareholder itself meets the Experience Requirement, and the experience specified in Table no. 2 below is the experience of the Bidder Shareholder.

- The Bidder Shareholder meets the Experience Requirement through a Related Company, and the experience detailed in Table no. 2 below is the experience of the Related Company. *[Possible under Section 3.2.3.3 of the Tender Conditions Booklet only if the Related Company had direct engagement with the customer].*

Related Company name: \_\_\_\_\_; private/public  
company no.: \_\_\_\_\_;

The Related Company signed a declaration and undertaking in **Annex 15** to the Tender Conditions Booklet.

**or -**

- Section [b] - having performed works for spreading out communication infrastructure, for at least two-hundred thousand (200,000) households, by which it serves, as of the Deadline for Submission of Proposals, at least one million (1,000,000) Subscribers, holding a valid general license to provide mobile cellular phone services, as such terms are defined in Section 3 below.

**- A copy of the license is attached hereto.**

*Check (v) the appropriate alternative:*

- The Bidder Shareholder meets the Experience Requirement by itself, and the experience specified in Table no. 3 below is the experience of the Bidder Shareholder.
- The Bidder Shareholder meets the Experience Requirement through a Related Company, and the experience detailed in Table no. 3 below is the experience of the Related Company.

Related Company name: \_\_\_\_\_; private/public  
company no.: \_\_\_\_\_;

The Related Company signed a declaration and undertaking in **Annex 15** to the Tender Conditions Booklet.

2. \_\_\_\_\_; private/public company no.: \_\_\_\_\_  
(the “**Toll Project Professional**”) meeting condition no. 2 of alternative B (Section 3.2.2.2 of the Tender Conditions Booklet), having the experience, of at least three (3) consecutive years out of the seven (7) years preceding the Deadline for Submission of Proposals, in providing O&M Services in at least

one Toll Project, in Israel or abroad, as such terms are defined in Section 3 below.

The Bidder has a signed memorandum of understandings with the Toll Project Professional, stating that such party should hold at least fifty percent (50%) of the Means of Control in the operation contractor in the Congestion Tax Project. Such party signed the letter of representation and warranty attached hereto as **Annex 14**.

*Check (v) the appropriate alternative:*

- The Toll Project Professional itself meets the Experience Requirement and the experience detailed in Table no. 1 below is the experience of such party.
- The Toll Project Professional meets the Experience Requirement through a Related Company, and the experience detailed in Table no. 1 below is the experience of the Related Company. *[Possible under Section 3.2.3.3 of the Tender Conditions Booklet, only if the Related Company had direct engagement with the customer, or served as operation contractor that signed an agreement with the body that has a direct engagement with the customer].*

Related Company name: \_\_\_\_\_; private/public company no.: \_\_\_\_\_;

The Related Company signed a declaration and undertaking in **Annex 15** to the Tender Conditions Booklet.

3. In this affidavit:

“**Subscriber**” - anyone holding a cellular line that regularly receives communication services under an agreement from the cellular licentiate.

“**Toll Project**” - a project under which payment was charged from road users

a. At least ten million vehicle transitions were identified annually, that are liable to pay;

b. identification was conducted based on photographing the vehicles and analyzing of the license plates;

c. the project included payment calculation, collection processes and providing service to customers.

**“PPP Project”** - a project for the provision of services or products in a concession agreement (every category of PPP including BOO, PFI, BOT) between the concessionaire and the state or a body on its behalf, which included the establishment and later provision of operation and maintenance services for at least ten (10) years, with the party having the represented experience being responsible for the establishment, financing, operation and maintenance of the service of the concession services with a total financial scope (establishment, operation and maintenance) of at least ILS 1 billion (excluding VAT).

**“Congestion Tax Project Operation Contractor”** - a sub-contractor engaged by the Winning Bidder who will be responsible for all operation and maintenance services in the Congestion Tax Project, as defined in Schedule B of the engagement agreement.

**“O&M Services in Toll Project”** - operation and maintenance of at least photography and analysis, toll calculation and collection services.

**“O&M Services in a Transit Infrastructure PPP Project”** - services provided to ensure the ongoing activity of the entire project including infrastructure and systems.

**“Transit Infrastructure Field”** - road or light rail.

4. The following tables specify the relevant experience to prove compliance with the threshold conditions:

**Table no. 1 - Toll Project Experience**

Name of the party whose experience is described in this table (referred to as the “Professional Expert”): \_\_\_\_\_

#	Project name	customer name (Country or body on its behalf)	The Professional Expert’s role in the project	Was it a Toll Project as defined in Section 3 above  Check (V) in every relevant box	Project operation duration (not necessarily by the Professional Expert) after the end of establishment  From month/year until month/year	Did the Professional Expert provide O&M Services in a Toll Project as defined in Section 3 above?  Yes / No	Duration of providing O&M Services by the Professional Expert  From month/year until month/year	Details of the customer’s contacts (name, position, mobile phone)
1			<input type="checkbox"/> Has a direct engagement with the customer  <input type="checkbox"/> Shareholder/partner at a rate of ___%, from _____	<input type="checkbox"/> _____ <i>[complete number]</i> vehicle transitions were identified	_____ Until _____	<input type="checkbox"/> Yes  <input type="checkbox"/> No	_____ Until _____	



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			<p><i>[complete month/year]</i> until _____ <i>[complete month/year]</i> in a body that has direct engagement with the customer</p> <p><input type="checkbox"/> Served as operation contractor that signed an agreement with the body that has a direct engagement with the customer</p> <p><input type="checkbox"/> Shareholder/partner at a rate of ___%, from _____ <i>[complete month/year]</i> until _____ <i>[complete month/year]</i> in the operation contractor that signed an agreement with the</p>	<p>annually, that are liable to pay</p> <p><input type="checkbox"/> identification was conducted based on photographing the vehicles and analyzing the license plates</p> <p><input type="checkbox"/> the project included payment calculation, collection processes and providing service to customers</p>				
--	--	--	--	---	--	--	--	--

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			body that has direct engagement with the customer					
2			<input type="checkbox"/> Has a direct engagement with the customer <input type="checkbox"/> Shareholder/partner at a rate of ___%, from _____ [complete month/year] until _____ [complete month/year] in a body that has direct engagement with the customer <input type="checkbox"/> Served as operation contractor that signed an agreement with the body that has a direct engagement with the customer	<input type="checkbox"/> _____ [complete number] vehicle transitions were identified annually, that are liable to pay <input type="checkbox"/> identification was conducted based on photographing the vehicles and analyzing the license plates <input type="checkbox"/> the project included payment calculation, collection processes and providing	_____ Until _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ Until _____	

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			<input type="checkbox"/> Shareholder/partner at a rate of ___%, from _____ [complete month/year] until _____ [complete month/year] in the operation contractor that signed an agreement with the body that has direct engagement with the customer	service to customers				
3			<input type="checkbox"/> Has a direct engagement with the customer  <input type="checkbox"/> Shareholder/partner at a rate of ___%, from _____ [complete month/year] until _____ [complete month/year] in a body that has	<input type="checkbox"/> _____ [complete number] vehicle transitions were identified annually, that are liable to pay  <input type="checkbox"/> identification was conducted based on photographing	_____ Until _____	<input type="checkbox"/> Yes  <input type="checkbox"/> No	_____ Until _____	

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			<p>direct engagement with the customer</p> <p><input type="checkbox"/> Served as operation contractor that signed an agreement with the body that has a direct engagement with the customer</p> <p><input type="checkbox"/> Shareholder/partner at a rate of ___%, from _____ [complete month/year] until _____ [complete month/year] in the operation contractor that signed an agreement with the body that has direct engagement with the customer</p>	<p>the vehicles and analyzing the license plates</p> <p><input type="checkbox"/> the project included payment calculation, collection processes and providing service to customers</p>				
--	--	--	---	--	--	--	--	--

**Table no. 2 - Transportation Infrastructure PPP Project Experience**

Name of the party whose experience is described in this table (referred to as the “Professional Expert”): \_\_\_\_\_

#	Project name	customer name  (Country or body on its behalf)	The Professional Expert’s role in the project	Project type: Contract and transportation infrastructure category	Was the project for establishment and later providing operation and maintenance services for at least 10 year?  Yes / No	Financial scope of the project (establishment, operation and maintenance), excluding VAT	Project operation duration (not necessarily by the Professional Expert) after the end of establishment  From month/year until month/year	Did the Professional Expert provide O&M Services in the project as defined in Section 3 above?  Yes / No	Duration of providing O&M Services by the Professional Expert  From month/year until month/year	Details of the customer’s contacts (name, position, mobile phone)
---	--------------	--	---	---	--	--	--	--	---	---

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1			<input type="checkbox"/> Has a direct engagement with the customer  <input type="checkbox"/> Shareholder/partner at a rate of __%, from _____ [complete month/year] until _____ [complete month/year] in a body that has direct engagement with the customer	<input type="checkbox"/> Contract category: _____  <input type="checkbox"/> Transportation infrastructure: <input type="checkbox"/> Road <input type="checkbox"/> Light rail	<input type="checkbox"/> Yes <input type="checkbox"/> No		_____ Until _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ Until _____	
2			<input type="checkbox"/> Has a direct engagement with the customer  <input type="checkbox"/> Shareholder/partner at a rate of __%, from _____ [complete month/year] until _____	<input type="checkbox"/> Contract category: _____  <input type="checkbox"/> Transportation infrastructure: <input type="checkbox"/> Road <input type="checkbox"/> Light rail	<input type="checkbox"/> Yes <input type="checkbox"/> No		_____ Until _____	<input type="checkbox"/> Yes <input type="checkbox"/> No	_____ Until _____	

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			<i>[complete month/year]</i> in a body that has direct engagement with the customer							
3			<input type="checkbox"/> Has a direct engagement with the customer  <input type="checkbox"/> Shareholder/partner at a rate of __%, from _____ <i>[complete month/year]</i> until _____ <i>[complete month/year]</i> in a body that has direct engagement with the customer	<input type="checkbox"/> Contract category: _____  <input type="checkbox"/> Transportation infrastructure: <input type="checkbox"/> Road <input type="checkbox"/> Light rail	<input type="checkbox"/> Yes  <input type="checkbox"/> No		_____ Until _____	<input type="checkbox"/> Yes  <input type="checkbox"/> No	_____ Until _____	

**Table no. 3 - Experience in Spreading Communications Infrastructure and Providing Mobile Services**

Name of the licensee to provide mobile cellular service	License grant date Month/year	License expiration Month/year	Communications infrastructure spread		Number of Subscribers
			By itself or through a sub-contractor?	Number of households on the Tender Deadline for Submission of Proposals	
			<input type="checkbox"/> By itself  <input type="checkbox"/> Through a sub-contractor:  _____ <i>[name]</i>		



**- Do not alter the format of tables in this document, you may only add lines -**

5. Attached as an appendix to this affidavit is a document detailing the scopes of each of the projects mentioned herein (non-mandatory).
6. I hereby declare that all details specified above and in the attached tables are true and accurate, and I consent to have the details verified by a representative of Ayalon Highways with any party including the contacts indicated above.

Signature of the person/people making the affidavit:	Date	Attorney signature and stamp	Date
<p>_____</p> <p>_____</p>		<p>I hereby represent and certify with my signature that the persons signing on the Bidder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Bidder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>	

**Confirmation of the relevant Bidder Shareholder:**

I hereby acknowledge that the data on my experience detailed herein is true and accurate.

Shareholder signature and stamp	Date	Attorney signature and stamp	Date
<p><b>By its authorized signatories:</b></p> <p>_____</p> <p>_____</p>		<p>I hereby represent and certify with my signature that the persons signing on the Shareholder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Shareholder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>	

**Annex 10**

[This annex will be completed **separately** by the Bidder + each Bidder Shareholder]

To

Ayalon Highways Ltd.

2 Nim Ave. St.

Rishon LeZion

Dear Sir/Madam

RE: **Affidavit of the Status of the Bidder/Bidder Shareholder**

I, the undersigned, Mr./Ms. \_\_\_\_\_ holder of ID number \_\_\_\_\_ after being warned that I must state the truth, and that I would be liable to penalties prescribed by law unless I do so hereby declare in writing as follows:

1. I was authorized according to Law(s) by \_\_\_\_\_ (the “**Corporation**”) to sign this affidavit in support of the Bidder’s bid in online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of the Congestion Tax project.
2. I hereby declare as follows:
  - 2.1 The Corporation was incorporated on \_\_\_\_\_.
  - 2.2 The Corporation is not in proceedings for receivership, bankruptcy or liquidation;
  - 2.3 The Corporation is not about to be insolvent;
  - 2.4 No foreclosures were imposed on the Corporation assets at a rate exceeding its Shareholders’ Equity.
  - 2.5 *Check (x) the right box:*
    - The Corporation has no audited financial statements for the Previous Fiscal Year.
    - The Corporation has audited financial statements for the Previous Fiscal Year (a copy thereof it attached hereto) and such statements do not include a going concern note.
3. This is my name and this is my signature, and the content to my above affidavit is true.

\_\_\_\_\_  
**Signature(s)**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Attorney signature and stamp**

\_\_\_\_\_  
**Date**

I hereby represent and certify with my signature that the persons signing on the Bidder’s behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.

---

I hereby certify with my signature that the persons signing on the Bidder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.

**Annex 11**

[This annex will be completed **separately** by each Bidder Shareholder]

To

Ayalon Highways Co. Ltd.

2 Nim Ave. St.

Rishon LeZion

Dear Sir/Madam

**RE: Bidder's Shareholders' Affidavit of Financial Strength**

I, the undersigned, Mr./Ms. \_\_\_\_\_ holder of ID number \_\_\_\_\_, after being warned that I must state the truth, and that I would be liable to penalties prescribed by law unless I do so hereby declare in writing as follows:

- I serve as CFO of \_\_\_\_\_ (the "**Bidder Shareholder**") and was authorized according to Law(s) by the Bidder Shareholder to sign this affidavit in support of the Bidder's Proposal in online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of the Congestion Tax project.

2. **General Information**

Bidder Shareholder name	
Holdings rate of a Bidder Shareholder	
Parent Company Guarantee name (if applicable)	
Parent Company Guarantee holdings rate in the Bidder Shareholder (if applicable)	

3. **Financial information**

- Bidder Shareholder** (except an Institutional Body or Bank Corporation or Private Investment Fund)

Financial data (ILS, in thousands):

Fiscal year	2019	2020	2021
Income turnover			

<b>Shareholders' Equity</b> (for December 31, 2021)			
<b>Cash flow from current activity</b>			

**3.2 Bidder Shareholder that is an Institutional Body or Bank Corporation**

Financial data (ILS, in thousands):

<b>Date</b>	<b>December 31, 2021</b>
Shareholders' Equity (after deduction of the minimal Shareholders' Equity required under the Law(s), if applicable)	
Extent of managed assets, if applicable	

**3.3 Bidder Shareholder that is an Investment Fund**

Financial data:

<b>Date</b>	<b>December 31, 2021</b>	<b>14 days before the Deadline for Submission of Proposals</b>
Unrealized Investment Liability		

**4. Material changes after the financial statements date**

Except as set forth below, no material changes have occurred in the Bidder Shareholder, following the closing date of financial statements for the Previous Fiscal Year

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5. **As of the form submission, the Bidder Shareholder declares as follows (by checking (x) the following box):**

- The Bidder Shareholder's Financial Statements for the Previous Fiscal Year do not include a going concern notice.
- The Bidder member is not under suspension of proceedings, bankruptcy, receivership, liquidation, or reorganization, or foreclosures were imposed on its assets at a rate exceeding its Shareholders' Equity.

6. **Attachments**

It is required to attach to this form the audited financial statements for each of the years specified in Section 3.1.

7. **Miscellaneous**

Terms mentioned in this form and not defined therein, will have the meaning ascribed to them in the Tender Conditions Booklet.

8. **Representations and Warranties**

8.1 We are aware and consent to that in the data we have provided in the framework of the Bidder's Proposal, is for the reliance of the Bidder's compliance with the financial strength threshold conditions prescribed in Section 3.3 of the Tender.

8.2 We represent and warrant that all information, data, documents and representations included in the Bidder's Proposal, and relating to our company are accurate and complete, no material data and/or information that may affect the judgment of Ayalon Highways Tender Committee was omitted from them, and we are aware that to the extent the Bidder is chosen as the Winning Bidder, Ayalon Highways will engage it, inter alia, based on the said data. Without derogating from the above, we acknowledge and undertake that Ayalon Highways may sue its full costs and damages from us, by reason of information provided by us which proves to be untrue and/or inaccurate.

8.3 We hereby declare that the Proposal also includes the information and data about our company, that the submission of this document by our company was duly authorized by the competent organs in our company, that the above does not contradict and/or violate our company's instruments of incorporation and/or any applicable Law(s) and/or any other undertaking of our company that our participation in the Proposal is included in the purposes and powers prescribed in our company's founding instruments.

9. This is my name and this is my signature, and the content to my above Affidavit is true.

---

**CFO signature**

**Date**

---

**Attorney signature and stamp**

**Date**

I hereby certify with my signature that the signatory is the Bidder Shareholder CFO who had been warned by me to state the truth, otherwise he would be subject to penalties prescribed by law, and after giving him such warning, signed this Annex in my presence on the indicated date.

**Annex 12**

**Accountant Confirmation**

[This annex will be completed **separately** for each Bidder Shareholder and Parent Company Guarantee (to the extent relevant)]

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

To

[Bidder Shareholder name]

Dear Sir/Madam,

**RE: Special Report of the External Auditor in the Form of Confirmation**

At your request, as the external auditors of \_\_\_\_\_ [*complete the name of the Bidder Shareholder*] (the “**Company**”) and for submission of this letter by the Company to Ayalon Highways Ltd. in order to make a bid to participate in an online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of the Congestion Tax project, and for these purposes only, and according to the audited financial statements of the Company for December 31, 2019, 2020 2021 and for each of the years ending on such dates, and our unreserved<sup>3</sup> opinion was provided for them on \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, respectively [*complete the dates in which opinions were issued*].

- a. I hereby certify that according to those Financial Statements the Company income and cash flow from current activity are:

Year	2019	2020	2021
Income - ILS, in thousands			
Cash flow form current activity - ILS, in thousands			

- b. The Company’s Shareholders’ Equity as of December 31 \_\_\_\_\_ [*complete the Previous Fiscal Year for which the opinion was issued*] is ILS \_\_\_\_\_ thousands.

Sincerely yours,

Accountants

\_\_\_\_\_

<sup>3</sup> Will change where an accountant opinion was provided to differ from the standard language. In such case, indicate the type of the opinion issued.



**Parent Company Guarantee Representations and Warranties**

[This Annex will be submitted if a Parent Company Guarantee is relied upon to prove the financial strength threshold conditions prescribed in Section 3.3 of the Tender]

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

To

Ayalon Highways Ltd.

2 Nim Ave. St.

Rishon LeZion

Dear Sir/Madam,

**RE: Online Tender No. for the Design, Procurement, Establishment, Operation and Maintenance of the Congestion Tax Project - Parent Company Guarantee Representations and Warranties**

I, the undersigned, \_\_\_\_\_, holder of ID no. \_\_\_\_\_, after being warned that I must state the truth, and that I would be liable to penalties prescribed by law unless I do so, hereby represent and warrant as follows:

1. I serve as a manager in \_\_\_\_\_, company no. \_\_\_\_\_ (the “**Parent Company**”) which is the parent company of \_\_\_\_\_, company no. \_\_\_\_\_ (the “**Bidder Shareholder**”) and I am duly authorized by the Parent Company to issue this affidavit as part of the Proposal of \_\_\_\_\_, company no. \_\_\_\_\_ (the “**Bidder**”) in online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of the Congestion Tax project (the “**Tender**”).
2. I hereby declare and acknowledge that the Parent Company has control over the Bidder Shareholder. Attached to this declaration are an attorney confirmation and current printout of the Bidder Shareholder with the Registrar of Companies to certify the above.

In this regard –“**control**” - as defined in the Securities Law 5728-1968;

3. **Financial information**

- 3.1 **Parent Company** (except an Institutional Body or Bank Corporation or Private Investment Fund)

Financial data (ILS, in thousands):

<b>Fiscal year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Income turnover</b>			
<b>Shareholders' Equity</b> (for December 31, 2021)			
<b>Cash flow from current activity</b>			

### 3.2 Parent Company that is an Institutional Body or Bank Corporation

Financial data (ILS, in thousands):

<b>Date</b>	<b>December 31, 2021</b>
Shareholders' Equity (after deduction of the minimal Shareholders' Equity required under the Law(s), if applicable)	
Extent of managed assets, to the extent applicable	

### 3.3 Parent Company that is an Investment Fund

Financial data (ILS, in thousands):

<b>Date</b>	<b>December 31, 2021</b>	<b>14 days before the Deadline for Submission of Proposals</b>
Unrealized Investment Liability		

## 4. Material changes after the Financial Statements date

Except as set forth below, no material changes to us have occurred in the Parent Company following the closing date of Financial Statements for the Previous Fiscal Year

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5. **As of the form submission the Parent Company declares as follows (by checking (x) the following box):**

- The Parent Company's Financial Statements for the Previous Fiscal Year do not include a going concern notice.
- The Parent Company is not under suspension of proceedings, bankruptcy, receivership, liquidation, or reorganization, or foreclosures were imposed on its assets at a rate exceeding its Shareholders' Equity.

6. **Attachments**

It is required to attach to this form, the audited Financial Statements for each of the years specified in Section 3.1.

7. **Miscellaneous**

Terms mentioned in this form and not defined therein will have the meaning ascribed to them in the Tender Conditions Booklet.

8. **Representations and Warranties**

- 8.1 The Parent Company is aware and consents to that the data we have provided in the framework of the Bidder's Proposal, is for the reliance of the Bidder's compliance with the financial strength threshold conditions prescribed in Section 3.3 of the Tender.
- 8.2 The Parent Company represents and warrants that it has reviewed all financial data included in the Proposal submitted by the Bidder and Bidder's Shareholders that relate to the Parent Company and hereby acknowledges that all information, data, documents and representations included in such Proposal and relating to Parent Company are accurate and complete, no material data and/or information that may affect the judgment of the Ayalon Highways Tender Committee was omitted from them, and it is aware that to the extent the Bidder is chosen as the Winning Bidder, Ayalon Highways will engage it, inter alia, based on the said data. Without derogating from the above, the Parent Company acknowledges and undertakes that Ayalon Highways may sue its full costs and damages suffered it by reason of information provided by it which proves to be untrue and/or inaccurate.
- 8.3 The Parent Company hereby declares that the Proposal submission by the Bidder includes also the information and data about the Parent Company, that the

submission of this letter of undertaking by the Parent Company was duly authorized by the competent organs in the Parent Company, that the above does not contradict and/or violate the Parent Company’s instruments of incorporation and/or any applicable Law(s) and/or any other undertaking of the Parent Company and that the Parent Company’s participation in the Proposal is included in the purposes and powers prescribed in the Parent Company’s founding instruments.

- 9. This is my name and this is my signature, and the content to my above Affidavit is true.

Signature(s)	Date	Attorney signature and stamp	Date
		<p>I hereby represent and certify with my signature that the persons signing on the Parent Company’s behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Parent Company’s behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>	

Annex 14

Representation and Warranty of a Party with Toll Project Experience

(Under Section 3.2.2.2 of the Tender Conditions Booklet - alternative B condition no. 2)

Name of the party with Toll \_\_\_\_\_  
Project experience (the  
“**Professional Expert**”)  
Private/public company \_\_\_\_\_  
number

This representation and warranty is submitted by us with respect to the Proposal of \_\_\_\_\_  
(the “**Bidder**”) in online tender no. 65/22 for the design, procurement, establishment, operation  
and maintenance of the Congestion Tax project (the “**Tender**”).

**1. Representation and Warranty**

The Professional Expert hereby represents and warrants:

- 1.1 That it meets the threshold condition in Section 3.2.2.2 of the Tender Conditions Booklet, having the experience, of at least three (3) consecutive years out of the seven (7) years preceding the Deadline for Submission of Proposals, in providing O&M Services in at least one Toll Project, in Israel or abroad, as such terms are defined below.

*Check (v) the appropriate alternative:*

- It meets the experience requirement by itself, since in the Toll Project executed by it, it (*check (v) the appropriate alternative*):
  - Has a direct engagement with the customer
  - Was a shareholder/partner at a rate of \_\_%, in a body that has a direct engagement with the customer
  - Served as operation contractor that signed an agreement with the body that has a direct engagement with the customer

- Was a shareholder/partner at a rate of \_\_%, in the operation contractor that signed an agreement with the body that has direct engagement with the customer
- It meets the experience requirement through a Related Company, which in the Toll Project:
  - Had a direct engagement with the customer
  - Served as operation contractor that signed an agreement with the body that has a direct engagement with the customer

Related Company name: \_\_\_\_\_; private/public company no.: \_\_\_\_\_;

The Related Company signed a declaration and undertaking in **Annex 15** to the Tender Conditions Booklet.

1.2 In this representation and warranty

**“Toll Project”** - a project under which payment was charged from road users that meets the following cumulative requirements:

- A. at least ten million vehicle transitions were identified annually, that are liable to pay;
- B. identification was conducted based on photographing the vehicles and analyzing the license plates
- C. the project included payment calculation, collection processes and providing service to customers

**“Congestion Tax Project Operation Contractor”** - a sub-contractor engaged by the Winning Bidder who will be responsible for all operation and maintenance services in the Congestion Tax Project, as defined in Schedule B of the engagement agreement.

**“O&M Services in Toll Project”** - operation and maintenance of at least photography and analysis, toll calculation and collection services.

- 1.3 The information specified in Annex 9 of the Tender Conditions Booklet with respect to its experience is accurate.
- 1.4 It has inspected the Tender documents and the Bidder's Proposal and the information in the Proposal with respect to the O&M Services of the toll and collection apparatus is complete and accurate.
- 1.5 It has a signed memorandum of understandings with the Bidder stating that if the Bidder is chosen as Tender Winner it would hold at least fifty percent (50%) of the Means of Control in the Congestion Tax Project Operation Contractor.
- **The executed memorandum of understandings is annexed to this representation and warranty.**
- 1.6 After winning, it will comply with the memorandum of understandings and sign an agreement under which it undertakes to serve as a shareholder at a rate of at least fifty percent (50%) in the operation contractor, submit, inter alia, to the principles detailed in the Appendix of Principles for Project Contracts attached to the engagement agreement between the Customer and Bidder.
- 1.7 To the extent the Bidder wins the Tender, it will contribute its know-how and experience for the Project, specifically the know-how and experience demonstrated to the Customer in the Proposal.
- 1.8 The effect of its warranties will not change even if the Tender documents are modified according to their provisions, specifically the agreement, at any stage, and it gives prior consent to every such modification.
- 1.9 It, and any entity Controlling, Controlled by, or under joint Control with it, participate in the Tender in this Proposal only.
- 1.10 It is not directly or indirectly related to any of the Customer's Consultants listed in Annex 19 of the Tender Conditions Booklet except if otherwise approved by the Customer.

## **2. Miscellaneous**

- 2.1 The tender guarantee and/or performance guarantee (as the matter may) of the Bidder and/or the letter of indemnity undertaking from the Bidder's

Shareholders may be forfeited by the Customer by reason of violation of this representation and warranty.

- 2.2 Any matter related to this Annex will be subject to the Law(s) of the State of Israel.
- 2.3 Without derogating from the above, the competent courts in the Central District shall have exclusive jurisdiction with respect to any matter originating from or related to this Annex.
- 2.4 All terms in this Annex shall have the meaning ascribed thereto in the Tender documents, unless required otherwise by context or logic.
- 2.5 The address for the undersigned will be c/o the Bidder and the Bidder will be authorized to accept in our name communication and documents with respect to the Project.

Professional Expert signature and stamp By its authorized signatories:	Date	Attorney signature and stamp	Date
<p>_____</p> <p>_____</p>		<p>I hereby represent and certify with my signature that the persons signing on the Professional Expert's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Professional Expert's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>	

**Bidder's consent:**

The Bidder consents to the above.

Bidder signature(s) and stamp By its authorized signatories:	Date	Attorney signature and stamp	Date
<p>_____</p>		<p>I hereby represent and certify with my signature that the persons signing on the Bidder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Bidder's behalf have been warned by me to state the truth, otherwise they would be subject</p>	





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to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.

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**Representation and Warranty of a Related Company**

(Under Section 3.2.3.3 of the Tender Conditions Booklet)

Related Company name \_\_\_\_\_

Private/public company number \_\_\_\_\_

This representation and warranty is submitted by us with respect to the Proposal of \_\_\_\_\_ (the “**Bidder**”) in online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of the Congestion Tax project (the “**Tender**”).

**1. Representation and Warranty**

The Related Company hereby represents and warrants that:

1.1 It Controls \_\_\_\_\_ [complete the name of the party to which experience is sought in attribution] or is Controlled by it, or they are both under the same Control of another party, all directly or indirectly. “Control” - as defined in the Securities Law 5728-1968.

- Attached is a tree describing the direct and indirect holdings between the party whose experience is sought in attribution and the Related Company.**

1.2 It has inspected the Tender documents and Bidder’s Proposal.

1.3 Check (V) the appropriate alternative:

- It meets the threshold condition in alternative A (Section 3.2.1 of the Tender Conditions Booklet), having the experience, of at least three (3) consecutive years out of the seven (7) years preceding the Deadline for Submission of Proposals, in providing O&M Services in at least one Toll Project, in Israel or abroad, as such terms are defined below.
- It meets the threshold condition in condition no. 1 of alternative B section [a] (Section 3.2.2.1[a] of the Tender Conditions Booklet), as it has the experience, of at least three (3) consecutive years out of the ten (10) years

preceding the Deadline for Submission of Proposals, in providing O&M Services in at least one PPP Project in Israel, in the Transit Infrastructure Field, as such terms are defined below.

- It meets the threshold condition in condition no. 1 of alternative B section [b] (Section 3.2.2.1[b] of the Tender Conditions Booklet) as it performed works to spread out communication infrastructure for at least two-hundred thousand (200,000) households, by which it serves, as of the Deadline for Submission of Proposals, at least one million (1,000,000) Subscribers, holding a valid general license to provide mobile cellular phone services, as such terms are defined below.
- It meets the threshold condition in condition no. 2 of alternative B (Section 3.2.2.2 of the Tender Conditions Booklet), having the experience, of at least three (3) consecutive years out of the seven (7) years preceding the Deadline for Submission of Proposals, in providing O&M Services in at least one Toll Project, in Israel or abroad, as such terms are defined below.

1.4 The information specified in Annex 9 of the Tender Conditions Booklet with respect to its experience is accurate.

1.5 In this representation and warranty

“**Subscriber**” - anyone holding a cellular line that regularly receives communication services under an agreement from the cellular licentiate.

“**Toll Project**” - a project under which payment was charged from road users that meets the following cumulative requirements:

A. at least ten million vehicle transitions were identified annually, that are liable to pay;

B. identification was conducted based on photographing the vehicles and analyzing the license plates

C. the project included payment calculation, collection processes and providing service to customers

**“PPP Project”** - a project for provision of services or products in a concession agreement (every category of PPP including BOO, PFI, BOT) between the concessionaire and the state or a body on its behalf, which included the establishment and later provision of operation and maintenance services for at least ten (10) years, with the party having the represented experience being responsible for the establishment, financing, operation and maintenance of the service of the concession services with a total financial scope (establishment, operation and maintenance) of at least ILS 1 billion (excluding VAT).

**“Congestion Tax Project Operation Contractor”** - a sub-contractor engaged by the Winning Bidder who will be responsible for all operation and maintenance services in the Congestion Tax Project, as defined in Schedule B of the engagement agreement.

**“O&M Services in Toll Project”** - operation and maintenance of at least photography and analysis, toll calculation and collection services.

**“O&M Services in a Transit Infrastructure PPP Project”** - services provided to ensure the ongoing activity of the entire project including its infrastructure and systems.

**“Transit Infrastructure Field”** - road or light rail.

- 1.6 To the extent the Bidder wins the Tender, it will contribute its know-how and experience for the Project, specifically, the know-how and experience demonstrated to the Customer in the Proposal.
- 1.7 The effect of its warranties will not change even if the Tender documents are modified according to their provisions, specifically the agreement, at any stage, and it gives prior consent to every such modification.
- 1.8 It, and any entity Controlling, Controlled by, or under joint Control with it, participate in the Tender in this Proposal only.
- 1.9 It is not directly or indirectly related to any of the Customer’s Consultants listed in Annex 19 of the Tender Conditions Booklet except if otherwise approved by the Customer.

**2. Miscellaneous**

- 2.1 The tender guarantee and/or performance guarantee (as the matter may) of the Bidder and/or the letter of indemnity undertaking from the Bidder's Shareholders may be forfeited by the Customer by reason of violation of this representation and warranty.
- 2.2 Any matter related to this Annex will be subject to the Law(s) of the State of Israel.
- 2.3 Without derogating from the above, the competent courts in the Central District shall have exclusive jurisdiction with respect to any matter originating from or related to this Annex.
- 2.4 All terms in this Annex shall have the meaning ascribed thereto in the Tender documents, unless required otherwise by context or logic.
- 2.5 The address for the undersigned will be c/o the Bidder and the Bidder will be authorized to accept in our name communication and documents with respect to the Project.

Related Company signature and stamp	Date	Attorney signature and stamp	Date
<p><b>By its authorized signatories:</b></p> <p>_____</p> <p>_____</p>		<p>I hereby represent and certify with my signature that the persons signing on the Related Company's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p>I hereby certify with my signature that the persons signing on the Related Company's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>	

**Bidder's consent:**

The Bidder consents to the above.

Bidder signature(s) and stamp	Date	Attorney signature and stamp	Date
		<p>I hereby represent and certify with my signature that the persons signing on the Bidder's behalf are</p>	



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\_\_\_\_\_  
**By its authorized  
signatories:**  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
authorized signatories on its behalf and may bind it  
for the purposes of the tender.

I hereby certify with my signature that the persons  
signing on the Bidder's behalf have been warned by  
me to state the truth, otherwise they would be subject  
to penalties prescribed by law, and after giving them  
such warning, signed this Annex in my presence on  
the indicated date.

Affidavit of No Conflict of Interest

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

To  
Ayalon Highways Ltd.  
2 Nim Ave. St.  
Rishon LeZion

Dear Sir/Madam,

Affidavit

I, the undersigned, Mr./Ms. \_\_\_\_\_ holder of ID number \_\_\_\_\_ after being warned that I must state the truth, and that I would be liable to penalties prescribed by law unless I do so hereby declare in writing as follows:

1. I serve as \_\_\_\_\_ in \_\_\_\_\_, corporation / authorized dealer no. \_\_\_\_\_. I am the authorized representative of the Bidder and hereby sign this affidavit in support of the Proposal of Bidder \_\_\_\_\_ in online tender no. 65/22 for the design, procurement, establishment, operation and maintenance of the Congestion Tax project (the "**Tender**"), published by Ayalon Highways Ltd. ("**Ayalon Highways**");
2. During the period of providing the Services to Ayalon Highways, the Bidder or its team have no current or future conflict of interest of any kind, business or personal or other relations or any other matter that may put the Bidder in conflict of interest or concern for conflict of interest ("**Conflict of Interest**");
3. To the extent the Bidder wins the Tender, the Bidder and its staff will act faithfully towards Ayalon Highways and in favor of its interests only;
4. The Bidder and its staff undertake to avoid any Conflict of Interest with Ayalon Highways or the local authority, and undertake to notify Ayalon Highways as soon as any concern arises for Conflict of Interest with Ayalon Highways or the local authority as noted above;
5. The Bidder and its staff hereby undertake that in case of concern as per Section 4 above they will cease from performing any act on behalf of Ayalon Highways or provide any service with respect to the Project or Ayalon Highways until receiving instructions in the matter from Ayalon Highways.
6. Without derogating from the above, the following parties or corporations are directly or indirectly related to the Bidder or its staff, or receiving services from the Bidder or its staff, or maintaining personal or business relations with the Bidder or its staff at the time of

submission of the Tender Proposal that may place the Bidder or its staff in Conflict of Interest:

<u>Party</u>	<u>Essence of the relation of the party and/or anyone on its behalf</u>

7. This is my name and this is my signature, and the content to my above Affidavit is true.

<b>Signature(s)</b>	<b>Date</b>	<b>Attorney signature and stamp</b>	<b>Date</b>
<p style="margin-left: 40px;">I hereby represent and certify with my signature that the persons signing on the Bidder's behalf are authorized signatories on its behalf and may bind it for the purposes of the tender.</p> <p style="margin-left: 40px;">I hereby certify with my signature that the persons signing on the Bidder's behalf have been warned by me to state the truth, otherwise they would be subject to penalties prescribed by law, and after giving them such warning, signed this Annex in my presence on the indicated date.</p>			



**Online Tender No. 65/22 for the Design, Procurement, Establishment, Operation and Maintenance of the Congestion Tax Project**

**Link to Specifications (Appendix A of the Engagement Agreement)**

Bidders are required to click the link below and download the Project specifications:

<https://drive.google.com/drive/u/0/folders/1HdjzJTWVZPsZv81qTXjcRm3LtJ36u47B>

The Bidders' execution of this document confirms that they have downloaded, viewed and approved all Project specifications, including changes (to the extent made) to such documents in clarifications published by the Customer in this Tender.

This document constitutes an integral part of the Tender documents and Bidders are requested to attach a signed copy thereof to their Proposal.

\*\*\*

Bidder name: \_\_\_\_\_ Bidder's signature: \_\_\_\_\_ Date: \_\_\_\_\_  
\_\_\_\_\_

Annex 18

Terms for Participation in the Tender Using the Dekel Tender System

1. I hereby certify that I have thoroughly read all Tender documents above and that I am aware that all Tender documents **including this Annex** without exception constitute an integral part of the Tender documents with all it implies.
2. This Tender is being conduct through an online website called "**Dekel Tender**" found at [https://bids.dekel.co.il/ayalon.](https://bids.dekel.co.il/ayalon) (the "URL").
3. The Tender stages, as conducted through such website, are as follows:
  - 3.1. Registration to Dekel Tender and issuing a username and personal password for the participant. It is stressed that Bidders log in using the username and personal password only.
  - 3.2. Review of the Tender documents, review of the threshold conditions.
  - 3.3. Tender registration through the website and receiving proof (via return email) confirming that the participant registered to the tender.
  - 3.4. Attachments management: all Tender documents including annexes and references should be downloaded from the designated tab. Bidders must print and complete all Tender documents according to the instructions specified in the Tender Conditions Booklet. After completing and signing the documents and attaching all required documents, scan the documents with a quality that allows convenient reading and submit them in the designated tabs by classification: mandatory documents, answers to clarification questions (will be published according to the date prescribed for the response), additional notices and elective documents.

**It should be clarified and stressed that the online system does not inspect the content of the document submitted or its compliance with the Tender conditions, and the Bidder alone is responsible to do so.**
  - 3.5. The price proposal will be entered in the designated tab in the URL only, and submitted only after the Bidder confirms doing so by clicking the appropriate button.

The system will seal, encrypt and send the Bidder's quote in an encrypted manner that cannot be viewed by any party prior to the opening of the Tender proposal inbox by the Tender Committee and/or those authorized on its behalf.

3.6. Sending a single Proposal. It is clarified and stressed to participants that several Proposals cannot be made by a single participant and that after submitting the participant's Proposal through the Online System, the system will be locked, preventing the Bidder from sending additional documents.

4. Contact Ms. Katia Goldovitch of Dekel with any question by phone \_972-(0)4-8145400 ext. 1 or by email: service@dekel.co.il

5. I hereby declare that I have understood all documents and their details and that the place of execution of the agreement, terms of access, and any other factors affecting or likely to affect it, including concerning the extent of the expenses that are known and recognized by me, and that I have based my Proposal accordingly.

**Participant name:** \_\_\_\_\_

**Address:** \_\_\_\_\_ **Tel:** \_\_\_\_\_

**Contact:** \_\_\_\_\_

**Signature and stamp:** \_\_\_\_\_

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

List of Customer's Consultants

Consultant names	Firm name
Yoav Forer	COR
Mor Shavit	COR
Arye Elkobi	COR
Michael Kaplon	COR
Yair Tal	COR
Barak Harel	M.N.S Consulting
Dana Rom	M.N.S Consulting
Efrat Shriki	M.N.S Consulting
Dror Schlesinger	M.N.S Consulting
Liron Ben Eliyahu	M.N.S Consulting
Reut Salman	M.N.S Consulting
Yoni Opel	M.N.S Consulting
Ra'anana Yoker	M.N.S Consulting
Mati Alper	M.N.S Consulting
Dar Ben David	M.N.S Consulting
Shirly Cohen	Aya Shabi Ltd.
Nisim Nisim	Ansys
Ina Nisim	Ansys
Michaelis Danny	Ansys
Erez Rinesmidt	Ansys
Ilan Bigan	Dor Technologies
Eyal Reuveni	Dor Technologies
Yaron Smidt	Dor Technologies
Nir Lifshitz	Dor Technologies
Benny Nakar	Dor Technologies
Gidi Alon	Tandu
Eyal Nixel	Tandu
Yehoshua Cohen	Matat
Asaf Hazut	Matat
Ariel Green	Somekh Haikin
Zvi Ben Avraham	Somekh Haikin

Ilan Dambinsky	Stream Nash
Peleg Ze'evi	Stream Nash
Rony Bloch	Stream Nash
Zvika Friedman	Stream Nash
Ran Weiss	Stream Nash
Or Omri	Omri Architecture and Engineering Ltd.
Tsali Shalev	S. Friedman, Abramson and Co., Attorneys
Uriel Flis	Sha'ar Project Management
Eliezer Haviv	Sha'ar Project Management
Osnat Eliram	S. Friedman, Abramson and Co., Attorneys
Chen Mer-Kiel	S. Friedman, Abramson and Co., Attorneys
Dror Gidron	S. Friedman, Abramson and Co., Attorneys
Baruch Weiner	Freiberg Engineers Ltd.
Ayalon Freiberg	Freiberg Engineers Ltd.
Danny Manny	Uri Orland
Igor Finebord	I.S.Q
Danna Barak	Uri Orland
Micha Itach	HDR
Shai Solberg	HDR

New Vendor Form

Vendor name

Full address

Phone + fax + mobile no.

Authorized dealer no. / private company no.:

Bank account details / branch / account no.

Email

Contact

Additionally, please attach the following:

1. Confirmation of tax withholding at source;
2. Bookkeeping confirmation;
3. Photocopy of a canceled check / confirmation of bank account maintenance.

Vendor signature and stamp

Date

**Instructions for Submitting the Financial Model**

**1. General**

- 1.1. The financial model shall include all assumptions, forecasts and estimations on which calculations, data and information comprising the financial model are based on, including macro- and micro-economic aspects.
- 1.2. The financial model will be a “living model” without circular references and will include one central assumptions sheet, including everything required to enable performing a sensitivity analysis of the key parameters, and the ability to solve the model and reach optimization. The model should not contain links to external sheets.
- 1.3. The Bidder shall submit the financial model in Excel format and must be compatible with Excel 2017 or later versions. The file size should not exceed 100 megabytes.
- 1.4. The Bidder shall attach to the financial model a letter of reliance from a CPA on the tax policy included in the model and applicable to the Bidder.

**2. Assumption Book**

- 2.1. The Bidder shall attach to the model, as an integral part thereof, an orderly book of assumptions and explanatory notes detailing explanations and annotations on the financial model, and will include the basis of the assumptions as well as their plausibility as elaborated below, in order to allow the inspection of the Bidder’s calculations, the figures displayed, the logic to which the figures are based upon, and to allow sensitivity analysis of the main data displayed, as detailed below.
- 2.2. The assumption book shall include, as a minimum, the following components:
  - 2.2.1. A table of contents summary which includes all worksheets in the model;
  - 2.2.2. A detailed explanation of the methodology on which the model assumptions are based upon;
  - 2.2.3. An explanation on establishment of the model's key assumptions;
  - 2.2.4. A detailed analysis including all tools (manpower, technology, service agreements, equipment, etc.) the Bidder intends to implement in order to meet the agreement requirements and to prevent, minimize or reduce operational faults and non-availability events throughout the agreement period;

- 2.2.5. An explanation regarding the taxation policy and accounting policy which were applied;
- 2.2.6. A step-by-step user manual detailing the:
  - 2.2.6.1. Details of the macro commands, including their manner of calculation and operation.
  - 2.2.6.2. Manner for running sensitivity and scenarios.
  - 2.2.6.3. Solving and optimization of the model.

### **3. Reference parameters in the financial model**

- 3.1. Without derogating from the above, the Bidder is required to refer in the financial model, at a minimum, to the following parameters and aspects:
  - 3.1.1. Assumptions regarding timetables – Details on the following components, at minimum:
    - 3.1.1.1. For all stages of planning and establishment as of the agreement execution;
    - 3.1.1.2. For the operation stage.
  - 3.1.2. Macroeconomic assumptions - Details of macroeconomic assumptions throughout the agreement period:
    - 3.1.2.1. Exchange rates, inflation rates and input indices forecasts;
    - 3.1.2.2. Income tax and VAT rates.
  - 3.1.3. Establishment Costs – To be divided by all relevant cost components, including, procurement costs, installation costs, development costs, traffic arrangements, required manpower, overhead costs, contingencies and all other necessary costs. There should be a distinction between fixed cost components and varying cost components. This, at minimum as specified in **Annex 22** of the Tender Conditions Booklet. The establishment costs should be linked to Annex 22 of the Tender Conditions Booklet. The establishment costs must refer to all components set forth in said Annex 22.



- 3.1.4. Ongoing Costs - The Bidder is required to display detailed assumptions of the operation and maintenance costs as well as other periodic costs, including costs of maintaining the billing sites, electricity and communication costs, installation costs including the required traffic arrangements, manpower costs, costs of upgrades, innovation and system maintenance and all other necessary costs. There should be a distinction between fixed cost components and varying cost components. The details regarding said costs must be, at minimum, as is specified in **Annex 22** of the Tender Conditions Booklet. The current costs should be linked to Annex 22 of the Tender Conditions Booklet. The current costs must refer to all components set forth in said Annex 22.
- 3.1.5. Capital expense assumption;
- 3.1.6. Income forecast;
- 3.1.7. Depreciation and taxation policies;
- 3.1.8. Detailed financing assumptions.

#### **4. Model Products**

- 4.1. The model products shall relate, at minimum, to one-month periods each throughout the design and establishment period, and three (3) month periods each over the operation period, and will include, at minimum:
- 4.1.1. Summary of the main financial information including, at minimum, the Project Internal Rate of Return (PIRR), returns on Shareholders' Equity, financing structure, and summary of sources and uses. All results should be displayed in both real and nominal calculations.
- 4.1.2. Financial statements, including: cash flow, balance sheet, profit and loss, capital expenses table, income statement, operation costs statement, tax declaration and financing table.
- 4.2. The financial statements will be displayed in nominal terms of New Shekels according to the Israeli GAAP.

#### **5. Sensitivity Analysis**

- 5.1. The financial model shall allow sensitivity analysis of the key parameters detailed below, while providing the optimal solution for each scenario.

5.2. Additionally, the Bidder should attach to the bid details regarding the manner of performing the sensitivity analysis, including the parameters altered to produce the desired results, their location in the model, and the actions performed to run the model and produce the results, as noted above.

<b>Subject</b>	<b>Required Details</b>
Costs	<ul style="list-style-type: none"> <li>▪ 10% changes (increase and decrease) of the various establishment costs.</li> <li>▪ 10% changes (increase and decrease) of operation and maintenance costs.</li> </ul>
Delays in various milestones	Three (3) or six (6) months delays in each of the central milestones in the agreement.
Incentives and liquidated damages	<ul style="list-style-type: none"> <li>▪ Sensitivity to 10%-30% change of the scope of incentives assumed in the model.</li> <li>▪ Sensitivity to 10%-30% change of the scope of liquidated damages assumed in the model.</li> </ul>

Annex 22

Basic Assumptions

(The annex will be published as part of the clarifications)