

Agreement no. _____

For the Establishment, Development, Management and Operating of a Cyber Arena for Testing in Smart Transportation

Agreed and signed on ___ day of the month of _____ in the year _____

By and between: **Ayalon Highways Ltd.**

2 Nim Blvd.

Rishon Lezion

(hereinafter "the Company" or "Ayalon Highways")

On the one part;

And: _____ corporation no. _____

_____ St. _____

Telephone: _____; Fax: _____

(hereinafter "the Service Provider")

On the second part;

Whereas The Company is a government company according to the Government Companies Law, 5735- 1975, which engages inter alia, in managing, initiating and developing projects in the world of innovation and the transportation technology; and adaptation of infrastructures to technological developments in vehicles and in road facilities;

And whereas the Company published Tender no. 64/19 for the establishment, development, management and operation of a Cyber Arena for testing in smart transportation (hereinafter the "Tender");

And whereas the Service Provider declares that it meets all the terms of the Tender, that it has all the means to provide the Services according to the Agreement, and that he and the staff members on his behalf, as defined hereafter, have the professional background, know how, experience, personnel, skills and expertise necessary for the performance of the Services and all his obligations under this Agreement in a high professional standard;

And whereas the Company wishes to enter into a contractual engagement with the Service Provider based on a service agreement and not in the framework of an employer-employee relationship, this without derogating from the Company's right to discontinue use of the

Service Provider's services according to the agreement at any time and/or to use the services other Service Providers, at its sole discretion;

And whereas the Service Provider wishes to provide the Company its Services under the terms set forth in the Agreement and as an independent service provider, and the Company agrees to these terms.

Therefore, it was agreed declared and stipulated by and between the parties as follows:

1. General

It is hereby clarified that the English version of the Agreement and its annexes is for purposes of assistance and convenience only, and that in any case only the Hebrew version of the Agreement and its annexes shall prevail and oblige.

1.1. The preamble to this agreement and the appendixes attached to it constitute an integral part hereof.

1.2. Following is a list of the appendixes attached to the agreement:

Appendix A – the Tender Documents and the Bid of the Service Provider;

Appendix B – the Service Provider's non disclosure commitment;

Appendix C – the Methodology Document and Business Plan;

Appendix D – Certificate of Insurance.

Appendix E – Bank guarantee – Hebrew version only.

1.3. The titles of the sections in this agreement are for convenience of the reader only, and they shall not be used for interpreting the contents of the sections in any way or form.

In this agreement the terms hereafter shall have the meaning set forth aside them:

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|--------------------------------|--|
| The “ Agreement ” | This agreement and all its appendixes; |
| “ Recognized Expenses ” | - Expenses, the purpose of which is for the establishment and development of technological infrastructure and ongoing operations of the Cyber Arena activities, as to which the Steering Committee has determined in the Arena's procedures that they can be taken into account; |
| The “ Tender ” | - As defined in the preamble above, including all its appendixes and the documents attached to it and any amendment, update or clarification published in connection with it; |

- The **“Arena” / the Cyber Arena** ” - A Cyber Arena for testing in smart transportation in the city of Beer Sheva which will simulate **Arena** a future transportation Arena as set forth in the Tender documents;
- The **“Experimenter/s”** - Various people that operate in the field of smart transportation and autonomous vehicles, which are interested in using the Services of the Cyber Arena .
- The **“Bid of the Service Provider”** - The Bid of the Service Provider as submitted to the Company, including all of its appendixes and its documents;
- The **“Services”/ the “Work”** - Services of establishing, developing, managing and operating the Cyber Arena for testing in smart transportation, as set forth in the Tender documents, as well as the Services set forth in the Service Provider's Bid, including the Services set forth in the Methodology Document;
- The **“Steering Committee”** - As defined in section 4 hereafter;
- “Methodology Document”** - Methodology Document for the Cyber Arena , in which the Service Provider presented a business plan for the Cyber Arena's activities as part of the Service Provider's Bid, which is attached as Appendix C to the Agreement;
- The **“Ministry of Transport”** - The Ministry of Transport and Road Safety;
- “Index”** - The Consumer Price Index as published from time to time by the Central Bureau of Statistics;
- “State Representatives”** - Representatives of government entities that will be appointed by Ayalon Highways and/or anyone on its behalf as members of the Steering Committee.

2. The Contractual Engagement

The Company hereby orders the Services from the Service Provider, and the Service Provider undertakes to provide the Services, in accordance with the Service Provider's Bid to the Tender and the Methodology Document, effectively and professionally and to the Company's satisfaction, this in return for the Company's participation in the Recognized Expenses of the Cyber Arena according to the amounts that the Company undertakes to allocate, all in accordance with and subject to the terms of the agreement.

The Services will be performed at an excellent professional level, accordaning to the best professional standards and rules, and accordaning to the provisions of any law.

3. Representations and Warranties of the Service Provider

The Service Provider represents and warrants as follows:

- 3.1. That there is no prohibition, restriction or prevention, including by virtue of law, contract or its incorporation documents, preventing it from entering into this agreement with the Company and performing its obligations according to it, that it has no commitment contrary to its commitments according to the agreement and that in signing the agreement or performing its obligations according to it, does not constitute a breach of any of its other agreements or undertakings and any law, and it is aware that he will be liable to indemnify and compensate the Company for any lawsuit and/or demand filed against the Company in connection with a breach of this statement;
- 3.2. That it has all the approvals and/or licenses and/or permits required according to any law for conducting its activities, and in particular, for performing its obligations according to the agreement;
- 3.3. That it and the staff members offered by it as part of the Service Provider's Bid comply with all terms of the Tender, and have all the means to provide the Services, and that they have the professional background, know-how, experience, qualifications, skills and expertise required for performing the Services and all the Service Provider's obligations according to the agreement at a high professional level and with maximum efficiency, to the satisfaction of the Company, and that he and the staff members on his behalf will perform their duties faithfully and with dedication, and shall use their skills, knowledge and experience to the benefit of the Company and the Ministry of Transportat;
- 3.4. That all the Services he shall provide the Company will be of high quality and precision, that it shall make all the necessary preparations and arrangements necessary to provide the Services effectively, excellently and to the satisfaction of the Company;
- 3.5. That it has all the knowledge, facilities, equipment and means required to perform the Services and they shall remain in its possession throughout the entire term of the Agreement and while providing the Services to the Company;
- 3.6. That it has reviewed everything requiring preliminary examination relating to the provision of the Services, that he is well acquainted with the requirements in the framework of providing the Services, and that he waives irrevocably and in advance, any claim and/or demand and/or lawsuit and/or any other objection towards the Company regarding the aforesaid;
- 3.7. That in all its actions, he will not infringe another's copyrights and he will not cause the Company to infringe another's copyrights. If the Service Provider shall breach the provisions of this section, he shall indemnify the Company and/or the State Representatives for any damage and/or loss and/or expense incurred to them, including legal fees and legal expenses, and this immediately upon their first demand;
- 3.8. That it is aware that the Company and any person appointed by the Company, may, at any time, examine his performance and/or the performance of the staff members on his behalf, and the Service Provider must allow this examination without any limitation, and if it shall be determined by the examiner on behalf of the Company that the performance of the Service Provider is not

proper, his determination shall be final and the Service Provider will be requested to mend the deficiencies discovered;

- 3.9. That it undertakes not to oblige the Company in any way in any financial or legal obligation without obtaining a detailed and prior written consent from the Company;
- 3.10. That it keeps accounting books and all records and/or reports according to the Income Tax Ordinance [New Version], 5721- 1961 and the Value Added Tax Law, 5736- 1975, and he undertakes to provide the Company, whenever required, with a certificate confirming the performance of the aforesaid by it, or alternatively, a certificate confirming that it is exempt from doing so. Such certificate shall be made by an authorized official as defined in the Public Entities Transactions Law, 5736- 1976, or by an accountant;
- 3.11. That it, and anyone on its behalf who shall be engaged in the provision of the Services, will cooperate with the Company's internal audit, including allowing the Company's internal audit, to perform inspections of the Service Provider's books in connection with its engagement with the Company;
- 3.12. That all its statements and representations which formed part of its Bid to the Tender are valid and it is aware that they constitute a basis for entering into the agreement. The Service Provider must immediately notify the Company of any change occurring in the truth of its representations in the framework of the Tender, and the Company shall be entitled to consider continuing the contractual engagement according to the Agreement in accordance with the nature of the change. If the Service Provider shall fail to notify the Company of such change of circumstances this shall constitute a material breach of the Agreement;
- 3.13. That, without derogating from the aforesaid, he is aware that the Company is entering into this agreement with it based on its representations, statements and obligations set forth in the agreement, and that any inaccuracy in its representations and statements and/or the failure to fulfill any of its obligations according to the Agreement shall constitute a material breach of the Agreement.

4. Activities of the Cyber Arena

The Arena shall include the main realms of activities as follows: (“**Domains**”):

- 4.1. The Testing Domain: As part of which durability tests will be conducted for products within the smart transportation domain against cyber threats.

At least 50% of the work hours performed by the personnel to be employed at the Arena shall be referred to the Testing Domain.

- 4.2. The Research and Development (R&D) Domain: as part of which the Arena's infrastructures will be made accessible to Israeli corporations interested in such, in order to carry out research and development activities for their products.

At least 20% of the work hours performed by the personnel to be employed at the Arena shall be referred to the R&D Domain.

4.3. The General Domain: Up to 30% of work hours performed by the personnel to be employed at the Arena, to be utilized as follows:

4.3.1. Up to 20% of the work hours performed by the personnel to be employed at the Arena in activities to be determined at the sole discretion of the Service Provider;

4.3.2. Up to 10% of the work hours performed by the personnel to be employed at the Arena in activities to be determined at the sole discretion of the State Representatives.

4.4. Should there remain a surplus of working hours of the personnel to be employed at the Arena, which had not been utilized as mentioned in sections 4.1- 4.3 above, this surplus shall be referred to the development of the Cyber Arena , its ongoing management and operations, and any other activity to be approved by the Steering Committee.

5. The Steering Committee

5.1. The Service Provider shall establish, develop, manage and operate the Arena in accordance with and subject to the decisions of the Steering Committee.

5.2. All material decisions with respect to the Arena's activities and its management shall be made by a Steering Committee, consisting of at least four members, provided that the number of members appointed by the Service Provider shall be equal to the number of members appointed by the Company.

5.3. Representatives on behalf of the Service Provider shall be granted 50% of the voting rights at the Steering Committee and the State Representatives shall be granted 50% of the voting rights in the Steering Committee.

5.4. The Steering Committee may add additional members to the Committee, provided that voting rights shall remain as stated in section 5.3 above.

5.5. The appointment of members of the Steering Committee shall be made by a written notice to be delivered by the appointing party to the other party. A party who has appointed a member of the Steering Committee, may, at any time and to its discretion, dismiss him, replace him and appoint a replacing member in his place (whether permanently or temporarily, including for a specific meeting), in written notice to the other parties as stated above.

5.6. The project manager on behalf of the Service Provider (who was proposed in the framework of the Service Provider's Bid and approved by the Company) and the Company representatives will be present at the Steering Committee's meetings , however they will not be members of the Committee and they will not have voting rights at the committee's meetings.

5.7. The Steering Committee shall accompany the process of establishing and developing the Arena and will provide the Service Provider with professional directives regarding the Arena's activities.

5.8. The Service Provider, through the Project Manager on its behalf, shall cooperate with the Steering Committee and he shall furnish to it all the documents and/or details and/or accounts and/or work logs and any other such document as may be requested by any of the Steering Committee's members, this within no more than 4 days after receipt of a written request from a member of the Steering Committee.

5.9. Powers of the Steering Committee

The Steering Committee shall outline the policy and activities' strategy of the Arena and shall supervise the activities of the Arena , including:

5.9.1. Establishing action plans for the Arena , principles for financing the activities of the Arena , priorities between the Arena's activities and procedures in relation to the Arena's activities.

5.9.2. Supervising the use of the Aren's funds and formulating rules and procedures for determining the recognized expenses of the Arena (as defined above).

5.9.3. Approving the plan for the establishment and development of the Arena.

5.9.4. Approvaing the work plan and annual budget of the Arena .

5.9.5. Determining the price list and service tariffs that will be offered by the Arena to the experimenters.

5.9.6. Determining the organizational structure of the Arena and the salary policy of the Arena's employees, suppliers and service providers.

5.9.7. Distributing the Arena's profits, as mentioned in section 8 hereafter.

5.9.8. Approving marketing and advertising campaigns.

5.9.9. Approving engagement with an accompanying bank, accountants, consultants and planners.

5.10. The Steering Committee's meetings

5.10.1. The Steering Committee will meet regularly, according to the Arena's needs, and at least once every six months. In addition, the Steering Committee will convene in any case where such is demanded by any of its members in a written notice to be given to the other committee members. Such notice shall include the agenda for the meeting, the location of the meeting and the date of its convening, which shall not be sooner than 3 business days nor later than 7 business days after the date on which all the members of the Steering Committee have received the demand to convene a meeting, unless all members of the Steering Committee agreed on a shorter period of time or on convening without notice.

5.10.2. At least once every six months, the Service Provider present, in a Steering Committee's meeting, a review of the Arena's activities, and a discussion will be held regarding the issues

on the agenda of the committee's meeting. Each of the members of the Steering Committee may, at his or her own initiative, raise topics for discussion at committee's meetings, advise as to the Arena's policy and strategy, and offer professional opinions, recommendations or procedures in relation to the Arena's activities.

5.10.3. A notice regarding the Steering Committee's meetings shall specify the date of the meeting, the place where it shall be convened, and shall also include a reasonable breakdown of all issues on the agenda.

5.10.4. The legal quorum for holding a Steering Committee meeting and adopting decisions in it will be the attendance of at least one representative on behalf of the Service Provider and one representative on behalf of the State Representatives.

5.10.5. Members of the Steering Committee present at the meeting will choose one of them to serve as chairman, manage the meeting and sign the minutes of the meeting.

5.10.6. Except as mentioned in section 5.10.7 hereinafter, The decisions of the Steering Committee shall be adopted by a majority of the votes of Committee members participating in the vote (either by themselves or by an authorized representative), in accordance with the voting power ratios as mentioned in section 5.3 above. The Steering Committee chairman will not have an additional vote or a casting vote.

5.10.7. Notwithstanding the foregoing, in case of non-consent in the steering Committee as to the decisions set forth below, the State representatives shall have a a casting vote in the steering Committee:

5.10.7.1. A refusal by the Service Provider to provide the Arena's services to a certain entity`

5.10.7.2. Manner of restoring information accumulated regarding the Arena's activities and accessibility to such information.

5.10.7.3. Manner of conducting the testing in the Arena's activities.

5.10.7.4. conducting changes in the Methodology Document (as defined above).

5.10.8. A member of the Steering Committee shall be entitled to participate in the Steering Committee's meetings by any means of communication permitted by law, provided that all participating members of the Committee may hear each other simultaneously.

5.10.9. A written decision, signed by all members of the Steering Committee, as well as a decision which all members of the Steering Committee agreed to in writing, including by facsimile or e-mail, shall have the same effect for any purpose as if it was adopted as a decision at a duly convened Steering Committee meeting.

5.10.10. The Service provider shall be responsible for the ongoing administrative management of the Steering Committee and operating all administrative services required for the proper functioning of the Steering Committee, including summons to the Steering Committee's meetings, preparing data as a basis to the discussion, writing protocols and time and place for holding the meetings. For the avoidance of doubt, expenses as to the administrative

management of the Steering Committee are recognized expenses as defined in this Agreement.

- 5.11. The provisions in this section are fundamental provisions of this Agreement and a breach thereof will be considered a material breach of the Agreement.

6. The Services

The Service Provider will provide the Services to the Company by outsourcing by the staff members presented by it in the Service Provider's Bid, and this according to the provisions of the Tender Documents and Service Provider's Bid, and in accordance with the Company's guidelines and requirements as given from time to time to the Service Provider, with the work plans which shall be approved and/or determined by the Steering Committee and with the provisions of this Agreement. Without derogating from the aforesaid, it is clarified that the Services will be provided in accordance with the Methodology Document attached as **Appendix C** to the Agreement, and the Service Provider will be obligated to act according to it.

Without derogating from the aforesaid, the Services shall include all Services set forth below:

6.1. Establishing the Cyber Arena

- 6.1.1. Within 30 days after the parties signed the agreement, the Service Provider shall submit to the Steering Committee's approval the work plan for the establishment and development of the Arena, which will specify, inter alia, the milestones and time schedules for establishing the Arena. The work plan to be presented shall be as to all years regarding the Agreement period.
- 6.1.2. The work plan will be based on the data specified in the Methodology Document submitted as part of the Service Provider's Bid, and it will include everything required for complying with the principles of the Methodology Document and the provisions of the Tender documents.
- 6.1.3. The Steering Committee may require the Service Provider to make changes in the work plan, to its discretion, and the Service Provider undertakes to integrate the Steering Committee's comments (if any) in the work plan, within a reasonable period of time which shall be determined by the committee.
- 6.1.4. Once a quarter, the Service Provider shall submit to the Steering Committee a report regarding the establishment and development of the Arena, referring to the objectives and milestones determined in the work plan, and additional data as requested by the Steering Committee.
- 6.1.5. After completion of the Arena's establishment and the Steering Committee's approval of it being in order and complying with the requirements of the Agreement, the Service Provider undertakes to manage and operate the Arena according to the provisions of the Agreement.

6.2. Managing, Operating and Developing the Arena

- 6.2.1. Managing the work interface with all parties involved in the Arena's activities, in accordance with the policy and strategy to be outlined by the Steering Committee.
 - 6.2.2. The development of the Arena , including design and providing a solution to new requirements in connection with the means and the equipment required in the Arena , and the procurement of equipment and means for the purpose of the Arena's activities.
 - 6.2.3. Administrative management and operation of the Arena , including schedule management and the manner of using the Arena .
 - 6.2.4. Management, supervision and control of the work of various subcontractors, suppliers and service providers in connection with conducting the testing in the Arena.
 - 6.2.5. Managing the maintenance of the Arena .
 - 6.2.6. Developing methodologies and tools for testing the durability of smart transportation products against cyber threats.
 - 6.2.7. Providing access to experimenters to the possibility of carrying out R&D activities based on the Arena's infrastructures.
 - 6.2.8. Drawing up agreements with the experimenters.
 - 6.2.9. Defining the content of the experiment vis-à-vis the experimenters, including the time schedules, operations, costs, infrastructure and the means required to perform the experiment.
 - 6.2.10. Support, ongoing counseling, and methodological support for the experimenter's experimental team at all stages of the experiment.
 - 6.2.11. Providing access to the data collected from the experimental means deployed in the Arena, for the benefit of completing the experimental investigation of the experimenter.
 - 6.2.12. Meeting the needs of the experimenter as to maintaining and protecting business confidentiality.
 - 6.2.13. operating teams to conduct resistance tests and penetration tests of the experimenter's products against cyber threats.
 - 6.2.14. Producing reports, position papers and opinions according to the guidelines of Ayalon Highways and the State Representatives.
 - 6.2.15. Participating in various discussions, reviews and meetings on the topic of the Cyber Arena as may be summoned from time to time by Ayalon Highways and/or any other party.
- 6.3. The provisions of this section are fundamental provisions of the Agreement and a breach thereof will be considered a material breach of the Agreement.

7. Financing the Arena's Activities

- 7.1. The Service Provider and Ayalon Highways shall jointly bear the recognized expenses of the Arena and the costs of establishing and developing the Arena, including the acquisition, upgrading and preservation of fixed property for the Arena. For this purpose, the Service Provider will allocate a total of _____ NIS from its sources [*to be completed according the Service provider's financial Bid to the Tender*], and Ayalon Highways will allocate from its sources a total of _____ NIS (hereinafter: the “**Funds of the Cyber Arena**”). Accordingly, the Arena shall have a total sum of _____ NIS for the establishment of the Arena, its development and its activities throughout the entire period of the Agreement including the Option Periods, in case it shall be put into effect.
- 7.2. Additionally, the Experimenters who shall be granted the Arena's services as part of testing to be conducted at the Arena's facilities, shall bear payment for covering the costs of conducting the testing, including the Arena's ongoing of management and operation costs, and this according to the principles to be set forth by the Steering Committee. Notwithstanding the foregoing, the Steering Committee shall be entitled to decide that also the costs of conducting the testing, ongoing management and operation of the Arena shall be paid out of the funds allocated to the Arena by the Service Provider and Ayalon Highways, and this for a certain period of time and/or under certain terms, all as shall be determined by the Steering Committee.
- 7.3. The Service Provider shall use the Arena's Funds solely for the purpose of implementing the Arena's work plan and according to the Arena's budget, as shall be approved by the Steering Committee.
- 7.4. The Service Provider will manage a dedicated distinguished budget for the activities of the Arena, which will be managed separately from any other activity of the Service Provider.
- 7.5. As part of the reports that the Service Provider will provide to the Steering Committee as mentioned above, a summary report will be submitted in July of each year regarding the period from January 1 of that year to June 30 of that year; And in the month of February each year, a summary report will be submitted regarding the period from July 1 of the previous year to December 31 of the previous year.

The summary report shall include the following information:

- 7.5.1. A content report detailing the main activities performed by the Service Provider;
- 7.5.2. An expense report detailing the actual expenses in the reported period, the expense report and its appendixes will be approved by the finance manager and the accountant of the Service Provider.
- 7.6. Without derogating from any authority, claim, relief or any other existing right of the Company whether according to any law or according to this Agreement, the Parties agree that to the extent that the Service Provider will not allocate its share of the Arena's Funds, the Company will be exempt from allocating its share according to this Agreement.

- 7.7. For the avoidance of doubt, it is agreed by and between the parties that the Company and/or the State Representatives and/or anyone on their behalf shall not bear any cost and/or expense of any kind whatsoever beyond the amounts Ayalon Highways undertook to allocate as set forth in Section 7.1 above.
- 7.8. The provisions of this section are fundamental provisions of this Agreement and a breach thereof will be considered a material breach of the Agreement.

8. Payment of the Recognized Expense of the Arena

- 8.1. Ayalon Highways and the Service Provider will bear the recognized expenses of the Arena according to their relative part in the Arena's Funds, meaning – Ayalon Highways will bear ___ % of the recognized expenses (hereinafter the “**Ayalon Highways' Rate of Participation**”) and the Service Provider will bear ___% of the recognized expenses [*shall be completed according to the financial Bid of the Service Provider to the Tender*].
- 8.2. The recognized expenses will be paid to employees, service providers and the suppliers of the Arena by the Service Provider, according to the Arena's work plan and the approval of the Steering Committee, and Ayalon Highways will return to the Service Provider the relative part of the recognized expenses that he paid, according to of Ayalon Highways' rate of participation as mentioned in section 8.1 as set forth hereafter:
- 8.2.1. At the end of each calendar month, the Service Provider shall submit to the Company a detailed monthly report regarding the recognized expenses incurred by the Service Provider during the previous calendar month for which payment is requested.
- 8.2.2. The monthly report will detail the amount of the bill, detailing all the recognized expenses incurred by the Service Provider, and the payment requested according to Ayalon Highways' rate of participation.
- 8.2.3. The Company shall be entitled to instruct the Service Provider to specify in the monthly report additional data according to its sole discretion.
- 8.2.4. Subject to the approval of the monthly report by the Company as aforesaid, the Service Provider shall submit to the Company the approved bill as mentioned no later than the 5th day of the following calendar month. The Company shall pay the Service Provider the amount of the bill on the 10th or 25th of the calendar month, whichever is earlier, provided that 45 days have passed from the date of submitting the bill by the Service Provider to the Company. The effective date for submitting the bill is the date of the stamp of receipt of the bill by the Company's representative.
- 8.3. For the avoidance of doubt, it is clarified that Ayalon Highways will not incur any cost and/or expense of any kind, which were not approved by the Steering Committee as a recognized expense, as defined above, or amounts higher than Ayalon Highways' rate of participation in the Arena's Funds, and as far as such costs and/or expenses shall exist, the Service Provider shall bear them solely.

8.4. Advance Payment

8.4.1. To the extent that the Service Provider so desires, it shall be entitled to receive an advance payment, on account of Ayalon Highway's participation in the Arena's Funds according to the provisions of this Agreement, provided that such advance payment does not exceed 20% of the sum of Ayalon Highways' participation (hereinafter: the "**Advance Payment**").

8.4.2. In case the Company has approved payment of the advance payment to the Service Provider as mentioned, the Service Provider shall provide the Company against the Advance Payment an autonomous bank guarantee which will be transferred by the Service Provider to the Company, in the form and for the period to be determined by the Company and in an amount equal to the Advance Payment (plus VAT), linked to the index known at the time of transferring the advance payment to the Service Provider.

8.4.3. The manner of refunding the Advance Payment to the Company shall be determined according to the Company's sole discretion.

9. Distribution of Profits

9.1. In this agreement, the term "**net profit**" means: the income of the Arena which has been received from experimenters, less: (a) the management and operation costs of the Arena ; And (b) costs of development, maintenance, investment in fixed property and infrastructure of the Arena (including continued investment), as shall be approved by the Steering Committee.

9.2. To the extent the activity of the Arena generates a net profit during the period of the contractual engagement, including the extension periods (if any), the following provisions shall apply:

9.2.1. The net profit will be distributed between the Service Provider and the Company in equal parts (50%), according to the instructions to be determined by the Steering Committee. For the avoidance of doubt, it is clarified that the net profit, amounts and distribution dates, will be determined in a decision to be adopted by the Steering Committee.

9.2.2. The Service Provider will be entitled to receive its share of the net profit, which will be transferred to him in cash.

9.2.3. The Company's share in the net profit will not be transferred to it in cash, but will be deposited to a designated fund, and the Company may utilize the amounts accrued in this Fund for use of the capabilities, facilities and Services of the Arena after the termination of the contractual engagement period, including the extension periods, if existing, in accordance with its credit as specified in section 12.6.1 hereafter (hereinafter: "**Company Credit**").

9.3. The provisions of this section are fundamental provisions of this Agreement and a breach thereof will be considered a material breach of the Agreement.

10. Manpower Requirements

- 10.1. For the purpose of providing the Services, the Service Provider's work team shall, at all times, include excellent professionals and experienced in providing Services of the kind required according to the Tender documents, including the Agreement, in the composition and number as approved by the Steering Committee.
- 10.2. Without derogating from the aforesaid, the Services will be provided to the Company by the Service Provider through staff members on its behalf presented by him in its Bid to the Tender, who fully meet all the requirements set forth in the Tender Documents, as well as by other staff members approved in advance by the Steering Committee (hereinabove and hereinafter: the "**Staff Members**").
- 10.3. Without derogating from any provision of the provisions of the Agreement, it is clarified that the staff members on behalf of the Service Provider must actively participate in all stages of the provision of Services, including attending meetings of the Company and/or of the Ministry of Transport and/or of any other party as may be required for the provision of the Services and at the frequency required for this purpose, and shall also cooperate with any such party, in order to assist in connection with the provision of the Services, all according to the Company's demand from time to time.
- 10.4. The Service Provider undertakes to continue to employ the staff members as proposed by him in the Service Provider's Bid for the entire term of the agreement, unless the Company has authorized it otherwise in advance and in writing. For the avoidance of doubt, the replacement of the staff members, without the Company's prior written approval, will constitute a material breach of the agreement.
- Notwithstanding the aforesaid, it is agreed that where any of the staff members are temporarily unable (in other words, illness, reserve duty, vacation leave, etc.) to perform their duties in the framework of the Services, the Service Provider may offer another staff member as a substitute, subject to receiving the Company's prior approval .
- 10.5. It is clarified that the Company is entitled to order the replacement of any of the staff members or the removal of any of the staff members immediately at any time and according to its sole discretion, and without it bearing any liability towards the Service Provider and/or the staff members. If the Company operated as stated in this section, the Service Provider undertakes to provide a substitute staff member who meets all the conditions set forth in the Tender documents with respect to the replaced staff member, all subject to obtaining the Company's approval in advance and in writing.
- 10.6. The Service Provider undertakes to pay the staff members employed by him all their remuneration and wages, including their required social benefits, and all according to the provisions of any law.
- 10.7. The provisions of this section are fundamental provisions of this Agreement and a breach thereof will be considered a material breach of the Agreement.

11. Instructions and Modifications

- 11.1. The Service Provider will not be entitled to introduce any modification in the Services, unless after the express written approval of the Steering Committee. In case the Service Provider introduced modifications that were not required in the Services, the Company shall be entitled, according to its sole discretion, not to pay for the performance of these modifications.
- 11.2. The Steering Committee is entitled to instruct as to any modification of the Services, all or in part, and the Service Provider must perform any such modification.
- 11.3. A modification order, as set forth in this section above, will not bind the parties, unless it was given in writing by the Steering Committee representatives.

12. The Period of the Agreement

- 12.1. The preparation period shall begin upon signing the contractual engagement Agreement between the Company and the Service Provider , in which the Service Provider will be required to establish the Arena , in accordance with the work plan, and to prepare for the commencement of its activities. The duration of the preparation period shall be determined by the Steering Committee, and in any case, it shall not exceed 12 months.
- 12.2. The basic contractual period with the Service Provider will be for a period of 36 months, starting from the end of the preparation period (hereinafter: the "**Agreement Period**").
- 12.3. The Company is hereby granted an option, according to its sole discretion, to extend the agreement period for a maximum of two additional periods of up to 12 months each (hereinafter: the "**Option Periods**"). During the option periods, the provisions of the agreement will fully apply.

for the avoidance of doubt, it is clarified that the Service Provider shall not be entitled to any additional payment for the extending of the Agreement period in the Option Periods or any part of such.
- 12.4. Upon termination of the agreement period or the option periods for any reason, the Service Provider shall provide to the Company all the products of the Services as defined below, including all information and documents obtained from the Company and/or that he prepared in connection with the provision of the Services.
- 12.5. Upon termination of the Agreement Period or the Option Period for any reason, the Service Provider undertakes to perform on the job training during the overlap period and to deliver its work and its details to the Company and/or any other party that will replace him on behalf of the Company, with loyalty and dedication in accordance with the Company's instructions, its guidelines and in full cooperation with it.
- 12.6. Upon the termination of the agreement period or the option periods for any reason, except for a breach of the Agreement by the Service Provider, the Steering Committee shall be dissolved, and the Service Provider shall be entitled to operate and manage the Arena according to its discretion, subject to the following provisions:

12.6.1. The Company and/or anyone on its behalf and/or any other body as the Company shall instruct shall be granted the right to use the capabilities, facilities and Services of the Arena at a scope of 20% of the total scope of the Arena's activities, and this while paying consideration which shall be set according to the rates for using the Arena customary before the end of the contractual engagement period between the Company and the Service Provider, linked to the index known at the end of the agreement period or the option periods, as applicable.

Payment for the use of the Arena as mentioned will first be paid out of the Company's credit (as defined above), and after utilizing all the Company's credit, the Company may continue and exercise its right to use the Arena as mentioned, for payment to be paid to the Service Provider.

For the avoidance of doubt, the provisions of this section 12.6.1 shall continue to apply and bind the parties even after the termination of the agreement or the option periods, as applicable.

12.6.2. To the extent that, at the end of the contractual engagement period, the Service Provider will not wish to continue to manage and operate the activity of the Arena, in whole or in part, the Company may step into his shoes, without consideration, and manage and operate the activities of the Arena (or part of the activities which the Service Provider will not wish to continue, as applicable) by itself and/or by anyone on its behalf and/or in collaboration with other parties.

13. Joint Investment

13.1. 13.1. In the event the Service Provider wishes to investment in any of the Experimenter's to whom the Arena has provided the Arena's Services, including in a corporation related to the Experimenter, including by way of acquiring shares and / or other rights in the Experimenter and / or providing a loan and / or in any manner (hereinafter: "**Investment**"), The service provider shall be required to submit a detailed report regarding the investment being considered by it to the Steering Committee (hereinafter: the "**Report**"). Any member of the Steering Committee may require clarification and / or obtaining additional details regarding the Investment which were not included in the Report.

For this purpose, a "**related corporation**": a corporation controlling the experimenter (parent company) or controlled by the experimenter (subsidiary) or a corporation controlled by whom controlling the experimenter (a sister company); "**Controller / Control**": as defined in the Securities Law, 1968.

13.2. The company shall be entitled to join the Investment in up to 50% of the Service Provider's investment. Accordingly, the Company shall be entitled to notify the Service Provider in writing that it wishes to take part in the investment according to the conditions set forth in the Report, at a rate to be determined by the Company, within 30 days of the Report (hereinafter: "**the Joining Notice**").

13.3. In case a Joining Notice is submitted, the investment shall be divided between the Service Provider and the Company according to the ratio set out in the Joining Notice.

13.4. In case a no Joining Notice was not submitted by the time stated in section 13.2 above, the Service Provider shall be allowed to make the investment according to the conditions specified in the Report.

14. Guarantees

14.1. For guaranteeing all the service provider's obligations during the agreement period or the option periods (as applicable), the service provider undertakes to deposit the company upon signing of this Agreement, an autonomous, unconditional and irrevocable bank guarantee in favor of the company, in the amount of NIS 200,000 (hereinafter: "**the performance guarantee**"), which Shall be valid for up to 45 days from the expiry of the term of the agreement or the option period (as applicable), according to the wording of Annex E to this Agreement.

14.2. As of the end of the first year following the preparation period as specified in clause 12.1 above, the amount of the performance guarantee will be reduced by third (NIS 66,666) every year of the agreement period, and the performance guarantee shall be returned to the service provider after 45 days from the end of the agreement period, and subject to the service provider fulfilling all his obligations according to the agreement. Notwithstanding the foregoing, in case the term of the agreement is extended as stated in clause 12.3 above, the sum of the guarantee during the option periods shall remain as it was at the end of the agreement period and will not be reduced during the option periods.

14.3. The performance guarantee will be forfeited by presentation to the Bank without the Company having to present to the Bank any additional document and / or evidence and without the Company having to state its decision.

14.4. For the avoidance of doubt, it is emphasized that the sum of the bank guarantee specified above is for easing the collection of sums only, and does not in any way constitute an agreed compensation of any kind.

15. Supervision and Inspection

15.1. The Service Provider undertakes to allow at all times inspection representatives on behalf of the Company, to inspect its activities and to supervise the performance of this Agreement, including to review the Service Provider's books and documents relating to the management and operating of the Cyber Arena , including those stored on magnetic media and copies thereof, and inter alia the inspection will be entitled to demand proof of payment of wages as required according to any law.

15.2. The Service Provider undertakes to enable the inspection to be conducted as stated, and to deliver to the inspectors immediately upon request any information or document as described above, as well as financial statements audited by an accountant as far as they concern the activities of the Arena . The Service Provider hereby waives any claim of secrecy or confidentiality or privacy protection with respect to information or records that shall be required by the Company, to the extent it concerns this Agreement.

15.3. The service provider shall provide the Company a monthly report regarding the activities of the Arena, according to a template set by the company. Without derogating from the aforesaid, the Company is entitled to ask the Service Provider, and the Service Provider undertakes to provide to the Company, whenever it is required to do so, reports regarding data related to the performance of this Agreement and the Services provided by it.

15.4. It is hereby agreed and declared that the right of supervision and inspection conferred according to this Agreement to the Company and/or anyone its behalf is a means of ensuring the full performance of the provisions of the Agreement and they do not impose on the Company and/or on the State representatives and/or anyone on their behalf any liability for any damage that may be incurred in the framework of performing this agreement.

16. No Employee- Employer Relationship

16.1. It is agreed that, the parties' relationship according to this agreement are based on a Service Provider – Service recipient relationship. There shall be no employer-employee relationship between the parties, and they will have no obligations and rights which are customary between an employer and an employee.

16.2. Since the Service Provider is a dealer itself, and since the Service Provider wishes to remain independent in running his business, and since, subject to the provisions of this agreement, the Service Provider is free to enter into contractual engagements with other customers for the provision of Services by it, the Service Provider hereby waives any claim and/or demand arising from an employee- employer relationship, between it and/or the staff members on his behalf and the Company, and declares that he is acknowledged of the legal and factual meaning arising from this waiver.

16.3. The Service Provider undertakes that he will not sue the Company for any cause regarding an employer-employee relationship between it and the Company and/or the State, and that, if despite his obligation he shall do so, or if the Company incurs additional expenses beyond what is stated in the agreement, arising from the determination that there was an employer-employee relationship between the Company and the Service Provider and/or his employees and/or those employed by it during the period of the Agreement according to the Agreement - then, the Service Provider shall be liable to indemnify the Company upon its first demand for any expense incurred by it in respect of or in connection with such claim, including legal fees.

16.4. Without derogating from the aforesaid, and if for any reason it shall be determined by a competent authority, including by a judicial body, that the Service Provider and/or any of his employees and/or anyone on his behalf is an employee of the Company, or that he and/or any of his employees and/or anyone on his behalf is entitled to rights as an employee, or if additional expenses apply to the Company beyond what is stated in the agreement, arising from the determination there was an employer-employee relationship between it and the Service Provider and/or his employees and/or anyone on his behalf during the contractual engagement period under this agreement, the following provisions shall apply:

16.4.1. Instead of the consideration paid to the Service Provider from the commencement of the contractual engagement between the parties, a reduced (gross) consideration shall be applied at the rate of 40% of the consideration actually paid, and the Service Provider will, in such case, be deemed as entitled to only the (gross) reduced consideration, retroactively from the date of commencement of the contractual engagement between the parties (in other words, to a consideration which is 60% of the consideration actually paid).

16.4.2. The Service Provider must return to the Company any amount paid from the commencement date of the contractual engagement which was paid over the reduced consideration, and this is linked to the Consumer Price Index (in respect to this section, the "**Base Index**" – is the index known at the time of payment; the "**New Index**" - is the known index at the actual refund date) and with monthly interest at the rate of 4% per annum.

16.4.3. Without derogating from any right that it has, the Company shall be entitled to offset these excess amounts against any amount that will be due from it to the Service Provider or to anyone by his virtue.

16.5. The Service Provider alone shall bear all payments due to its employees and/or any person employed by it in providing the Services to the Company, including income tax, national insurance payments and any other additional payments applicable or that shall be applicable to the Service provider for the employment of employees and/or assistants and the terms of their employment by virtue of employment laws in the State of Israel and/or State law applicable to the Service Provider in his State, including severance pay, leave, contributions to provident fund, pension funds, travel allowance, convalescence, reimbursement of any kind, advance notice or its redemption or for any other social terms or others and additional social payments as determined in any law. The Service Provider undertakes to present to the Company, at its request, confirmations of making such payments.

16.6. The Service Provider is solely responsible for making all payments and any deductions that must be made under any law, and only he shall be responsible for payment of all the aforementioned payments.

16.7. It is agreed and stipulated that the Company's rights according to the Agreement, including its rights to supervise and/or inspect the Services provided by the Service Provider, cannot create an employer-employee relationship between the Company and the Service Provider.

16.8. The provisions of this section, and all of its sub-sections, are fundamental provisions of the agreement, and a breach thereof shall be considered a material breach of the agreement.

17. Liability and Indemnification

17.1. The Service Provider undertakes to perform the chores involved in providing his Services with a high level of loyalty and professionalism and it will be solely responsible for the nature of the Services provided by it.

17.2. The Company's approval of the Services, in whole or in part, do not relieve the Service Provider of its full professional responsibility, and the said approval does not impose any responsibility on the Company in connection with the quality of the Services.

17.3. Without derogating from any other provision of this Agreement and/or any law, the Service Provider shall be solely responsible for any loss, injury, damage as may be caused to the body or property of any person or to the Company (including any of its employees and/or the Ministry of Transport and/or the State of Israel) or to any third party while and/or in connection with the performance of the Services by it and/or as a result of any act and/or omission of the Service

Provider and/or anyone on its behalf. The Service Provider undertakes to take all measures necessary to prevent such loss, injury, or damage.

- 17.4. Without derogating from any other provision of the Agreement and/or any law, the Service Provider undertakes to indemnify the Company, immediately upon its first demand, for any demand and/or claim and/or lawsuit filed against the Company for loss, injury or damage as mentioned in section 15.3 above, and for all expenses that the Company incurred or may incur in connection therewith (including legal expenses and legal fees), all without derogating from the Company's rights under this Agreement and/or according to any law to any other remedies or relief provided that the Company notified the Service Provider as soon as possible of a claim and allowed him to take part in the defense against it.
- 17.5. Without derogating from the provisions of this section, it is hereby agreed that if the Company's approval for the employment of subcontractors is obtained, all provisions of this agreement shall also apply to them in addition to the Service Provider.
- 17.6. Nothing in this section shall exempt the Service Provider from the duties that apply to it in performing his work under any law, and the said provisions shall not be construed as a waiver of the Company of any right or remedy legally conferred to it.
- 17.7. The provisions of this section, and all of its sub-sections, are fundamental provisions of the agreement, and the breach thereof shall be considered a material breach of the agreement.

18. Insurance

“Without derogating from the Service Providers’ responsibilities under this agreement and as per the applicable law, the Service Provider hereby commits to procure and maintain, prior to the commencement of Services under this agreement and through the entire agreement period, the following insurance policies, covering the Service Provider and the Company as follows:

- 18.1.1. The insurance policies shall not fall from the coverage provided under the Policy known as the "Bit" 2013 or any later replacement version. Notwithstanding the above, in respect of the Professional Liability policy, the coverage shall not fall from the provisions detailed in article 2 hereunder.
- 18.1.2. **Professional liability insurance** covering the professional liability of the Service Provider and anyone acting on its behalf, in respect of its obligations under this agreement. The limit of liability under the policy shall not fall from ILS 4,000,000 (ILS four millions) per event and in aggregate for the insurance period. The policy shall not include any limitation in respect of loss of documents, breach of authority in good faith, fraudulent act and/or dishonest act/omission by any of the Service Provider's employees, defamation, loss of use and/or delay and/or consequential damage, privacy breach, confidentiality breach and defense costs. The coverage according to the policy will be extended to include the Company as an additional insured for the acts and or omissions of the Service Provider.

The Retroactive date must coincide with, or precede, the start of Services under this agreement; The insurance shall include a cross-liability extension and a 12-month discovery period.

18.1.3. **Employers' liability insurance** covering the Service Provider's liability, in accordance with the Tort Ordinance (New Version), and the Defective Products Liability Law 1980, with respect to its employees. The policy shall include liability limit of not less than ILS 4,000,000 (ILS four millions) per employee, per event and in the aggregate for the insurance period. The insurance shall not include any limitation in respect to work days and/or hours, work at height or at depth, liability for contractors, subcontractors and their employees, the use of cranes and/or lifting facilities, bites and poisons, employment of youth or any other limitation in relation to the nature and/or type and/or working conditions. The insurance will be extended to include the Company if it was alleged that the company has any employer's obligations towards any of the Service Provider's employees.

18.1.4. **Third Party Liability Insurance** covering the Service Provider's Liability for any bodily injury and/or property damage to any Person and/or legal entity, including the Company its employees, managers and anyone on their behalf; the policy shall include liability limit of not less than ILS20,000,000 (ILS twenty million) per event and in the aggregate for the insurance period.

The policy shall not include any limitation in respect of liability arising from fire, explosion, panic, lifting machines, unloading, loading, damaged sanitary facilities, poisoning, liability for and towards contractors, subcontractors and their employees anything harmful in food or beverage, strikes and slowdowns as well as subrogation claims by the National Insurance Institution.

The insurance will be extended to indemnify the Company for its liability in respect of the actions and/or omissions of the Service Provider and anyone acting on its behalf, subject to a cross liability clause according to which, the insurance will be considered as if it was taken out separately for each of the insured individuals.

18.1.5. All policies detailed above shall include the following terms:

18.1.5.1. Any breach of the above policies by the Service Provider shall not entitle the insurer to reject coverage for a claim against the Company.

18.1.5.2. The policies shall be primary and noncontributory in respect of any other insurance taken by the Company.

18.1.5.3. The policies shall include a waiver of subrogation in respect of the Company, its employees, managers and anyone acting on its behalf.

18.1.5.4. The coverage under the policies shall not be cancelled and no adverse changes will be made, without a 60 days prior written notification, by registered mail, to the Company.

18.1.5.5. The policies shall not include any gross negligent exclusion; however the lack of such exclusion shall not derogate from the insurers' rights under the Insurance Contract Act -1981.

18.2. The service provider hereby acknowledge and confirms that maintaining the above detailed insurance is a condition precedent to the commencement of services under this agreement, and the Company shall be entitled to prevent the Service Provider from starting its services absent such insurance coverage.

18.3. The Service Provider commits to provide the Company, as a condition precedent to the commencement of services, a Certificate Of Insurance in accordance with the law, as per the terms of **appendix ____**.

- 18.4. The Service Provider shall provide the Company a renewed Certificate Of Insurance evidencing the above insurance coverage, on an annual basis, 15 days prior to the expiration of each policy, the entire duration of the agreement or the performance of services whichever is the later.
- 18.5. Should the Service Provider fail to provide a Certificate Of Insurance as detailed above within two month from the agreement signing, the Company shall be entitled to terminate this agreement. without derogating form the above, the Company, at its sole discretion, may extend the period for submitting the Certificate Of Insurance by the Service Provider; in such case a duly signed Certificate Of Insurance shall be condition for payment under this agreement.
- 18.6. The lack of insurance and/or Certificate Of Insurance detailed above, shall not derogate from the Service Provider's commitment and responsibilities under this agreement, including any liquidated damages due to breach of contract.
- 18.7. The Company shall be entitled to review the scope and terms of the Service Provider's insurance policies, and the Service Provider commits to execute the amend the policies in line with the required coverage detailed above. The Company's right to review the Service Provider's insurance coverage shall not relieve the Service Provider from any obligation and/or responsibility under this a agreement and shall not impose on the Company any liability and/or responsibility in respect of the Service Provider's insurance, and or its liability under this agreement.
- 18.8. The Service Provider shall follow the terms and conditions of the above policies, including any premium payment, and shall continue to renew the policies for the entire duration of the agreement. Without derogating from the above, the Service Provider shall maintain a Professional liability policy for additional period of no less than 7 years following the end of services under this agreement.
- 18.9. If the insurance policies shall expire, and the Service Provider has not renewed its insurance, the Company shall be entitled (but not obligated to), renew the insurance and pay the premium on behalf of the Service Provider. In such case the Company shall be entitled to set off any amounts that it owes to the service Provider or collect these amounts from the service Provider in any other way.
- 18.10. For the avoidance of doubt, the above insurance requirements includes minimum insurance requirements; the determination in respect of the appropriate insurance coverage shall be the responsibility of the Service Provider, and shall not relief the Service Provider from its liabilities and obligations under this agreement. The Service Provider shall not have any claims and/or allegations towards the Company in that regards.
- 18.11. If the Service Provider determines that additional insurance is required, it shall procure and maintain such additional insurance and shall assure that any Property insurance shall include a waiver of subrogation in favor of the Company, and that any liability policy shall be extended to include the Company as additional insured for the acts and/or omissions of the Service Provider subject to cross liability coverage.
- 18.12. The service Provider shall maintain all safety procedures that shall be imposed from time to time by the Company and/or the insurance company and/or the relevant authorities.
- 18.13. A breach of the insurance clause, and/or any of its sub sections, shall constitutes a fundamental breach of this agreement.

19. Copyrights and Intellectual Property

- 19.1. For the purposes of this Agreement, the terms "products" or "documents" mean: any document, including but not limited to various processing, materials and ancillary materials,

specifications, tender booklets, written procedures and guidelines, presentations, plans, calculations, charts, database rights, commercial secrets, knowledge, innovations, developments, inventions, discoveries, patents, software, photographs, copies, images, videos, simulations of any kind, all their components and databases relating in respect thereof as well as any other products of the Services, including the intermediate products, or information that shall be prepared by the Service Provider and/or will be received by the Service Provider in connection with the Services, including data stored on magnetic media and/or any other media.

19.2. The intellectual property and copyright in the products provided by the Service Provider to the Cyber Arena, which were created prior to the engagement pertaining to the agreement, will be owned by the Service Provider and constitute its intellectual property.

19.3. The ownership of the intellectual property and copyrights in products arising from the activities of the Cyber Arena in the framework of the R&D domain and/or General domain (as set forth in the Tender Conditions booklet) will belong to the experimenters only. However, the Steering Committee is entitled to authorize the experimenter to grant to the Service Provider or to any of its shareholders a non-exclusive license to use the products resulting from activities of the Cyber Arena, with the consent of the experimenter, and for payment of consideration which is not from the funds of the Cyber Arena, and this, as long as the use of the new knowledge by the Service Provider does not harm the right of the experimenter to use all or part of the new knowledge and with the prior written permission of the state representatives.

19.4. Ownership of the intellectual property and the copyrights in products arising from the activities of the Cyber Arena in the framework of the Testing domain (as specified in the Tender Terms booklet), which is not owned by the experimenters, under the ownership of the Service Provider, provided that the Service Provider will grant to the Company and/or to any other body as the Company shall instruct, a non-negotiable, irrevocable, untransferable and perpetual license in the products, according to which the Company will be entitled to use the products as mentioned including granting right of use to third parties according to its sole discretion, provided that such use is not a commercial use, without the Service Provider being entitled to receive any consideration or additional consideration for such use.

19.5. The Company's participation in the activities of the Cyber Arena shall be reflected in the documents prepared as part of the Cyber Arena's activities and/or while using the Cyber Arena's resources. Prior to publishing such documents, the Service Provider will coordinate in advance the manner and form of the publication.

19.6. The provisions of this section, and all its sub-sections, are fundamental provisions of the agreement and a breach thereof shall constitute a material breach of the agreement.

20. Maintaining Confidentiality

20.1. The Service Provider undertakes, without any limit in time, to keep confidential and not convey in any way, not give for any consideration or without, and not deliver, publish, disclose, copy or use not in relation to the provision of Services and the fulfillment of its obligations under this Agreement, and it will not inform any person, other than the Company, and other than the employees of the Service Provider or anyone on its behalf who require this to provide the Services

in accordance with this Agreement, any knowledge, information, document (as defined in section 13.1 above) and any other material that reached him or shall reach him in full or in part in connection with this Agreement or in connection with the provision of the Services, either before this agreement is performed, during its performance or after it has been performed.

- 20.2. Without derogating from the provisions in section 18.1 above, the Service Provider undertakes to sign himself and to sign anyone on his behalf who has access to the information related to this Agreement, on a non-disclosure agreement in the wording attached as Appendix B to this Agreement, according to which it shall undertake, without any limit in time, to keep confidential, and not transmit in any way, not give for consideration or without and not deliver, publish disclose, copy or use, not in relation to the provision of Services and the fulfillment of its under this Agreement, and he will not inform any person, except the Company, its employees and anyone on its behalf, and except for the Service Provider, its employees and anyone on its behalf who require this for the purpose of performing the agreement, any knowledge, information, document and any other material that has reached it or will reach it in whole or in part in connection with this Agreement or in connection with the provision of Services, whether before the performance of the agreement, whether during its performance, and whether after its performance.
- 20.3. For the sake of avoiding doubt, it is hereby stated that the aforesaid applies to the Service Provider and to anyone on its behalf even after the expiry of the Agreement.
- 20.4. The Service Provider hereby undertakes not to transmit any material and/or information that it obtained while providing serviced to the Company and/or any of the products of the Services to any party, including the parties connected to the Company, nor to distribute them to other Service Providers of the Company, but through the Company or in accordance with its written guidelines.
- 20.5. The provisions of this section shall not apply to any information that is public domain at the date of signing this agreement or that became public domain thereafter, provided that if the information became public domain after the date of signing this agreement, this did not happen directly or indirectly by an action or omission or by silent consent of the Service Provider or anyone on its behalf. It is the Service Provider's obligation to prove that the elements of this section have been fulfilled.
- 20.6. The provisions of this section, and all its sub-sections, are fundamental provisions of the agreement, and a breach thereof shall be considered a material breach of this agreement.

21. Avoiding a Conflict of Interests

- 21.1. The Service Provider declares that it and the staff members on its behalf are not in conflict of interests, directly or indirectly, including personal, professional or business conflict of interests between it and the Company and/or the Ministry of Transport, and it undertakes to avoid causing such a conflict and from being in a situation in which its actions will be in conflict with its obligations according to this Agreement.
- 21.2. In any event, the Service Provider undertakes to notify the Company immediately upon being informed that it and/or the staff members on its behalf are in such conflict of interests and

to refrain from performing any action or providing any Services until instructions in the matter are received from the Company.

- 21.3. The provisions of this section, and all of its sub-sections, are fundamental provisions of the agreement and a breach thereof shall be considered a material breach of the agreement.

22. Assigning the Agreement

- 22.1. The Service Provider shall not sell, assign, pledge or otherwise transfer any obligation, right or property, or any part thereof, which it has according to the agreement or in connection with the Cyber Arena, except with the prior written consent of the Company, and it may not transfer or assign or pledge or mortgage or delegate to another any right or obligation according to this Agreement, including the right to funds that may be due to it under the Agreement, except with the prior written consent of the Company. The Company's approval of a request to assign a right, asset or liability as mentioned will be subject to the sole discretion of the Company.

For the purposes of this section, a change in the control, whether directly or indirectly, of the Services Provider and creating a partnership of the Service Provider with third parties, as well as the issuance and/or allocation of shares of the Service Provider in a manner that constitutes a transfer of the control in the Service Provider, shall be deemed a transfer of rights; for this purpose, "**Control**" – means as this term is defined in section 1 of the Securities Law, 5728- 1968.

- 22.2. The Service Provider may not convey the performance of the Services, in whole or in part, to another, except with the prior written consent of the Company.
- 22.3. Without derogating from the aforesaid in sections 20.1 and 20.2 above, if the Service Provider transferred its rights or obligations under this Agreement, or conveyed the performance of the Services, in whole or in part, to another, the Service Provider shall continue to bear full responsibility for the obligations imposed on it towards the Company according to this Agreement.
- 22.4. The Company shall be entitled to transfer its rights and obligations to the Ministry of Transport and/or any other governmental body and/or body controlled by the State of Israel and/or any other body, provided that the rights of the Service Provider under this Agreement are not harmed.

23. Material Breaches

- 23.1. If the Service Provider breaches the Agreement by a material breach and/or breaches the Agreement by a breach which is not a material breach and does not repair the breach within 5 working days of the Company's written demand, the Company may, in its sole discretion, take one or more of the measures set forth below, ad this is without causing the termination of the agreement:

- 23.1.1. To immediately, permanently or temporarily discontinue the provision of the Services, in all or in part ;

23.1.2. To replace the Service Provider with another Service Provider in order to complete the Services, either permanently or temporarily;

23.1.3. The Company shall be entitled to collect from the Service Provider its expenses in cases stated above, in addition to administrative expenses in the amount of 15% including VAT.

For the avoidance of doubt, it is hereby declared that the Company's actions under this section do not terminate the agreement and do not release the Service Provider from its obligations under this agreement.

23.2. Without derogating from the aforesaid, and in addition to the provisions of section 21.1 above, the Company may, on its sole discretion, terminate this Agreement immediately, in whole or in part, by giving a written notice to the Service Provider, without the need of giving any warning and without it being required to pay any compensation, and this without derogating from any other or additional remedy available to it, upon occurrence of one of the following events:

23.2.1. A material breach of the agreement by the Service Provider;

23.2.2. The Service Provider was suspected of committing an offense of moral turpitude;

23.2.3. If it becomes clear to the Company at any stage that there is any legal impediment preventing the continuation of the contractual engagement with the Service Provider;

23.2.4. If it becomes clear that the Service Provider has violated and/or is about to violate the provision of any law, whether or not connected to the agreement;

23.2.5. The Service Provider was negligent in performing its obligations according to the agreement and/or breached the fiduciary duty and/or responsibility and/or acted in conflict of interest with the agreement;

23.2.6. A motion to liquidate or a motion for a settlement agreement with its creditors or a bankruptcy petition was filed against or by the Service Provider;

23.2.7. A lien has been imposed on the Service Provider's property and/or on funds due to the Service Provider from the Company and held by the Company and the lien was not removed within 14 days.

24. The Company's Representatives

24.1. The Company's representative for the purpose of this agreement is _____ and/or whoever is appointed in his place and/or on his behalf and/or as his substitute.

24.2. The Company may replace its representative at any time by way of notice to the Service Provider.

24.3. For the avoidance of doubt, the Company's representative is not authorized to change the terms of this Agreement, including any change that may obligate the Company to pay additional

financial charges beyond the provisions of section 10 above; Any change in the Agreement shall be made solely in accordance with the provisions in section 23.3 hereafter.

- 24.4. The Company's representative may enter any place where any activity is being carried out related to or involving the Services, participate in any related activity or activity involved in the performance thereof, and the Company's Representative shall be entitled to review any document and receive any document and any information related or involved in providing the Services by the Service Provider.

25. Miscellaneous

- 25.1. **Failure to enforce does not prejudice rights.** Failure by a party to this Agreement to enforce its rights does not mean a waiver of such rights or the right to sue (including enforcement) for their breach, and it will not prevent the enforcement of the provisions of this Agreement at the request of that party at a later date or for any other breach of the Agreement.
- 25.2. **No right of lien.** The Service Provider shall have no right of lien with respect to the Services and/or products which, in accordance with the provisions of the Agreement, are the property of the Company and/or any other matter related to the Agreement and he waives such right in advance and irrevocably.
- 25.3. **Amending and changing the agreement.** Any amendment or change to this Agreement shall be made in writing, signed by the authorized signatories of the parties to this Agreement.
- 25.4. **Canceling and exhaustive agreement.** This Agreement, its accompanying agreements and other documents between the parties whose date is as of the date of this Agreement constitute the entire agreement of the parties and they cancel any prior agreement whether written or oral between the parties in matters pertaining to this Agreement.
- 25.5. **Local jurisdiction.** Any matter relating to this Agreement shall be heard only in the competent courts of the City of Tel Aviv-Jaffa.
- 25.6. **Condition precedent.** This Agreement shall come into force on the date of its signature by the Company's last authorized signatory.

26. The Parties' Addresses and Delivering Notices

- 26.1. Notices in connection with this Agreement shall be sent by registered mail or by facsimile or by email or by hand, according to the parties' addresses written above in the preamble to this Agreement, and they shall be deemed to have been received on the following dates: one day after the date of its delivery, if delivered by hand; one day after its transmission, against delivery confirmation, if transmitted by facsimile; at the time it is opened by the recipient, if sent by email; Or upon the expiry of 7 days from date it was delivered for dispatch, if sent by registered mail.
- 26.2. Each Party reserves the right, in a notice to be delivered pursuant to the provisions of this section, to change his address and the address for sending copies in this Agreement.

And in witness whereof the parties have signed:

Ayalon Highways Ltd.

the Service Provider

Appendix A

The Tender Documents and the Bid of the Service Provider

Date: _____

Attn

Ayalon Highways Ltd.

2 Nim Blvd.

Rishon Lezion

Dear sirs,

Re: **Non- Disclosure Agreement of the Service Provider**

I/ we the undersigned _____ Identity no./ Company no./ Organization no. _____ hereby declare towards Ayalon Highways Ltd. (hereinafter "Ayalon Highways") that I am aware that for my/ our duties in providing the establishment, development, management and operating a Cyber Arena for smart transportation testing for the Ayalon Highways Company Ltd. (hereinafter the "**Services**"), I/we will be exposed to and/or informed of information of Ayalon Highways, and that I/we are aware that the information is one of Ayalon Highway's most important and essential assets, as applicable.

In this letter of undertaking, the term "**Information**" means any information and any data about Ayalon Highways and/or in connection to it and/or that is in its offices and/or related to it and/or its projects and/or clients and/or its employees and/or third parties that Ayalon Highways is in business or other relationships with, including any information related to Ayalon Highway's business, including and without prejudice to the generality of the said documents and/or databases and/or computer software and/or formulas and/or ideas and/or business plans and/or reports and/or estimates and/or quantity lists and/or calculations and/or documents, and all in any media, whether written or verbal, whether in magnetic or optical media or otherwise, and with the exception of information that is accessible and open to the public.

Therefore I/we declare and undertake towards Ayalon Highways as follows:

1. To maintain in complete confidentiality and not to disclose and/or convey, directly or indirectly, to any person and/or any entity, including employees of Ayalon Highways, for whom the information is not necessary for the performance of their duties, any information that has reached and/or shall reach me/us, verbally, in writing and/or in any form and/or in any other media in the framework of the performance of my/our functions whether directly or indirectly, including information created by me/us and/or information that reached me/us from others and that are directly or indirectly related to Ayalon Highways.
2. Not to disclose and/or convey, directly or indirectly, to any person and/or any entity, any material, document, diskette, disk, mobile storage and/or information, as defined above, and not to use, directly or indirectly, any information, all or part of it, including duplication, production, sale, transfer, distribution, modification, copying and/or the imitation thereof, except for the use required

to perform my/our functions and the provisions of the Services, with the consent of Ayalon Highways, and for its benefit only.

3. To provide to Ayalon Highways, any material and/or information found in my/our possession and/or my/our control, related to the performance of my/our duties and the provision of the Services and/or created during the performance of my/our duties and the provision of the Services, immediately upon Ayalon Highways first demand, and in any case of the termination of my/our jobs, and regardless of the reason for the termination of my/our jobs as mentioned and this is immediately upon the notice of termination of my/our jobs is given. If and to the extent that Ayalon Highways consent is given, in advance and in writing to create copies of the information, then I/we undertake to return to Ayalon Highways also any such copy or, in accordance with Ayalon Highway's instructions, to destroy/shred all copies that may be in my/our possession immediately upon Ayalon Highway's first demand.
4. I/we are aware that breach of my/our obligations according to this letter of undertaking, or some of these obligations, may cause Ayalon Highways and/or its associated entities, extremely grave and irreversible damages for which financial compensation will not constitute a proper remedy and relief, and therefore I/we agree that Ayalon Highways will be entitled, in the event of a breach of any of my/our obligations according to this letter of undertaking, to request from a competent court to issue against me/us a temporary injunction and/or other orders in order to prevent and/or stop the breach.
5. Without derogating from the aforesaid, I/we undertake to compensate and indemnify Ayalon Highway for any damage caused to it or to the companies affiliated with it, including loss and/or harm to reputation as a result of a breach of any of my/our obligations according to this letter of undertaking and this is in addition to its right to take legal action against me according to any law. In addition, I/we undertake that if I/we breach any of the provisions of this letter of undertaking I/we will return to Ayalon Highways any amount I/we have received, if and to the extent that I/we receive such amount, for the performance of my/our duties.
6. It is known to me/us that the information or part of it constitutes information protected under the Privacy Protection Law, 5741- 1981, and that a breach of any of the obligations according to this letter of undertaking could constitute a breach of the provisions of this law.
7. If I/we are required by law to present the information to any third party, I/we undertake to claim confidentiality, and I/we undertake to notify Ayalon Highways of receipt of such demand, upon receipt thereof, so that it will be able to claim against the delivery of the information.
8. I/we are aware that my/our undertakings according to this letter of undertaking do not derogate from any law and are irrevocable and are not limited by time, and shall remain in effect at any time from the date of signing this letter of undertaking onwards, including after the termination of the performance of my/our duties, for any reason.
9. Without derogating from the aforesaid, I/we are aware that my/our undertaking as mentioned in this letter of undertaking is a fundamental provision in the contractual engagement between me/us and Ayalon Highways, and that in the event of a breach of my/our undertakings according to this

letter of undertaking this will be considered a material breach of the contractual engagement between me/us and Ayalon Highways.

10. The competent courts of Tel Aviv-Jaffa only shall have jurisdiction in respect to this letter of undertaking.

And in witness whereof I/we have signed:

Date: _____

Name: _____

ID no./ Co. no. _____

Signature: _____

The Methodology Document and Business Plan

Appendix D

Certificate of Insurance – According to Hebrew version only

Appendix E

Bank guarantee – According to Hebrew version only