

To: Tender Participants

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

Clarification Notice no. 5

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

Please be advised that the Deadline for Submission of Clarification Questions is extended until 16.8.2021 at 15:00 (Israel local time), and the Deadline for Submission of Bids is extended until 30.9.2021 at 15:00 (Israel local time).

The table below refers only to questions and requests submitted regarding the threshold conditions and the business organization of the Bidder (Section 8 of Document A of the Tender Documents).

This notice centralizes the questions raised, unifying similar questions, with no background detail or identifying data.

#	Doc ume nt	Ssection	Question	Answer
1	A	8	Participants submitted a number of requests regarding the threshold conditions, such as the structure of the Bidder, the definitions in relation to the threshold conditions in sections 8.4 and 8.5, etc.	Some of the requests have been accepted. Participants are hereby referred to the amended section 8 attached as Appendix A to this document, as well as other clarifications detailed below. Please note that Appendix A and the clarifications below include all requests to which the Company has agreed regarding section 8, whereas all other requests have been rejected. In this context, it is hereby clarified that in accordance with sections 1.3.4 and 3.4 to Document A of the Tender Documents, the Company may, at its sole discretion, determine additional and/or different threshold conditions at the Specific Invitation stage.
2	A	8.1	Please clarify what is a licensed dealer.	A licenced dealer is a common type of a private enterprise in Israel - “Osek Murshe” (a person who is self-employed and registered with the tax

				<p>authorities). An authorized representative has no special standing in this Tender and it may submit a Proposal as a Bidder only if it itself meets the requirements of section 8.4 / 8.5, or meets the requirements of section 8.6 if it proposes a subcontractor that meets the requirements of section 8.4 / 8.5 .</p>
3	A	8.1	<p>Pursuant to section 8.1(A) of document A the Bidder can be a licensed dealer. Please clarify that a licensed dealer can prove that it meets the threshold conditions in sections 8.4 or 8.5 by the experience of the entity for which it is a licensed dealer.</p>	<p>The term "licensed dealer" has been interpreted mistakenly by the asking Bidder, please see question 2 above.</p> <p>It is further clarified that the Tender threshold conditions of sections 8.4 (Category A) and 8.5 (Category B) must be met by either:</p> <ul style="list-style-type: none"> (i) the Bidder itself, (ii) if the Bidder is a Joint Venture (see newly numbered section 8.8) - by at least one of the members of the Joint Venture (applicable for Category A only), or (iii) a subcontractor of the Bidder, in which case the Bidder must then meet the new threshold condition for Bidders in section 8.6(ii). <p>Thus, a representative of the entity that developed the MTMS/module cannot be a "Bidder" unless it itself complies with the new threshold condition for Bidders in section 8.6(ii) and the developing entity is its subcontractor for the purposes of this Tender; or unless it is part of a Joint Venture in which another member meets the threshold requirement of section 8.4.</p>
4	A	8.4-8.5	<p>Please clarify the meaning of the term "developed".</p>	<p>The term "developed" means writing the software source code. However, a situation in which the Bidder did not develop the MTMS or module itself but acquired a company (or all its activities) which developed the MTMS/module itself, including most of the software development employees, so that it has the knowledge and ability to make further developments, will be deemed to have "developed"</p>



				such MTMS/module and may submit a Proposal as well. The above clarification is also applicable to the term "developed" in the new section 8.6(ii).
5	A	8.4	Please confirm that an <u>integration company</u> that has developed as an MTMS and that MTMS meets the experience requirements in section 8.4 - meets the threshold conditions of section 8.4?	Please see answers to questions 3 and 4 above.
6	A	8.4-8.5	<p>The Tender Committee is requested to amend the Threshold Condition set in Section 8.4 as follows: "The Bidder has developed, either directly or through its Related Entities, a MTMS..."; and to amend the Threshold Condition set in Section 8.5 as follows: "The Bidder has Developed, either directly or through its Related Entities, the Individual Module..."</p> <p>The Tender Committee is also requested to add two new defined terms as follows: "Related Entity - shall mean a legal entity which exercises Control over such entity, is under the common Control of such entity or is Controlled by such entity". "Control - Shall have the meaning ascribed thereto in the Securities Law 1968".</p>	Request denied.
7	A	8.4-8.5	<p>Further to threshold conditions in Section 8.4 (Category A) or Section 8.5 (Category B), Please confirm that:</p> <p>(i) a Supplier is allowed to use the capacity of one of its affiliated entities in order to fulfill the Threshold Condition - MTMS - Category A and / or Threshold Condition - Individual Module (s) - Category B.</p> <p>(ii) a Joint Venture member is allowed to use the capacity of its affiliated entities in order to fulfill the Threshold Condition - MTMS - Category A and / or Threshold Condition -</p>	All requests are denied.



			Individual Module (s) - Category B. (iii) provided that the Supplier is allowed to use subcontractors capacity in order to fulfill the Threshold Condition, also this subcontractor itself is allowed to use the capacity of one of its affiliated entities to fulfill the Threshold Conditions - MTMS - Category A and / or Threshold Condition - Individual Module (s) - Category B. For example, the subcontractor has developed one MTMS project and its affiliated entity has developed one MTMS project, both projects can be used to fulfill the Threshold Condition.	
8	A	8.4	It is requested that the company that developed (DEVELOPED) approves the MTMS, as an integrator together with a number of integrators and a number of licensed dealers, and that MTMS meets the experience requirements in section 8.4 - that this company meets the threshold conditions of section 8.4	The question is unclear. The Participant may rephrase and resubmit it in the following clarification round.
9	A	8.5	Please allow the Bidder to demonstrate its compliance with section 8.5 by a Metropolitan Traffic Control Project or by a national traffic control project .	The request is accepted (for threshold condition 8.5 only), provided that the geographical coverage includes a population of over 2 million residents and as long as the project also meets the conditions stipulated in sections 8.7.2.2 and 8.7.2.3.
10	A	8.5	We request to allow a bid to be submitted by any company that has developed a module that meets the functionality in Document C and that the module has worked over a period of the last 5 years for the benefit of traffic management, not necessarily in a Metropolitan Traffic Control Project.	Request denied.
11	A	8.6.2.1 (new number 8.7.2.1)	Please confirm that in case a highway connects several metropolis, the population of the two or more metropolis can be counted together.	The Bidder may demonstrate a highway directly connecting two metropolitan areas, provided that the total population of the two metropolitan areas is at least 2

				million residents and each metropolis has at least 0.5 million residents. The Bidder must demonstrate that the project complies with sections 8.7.2.2 and 8.7.2.3 as well.
12	A	8.6.2.2 (new number .8.7.2.2)	Does the definition "control and management" require actual management of signs and traffic lights or only a central interface at a level above traffic management systems?	It does not require actual management of signs and traffic lights. The MTMS can interface with external traffic management systems that manage metropolitan transportation infrastructure.
13	A	8.7 (new number 8.8)	Taking into account that a Joint Venture is not allowed to submit a Proposal for Category B, The Tender Committee is requested to clarify that if a Joint Venture submits a Proposal for Category A, each member of such Joint Venture will be allowed to submit a separate Proposal (as a Bidder), for any Non-core Module (under Category B	It is clarified that a Bidder that submitted a proposal as a Joint Venture in Category A and met the threshold conditions, will be eligible to be declared a winning Bidder in Category B as well, despite being a Joint Venture.

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

Name of Participant: _____ Participant's Signature:
_____ Date: _____