

02/11/2020

To: Participants of the Tender

**Re: Tender No. 9/20 For the Establishment, Development, Management and Operation of a Cyber Arena for Testing in Smart Transportation**

**Response No. 5 to Questions and Requests for Clarifications of the Tender Documents**

Ayalon Highways Co. Ltd. (the "Company") is hereby publishing a response to questions and requests for clarifications of the Tender Documents submitted by the participating Bidders.

No.	Question/Answer
1.	<p><b>Question:</b> We would like to know at what stage of the process the presentation of an offer or a proposal becomes binding and irrevocable?</p> <p><b>Answer:</b> <b>The proposal becomes binding and irrevocable once the bid is submitted.</b></p>
2.	<p><b>Question:</b> We understand that the successful bidder will fund the venture on a 50/50 ratio with Ayalon Highways. Will the precise amounts of the funding be agreed by mutual consent? Can a party -either Ayalon Highways or the successful bidder- impose any funding obligation to the other? Can any of the parties exercise a veto right over a funding decision?</p> <p><b>Answer:</b> <b>As specified in the Agreement, the Successful Bidder and Ayalon Highways shall jointly bear the Recognized Expenses of the Arena.</b></p> <p><b>The portion of the Recognized Expenses to be borne by each of the parties shall be determined in accordance with the Successful Bidder's bid (the Winning Bidder shall bear at least 50% of the costs).</b></p> <p><b>The Recognized Expenses will be paid to employees, service providers and the suppliers of the Arena by the Successful Bidder, according to the Arena's work plan as approved by the Steering Committee, and Ayalon Highways will return to the Successful Bidder the relative part of the Recognized Expenses paid, according to Ayalon Highways' rate of participation as aforesaid.</b></p> <p><b>After signing the Agreement with the Winning Bidder, any additional funding (as required), in addition to the funding amounts that the parties have undertaken to allocate in accordance with the Agreement, will be determined jointly within the decision of the Steering Committee.</b></p>
3.	<p><b>Question:</b> Is Ayalon Highways open to negotiate with the successful bidder a stop loss mechanism providing for an early termination of the contract if after a certain period of time</p>

	(an agreed number of quarters, for example) the business case is not met or the financial results of the venture fell short of the agreed expectations?
	<p><b><u>Answer:</u> The purpose of the Tender is to produce a profitable and economic Arena.</b></p> <p><b>To the extent that the business case is not met or the financial results of the Arena fell short of the agreed expectations, the Steering Committee will examine the courses of action to improve the arena's activities and will determine the changes to be made to the Arena's work plan and the manner in which it operates.</b></p> <p><b>However, for the avoidance of doubt it is clarified that there will be no right to an early termination of the Agreement.</b></p>

\* \* \*

**This clarifications document, constitutes an integral part of the Tender Documents, and the Bidder is requested to attach a signed copy thereof to its Bid.**

**Name of Bidder:** \_\_\_\_\_ **Bidder's Signature:** \_\_\_\_\_

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