

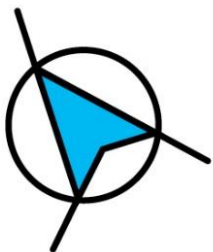
To: Participants of the Tender

Re: **Tender No. 68/19 For Vehicle Occupancy Detection System**
For "Alter-native" Experiment

Response No.3 to Questions and Requests for Clarifications of the Tender Documents

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

| No. | Question/Answer |
|--------------------------|---|
| General Questions | |
| 1. | <p>Question: Please clarify whether the Bidder required to supply the System as a service, or does the Company will buy the units?</p> <p>Answer:</p> <p>It is clarified that the Supplier (the Winning Bidder) shall provide the System as a service, which include performing Occupancy Detection, including all the services and/or goods and/or licenses (as applicable, according to the proposed System) required for full operation of System that meets all the requirements detailed in the Tender Documents.</p> <p>To the extent that the proposed System includes any hardware and/or physical components, the Supplier shall be required to supply such components for the purpose of providing the Services. For the avoidance of doubt, it is clarified that such components shall remain in the Supplier's ownership.</p> |
| 2. | <p>Question: Is it possible to submit the Bid in Hebrew?</p> <p>Answer: Bidders shall submit all Tender documents and shall not translate and/or edit any document of the Tender documents. <u>Although, documents and information regarding methodology and additional information of the Bidder may be submitted in Hebrew.</u></p> |
| 3. | <p>Question: Please clarify what is the sum of Performance Guarantee that the Supplier will be required to provide?</p> |



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|----|---|
| | <p>Answer: Prior to signing the Agreement, the Supplier (the Winning Bidder) shall provide a Performance Guarantee, as detailed in Section 21 of the Agreement. The sum of the Performance Guarantee shall be equal to 5% of the consideration to which the Supplier shall be entitled for the Basic Stage in the Initial Term (not including the consideration for the Optional Stage and the Renewal Period).</p> <p>To the extent that the Company will exercise any of the Optional Stage components and/or will extend the Term of the Agreement, the Supplier shall provide Performance Guarantee in a sum equal to 5% of the total consideration, including the consideration to which the Supplier shall be entitled for Optional Stage components the Renewal Period (as applicable).</p> |
| 4. | <p>Question: Please remove the requirements to prove that the proposed system has been installed in 1,000 vehicles and/or completed feasibility test in 5,000 vehicles.</p> <p>Answer: Please see the amendment of the Professional Pre-Qualification requirements set forth in the response to questions and requests for clarifications of the Tender Documents published in the Company's website on 2.9.2019.</p> |
| 5. | <p>Question: Is it possible to propose software-based solutions?</p> <p>Answer: The Bidder may submit any solution that meet the Tender requirements, and the solutions will be reviewed by the Tender Committee. Please see Section 2.3 of the SOW.</p> |
| 6. | <p>Question: Please reduce the royalty's rate that the Supplier will be required to pay in the event that the Supplier asks to receive the Company's participation in the completion of development costs, as ascribed in Section 6.8 of the Tender Condition and Instructions.</p> <p>Answer: The request is rejected.</p> |

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

Name of Bidder: _____ **Bidder's Signature:** _____
Date: _____