

Supplementary International Airport Project

Date [-]

Volume B - Consulting and Management Services Agreement

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Netivei Israel - National Transport Infrastructure Company Ltd.

Agreement No. _____

To provide Consulting and Management Services for the Design and Execution Stages of an International Airport Construction Project

signed at _____ on _____.

Between: Netavei Israel - National Transport Infrastructure Company Ltd.

(hereinafter: the “**Client**” or the “**Company**”)

of the first part;

And:

(hereinafter: the “**Management Venture**”) of the second part;

Whereas the Company is a governmental company entrusted by the state with, *inter alia*, the promotion of projects to develop the field of transportation in Israel; and,

Whereas the State of Israel intends to carry out a project of design, construction, operation and maintenance of an international airport, as set forth in the provisions of this Agreement (the “**Project**”); and,

Whereas the Company wishes to receive consulting and management services in connection with the execution of the Project, as set forth in this Agreement, and for that purpose it published tender no. 160/18 to select the Management Venture for the Project that will provide the Services (as such term is defined herein below) for the Company (the “**Tender**”); and,

Whereas the Company announced the Management Venture as Successful Bidder in the Tender, this in reliance, *inter alia*, upon its Bid, representations and warranties as submitted in the framework of the Tender as well as the representations set forth above and below in this Agreement; and,

Whereas the Company wishes to enter into an engagement with the Management Venture in an agreement pursuant to which the Management Venture will be exclusively and fully liable for carrying out the Services, all at a scope, in the manner and under the terms and conditions set forth for that purpose in this Agreement and subject further to the instructions of the Company as such may be provided from time to time; and,

Whereas the Management Venture undertakes the comprehensive liability for carrying out the Services as mentioned herein above and in addition represents and warrants hereby that it engages and specializes in providing the Services and that it, as well

as all the members of the Management Team (as such term is defined herein below), have the know-how, experience, professional skill, qualifications, resources, means, approvals, permits, licenses and standards that are required for the purpose of carrying out and completing the Services (as such term is defined herein below), in full and on time;

Therefore, it is hereby declared, stipulated and agreed between the parties as follows:

1. Preamble, Appendices and Interpretation

- 1.1. In this Agreement, the terms set forth in **Appendix A** (Definitions) will have the meaning ascribed next to them, unless the context requires another interpretation.
- 1.2. The Preamble to this Agreement and its appendices constitute an integral part hereof.
- 1.3. The Section headings in this Agreement are included in this Agreement for convenience only and will not be taken into account in the matter of interpretation of this Agreement.
- 1.4. In any event of contradiction, incompatibility or ambiguity between the provisions of this Agreement and a provision set forth in its appendices, the more stringent provision between them will apply to the Management Venture.
- 1.5. Without derogating from the provisions of Section 1.4 herein above, if the Management Venture discovers a contradiction, incompatibility or ambiguity between a provision set forth in this Agreement and another provision of its provisions (including a contradiction, incompatibility or ambiguity between the provisions of this Agreement and its appendices or between provisions set forth in the appendices) or if the Management Venture has doubt as to the correct interpretation of such provisions or contradiction or incompatibility between the provisions of this Agreement and the provisions of applicable Law, the Management Venture will contact the Company, immediately and in writing, in order to obtain instructions in writing as to the interpretation to be followed. It is clarified hereby that until such instructions are obtained, the Management Venture will not delay the execution of the Services, or any part thereof, unless it obtained written approval from the Company for that purpose.
- 1.6. In this Agreement, unless the context otherwise requires:
 - 1.6.1. Reference to this Agreement or to a specific provision in this Agreement or to any other document, will be interpreted as reference to this Agreement, to such provision or to such document, as such may be in force at that time and from time to time and as amended, modified, endorsed or completed by adding an addendum, from time to time, pursuant to their terms and conditions, or, as the case may be, with the consent of the Company in advance and in writing; reference to any provision in applicable Law will be interpreted as reference to such provisions of applicable Law as amended or re-enacted, or as may be amended or re-enacted from time to time.

- 1.6.2. unless otherwise expressly set forth, reference to a Section, Appendix or an Attachment means reference to such Section, Appendix or Attachment, respectively, in this Agreement.
- 1.6.3. Words importing the singular shall include the plural, and vice versa.
- 1.6.4. Words importing the masculine gender shall include the female gender, and vice versa.
- 1.6.5. The term “including” means: “including, without derogating from the general nature of the foregoing”.
- 1.6.6. Unless otherwise expressly determined, any requirement for the approval or consent of the Company means a requirement for approval or consent of the Company in advance and in writing.

2. The Term of the Agreement and the Term of the Services

2.1. Validity

- 2.1.1. The provisions of this Agreement will enter into force upon the Signing Date and will remain in full force and effect until the termination date of this Agreement, as set forth in Section 15 (termination date of this Agreement).
- 2.1.2. The Management Venture will provide the Services commencing from the Signing Date until the termination date of this Agreement (the “**Services Period**”).
- 2.1.3. The Management Venture undertakes to provide the Services continuously and pursuant to the Preliminary Timetable and the provisions of this Agreement.

2.2. Signing Date

The signing date of this Agreement is the date in which the Company and the Management Venture signed this Agreement, that will be no later than forty five (45) days of the date that the Management Venture was announce as the Successful Bidder in the Tender, unless a later date was determined by the Company (Which in any case shall not be later than one hundred and twenty (120) days from the date of the announcement of the Management Venture as the Successful Bidder) (the “**Signing Date**”); if the Company and the Management Venture do not sign the Agreement on the same date, the Signing Date will be the date that the Agreement was signed by the Company.

Unless otherwise expressly provided in any of the Agreement documents, any provisions of the Agreement documents and any undertaking of the parties by virtue of such documents will enter into force upon the Signing Date.

The Management Venture declares, represents and warrants that until the Signing Date it fulfilled all the terms and conditions set forth herein below and delivered to the Company all the documents set forth herein below:

- 2.2.1. The Performance Bond, in the form of **Appendix H** (Form of Performance Bond) that shall be attached to this Agreement as **Attachment 1**;

- 2.2.2. Letters of undertaking in the form of **Appendix D** (Declaration and undertaking letters forms) signed by each one of the Management Team Members, that will be attached to this Agreement as **Attachment 2**;
- 2.2.3. Insurance policies and signed insurance certificates, in the form set forth in **Appendix E** (Insurance) pursuant to the provisions set forth in **Appendix E** (Insurance), the copies of which will be attached to this Agreement as **Attachment 3** (Insurance Certificates) and as **Attachment 4** (Insurance Policies), respectively.
- 2.2.4. An affidavit in the form set forth in **Appendix F** (Form of Declaration as to Obtaining Approvals and Permits) as to obtaining all approvals and permits required under any Law for the provision of the Services, including work permits in Israel, that will be attached to this Agreement as **Attachment 5**.
- 2.2.5. The company approved all the Management Team Members pursuant to the provisions set forth in Section 2.3.1 (selection of the Management Team Members)
- 2.2.6. Each one of the Management Team Members that is required to be present in Israel upon the Signing Date pursuant to Attachment C (Presence of the Management Team Members in Israel) of Appendix B (the Services) of the Agreement, is present in Israel;
- 2.2.7. No Breach Event is ongoing.
- 2.2.8. The Management Venture shall incorporate as a general partnership in Israel and shall deliver to the Client a true copy of the registration certificate of the general partnership signed by the Registrar of the Companies and Partnerships, which will be attached to this Agreement as **Attachment 8**.
- 2.2.9. The Management Venture shall deliver the Company A certificate of exemption from withholding tax, bookkeeping certificate, licensed dealer information, will be attached to this Agreement as **Attachment 9**, **Attachment 10** and **Attachment 11**, respectively.

2.3. Additional undertakings

2.3.1. Selection of the management team members

- 2.3.1.1. The Successful Bidder undertakes to transfer to the approval of the Company a list of the candidates to serve as Management Team Members, pursuant to the positions key set forth in **Appendix G** (Positions of the Management Team Members) (hereinafter in this Section: the “**List**” the “**Candidates**” and the “**Management Team Members**”, respectively), together with their CVs and ancillary documents on each one of the Candidates,

and will set forth in the List the dates of employment of each one of the Candidates pursuant to the provisions set forth in **Appendix G** (Positions of the Management Team Members), within 7 (seven) days of the announcement date of the Management Venture as the Successful Bidder in the Tender.

- 2.3.1.2. The Management Venture will fulfill the requirements of the Company, if any, in connection with the List, including a requirement to replace any of the Candidates, change the timetables pertaining to the Candidates, and any other modification, addition or deletion in the List, and at the Company's demand will provide clarifications and any additional information as to the List and the Candidates. It is clarified that the aforesaid requirement of the Company shall be given in writing and shall include the justifications for it.
- 2.3.1.3. The Management Venture undertakes that the List will include only the Candidates that comply with each one of the provisions set forth in this Agreement pertaining to the Management Team Members, and without derogating from the above, it is strictly prohibited to add to the List a person that was convicted in an offense that in the opinion of the Company may affect the conduct of such person in the designated position including an offense involving moral turpitude or an offense of the type fraud or breach of trust or fiduciary duty or any other offense that may have implications on the honesty or reliability of such person, and in addition it is prohibited for such person to have any pending proceedings in relation to any such offense.
- 2.3.1.4. Without derogating from the provisions of applicable Law and of this Agreement it is clarified hereby that the Management Venture will not employ any person and will not assign any job to a person in connection with the Project which require a permit pursuant to applicable Law and/or an appropriate security clearance without the Management Venture or such person, as the case may be, having obtained such permit and/or security clearance, pursuant to all the requirements that the Company may deliver to it from time to time.

3. **Representation**

3.1. **Representative of the Company**

- 3.1.1. The representative of the Company for the purposes of this Agreement is: _____ (the "**Representative of the Company**") or anyone authorized on its behalf.
- 3.1.2. The Management Venture undertakes that it and anyone of the Management Team Members will cooperate with such Representative of the Company, at any time and in any matter, and will provide it with all

the information, the data and the documents as it may demand and instruct.

3.1.3. In carrying out the Services the Management Venture and each one of the Management Team Members will report directly to the Representative of the Company, or to anyone authorized on its behalf. For the removal of doubt, it is clarified hereby that any contact with any agent other than the Representative of the Company, or anyone authorized by it, as well as obtaining instructions, approval and guidelines from any such other agent will be null and void *ab initio* and will have no force and effect. It is also clarified that the Company's instructions will be delivered to the Management Venture in writing.

3.1.4. The Company may replace from time to time the Representative of the Company or add additional representatives to such person. The representatives of the Company may act through others as they may see fit in such matter, as the Representative of the Company may update from time to time.

3.2. Project Manager

3.2.1. The representative of the Management Venture for the purposes of this Agreement is the Project Manager. It is clarified hereby that the Management Venture may not replace the Project Manager as its representative on its behalf unless it obtained the approval of the Company in advance and in writing.

3.2.2. The Project Manager will manage the provision of the Services, will coordinate the information, the documents and the activity, will supervise the performance of the Services, will ensure the implementation of all the tasks and undertakings set forth in this Agreement in connection with the Services, will be the exclusive contact person and coordinator between the parties and anyone on their behalf in anything relating to the execution of the Services and in addition will carry out any other action, all as may be required for the purpose of providing the Services in full and on time. For the removal of doubt, it is clarified hereby that an undertaking of the Project Manager to the Company will be binding upon the Management Venture for all intents and purposes. The Management Venture will ensure that the Project Manager will serve in such position throughout the Services Period.

3.2.3. The project manager will be available to the Company in Israel throughout the entire Services Period in a full-time job capacity. The Management Venture will ensure that during the entire Services Period the Project Manager will personally attend at the offices of the Management Venture or at any other location as the Company may instruct by prior notice of twenty-four (24) hours to update, report or carry out any matter pertaining to or arising from the provision of the Services.

3.2.4. The contact details of the Project Manager including the telephone number and mobile telephone number as well as the email address will be delivered to the Company upon the Signing Date, by filling them out in

Attachment 6 (details of the Project Manager) and will be updated by providing notice to the Representative of the Company in advance and in writing.

4. **Representations and Warranties of the Management Venture**

The Management Venture declares and undertakes hereby, fully and irrevocably, as follows:

4.1. **General**

- 4.1.1. That the Management Venture will be liable for any act or omission of the Project Manager, or any of the Management Team Members or anyone on their behalf including their employees, their agents and anyone on their behalf, including in connection with the execution of this Agreement or of the Project;
- 4.1.2. The Management Venture is not subject to any liability, including a contingent liability, that is inconsistent with its undertakings pursuant to this Agreement and that signing this Agreement and carrying out its obligations pursuant to it is not a breach of contract or a violation of applicable Law including any regulation, order and judgment;
- 4.1.3. Executing this Agreement and the undertakings of the Management Venture pursuant to it have been duly approved by the competent organs of the Management Venture and if the Management Venture is a joint venture then by each one of the members of such joint venture;
- 4.1.4. That the Infrastructure Management Company is a corporation duly incorporated pursuant to the laws of the State of Israel, and a true copy of the certificate of incorporation of the Infrastructure Management Company, including any and all amendments and addenda to such certificate, are attached to this Agreement as **Attachment 6** (certificate of incorporation of the Infrastructure Management Company);
- 4.1.5. That each of the Infrastructure Management Company and the Aviation Consulting Company, is a corporation duly incorporated in the jurisdiction of its incorporation, and a true copies of the certificates of incorporation of the Infrastructure Management Company and the Aviation Consulting Company, including any and all amendments and addenda to such certificates, are attached to this Agreement as **Attachment 6** (certificate of incorporation of the Infrastructure Management Company and as **Attachment 7** (Certificate of incorporation of the Aviation Consulting Company);
- 4.1.6. That all the representations and the information submitted by the Management Venture, the Management Team Members and any other body or person acting on behalf of the Management Venture, to the Company or to the Representative of the Company in connection with the Tender, this Agreement, the Services and the Project, are correct, complete, up-to-date and accurate and will remain so throughout the Services Period;

- 4.1.7. That no action was taken against the Management Venture, the Infrastructure Management Company, the Aviation Consulting Company and/or the Management Team Members, the purpose or consequence of which is the liquidation, dissolution or a similar result, and that to best knowledge no such action will be taken against them.

4.2. Services Agreement

- 4.2.1. That it demanded and received all the information, the explanations and the clarifications in connection with the Project and with the provision of the Services that it meticulously inspected and priced such information as an expert professional; In addition, it is aware that the duty to inspect such information for the purpose of carrying out and completing the service and in particular in connection with the implementation of all the provisions of applicable Law that apply to the execution and completion of the Services, lies exclusively and fully with the Management Venture at its liability and that in any event the delivery of such information will not impose any liability whatsoever on the Company and will not derogate from or impair any liability of the Management Venture as set forth in this Agreement.
- 4.2.2. That it understood all the needs and requirements of the Company including those that were conveyed to it in the framework of the Tender, that it independently inspected in the eyes of an expert professional all the aspects of providing the Services and the performance option of each one of its obligations pursuant to this Agreement, including the following: The information set forth in the tender documents including the information that is referenced in the tender documents; All the factors that may impact the execution of its obligations pursuant to the Agreement, including the conditions that form part of carrying out and completing the Services and their characteristics as well as the unique aspects involved in their implementation; The provisions of applicable Law that refer to the execution of the Project and providing the Services as well as the implications of their implementation in connection with the Services; The activity that forms part of carrying out the Services, the expected scope, their location, quality, the project targets and the terms and conditions for completion of the Services and in addition any other physical, technical, legal, performance, operational or business data that is relevant for the purpose of execution of the Services; That after it inspected the aforesaid and any other inspection and test as it may have seen for to carry out, it found the execution of the Services, including compliance with the stages and the timetables, the scope, the budget and the quality as well as the consideration, pursuant to the provisions of the Agreement, feasible and practical.
- 4.2.3. That it is aware that the provisions set forth in the Agreement including in Appendix B (The Services) do not constitute a full description of the Project and its scope and that in any event the provisions set forth in the Agreement and in Appendix B (The Services) do not exhaust or derogate in any way whatsoever from any obligations imposed upon the Management Venture in connection with the execution and completion of the Services so that the Management Venture will bear the full and

exclusive liability, as part of providing the Services, to it and all the Management Team Members learning, inspecting and assimilating well, as professionals, and in addition will be proficient in all the planning, organization, performance, administrative, operational and regulatory aspects involved in carrying out and completing the Project and the Services, including the Project goals, the budget and the timetables, the agents employed in the Project, and in addition including any restrictions applicable to its implementation, the Project stages and the interface between them, all in order to enable the execution and completion of the Project on time, within the budget and the quality required, pursuant to the provisions of applicable Law.

- 4.2.4. Without derogating from the generality of Section 4.2.3 above, the Management Venture declares that it is aware that the Company must act in coordination with entities such as government ministries, including the Ministry of Finance, the Ministry of Transport and Road Safety and Control Companies on their behalf, and the interdepartmental tender committee, and it undertakes to perform the Services, taking into account the reciprocal relations between the Company and those entities, and among themselves, and hereby accepts the full and exclusive responsibility to perform the services in accordance with and subject to the aforesaid.

4.3. The Management Venture

- 4.3.1. That it and the Management Team Members, engage and specialize in the relevant fields for the purpose of carrying out the Services and that they have, as the case may be, the know-how, the experience, the professional skill, the qualifications, the training, the resources, the financial ability, the means, the approvals, the permits, the licenses, the consents the standards and the certificates of any kind or nature whatsoever that they require to have in order to execute the Services in full and on time and to carry out all their other obligations pursuant to the Agreement.
- 4.3.2. That it will be exclusively and fully responsible to provide to the Company the Services as well as to carry out all the other duties and obligation pursuant to the Agreement with dedication, honestly, faithfully, diligently at the highest professional level. For that purpose, the Management Venture will exploit (including by way of the Management Team Members) the full expertise, qualifications, resources and manpower available to it for the purpose of carrying out the Services pursuant to the provisions of the Agreement, this at the location, at the scopes, with the content and pursuant to timetables as set forth in the Agreement.
- 4.3.3. That it is aware that the supervision that will be carried out by the Company or by anyone on its behalf in the framework of providing the Services, or any instruction, directive or approval granted by the Company or anyone on its behalf to the Management Venture or to anyone on its behalf are merely control measures, and do not constitute an opinion or declaration on behalf of the Company in the matter of the quality of the Services or any other matter, and in any event will not derogate or release

the Management Venture from any of its obligations or its direct, full and exclusive liability to the Company or to anyone on its behalf in connection with the Agreement, and will not impose upon the Company or anyone on its behalf any liability whatsoever to the Management Venture or to any third party.

- 4.3.4. That in the framework of the Services it will be responsible for the Project being carried out with due precaution, in a manner that integrates with the activity that is being carried out by the Ministry of Defense and/or the Air Force at the Site and that in any event it will be responsible that in the framework of the Project and the Services no action will be taken that may cause a disturbance, restriction, nuisance, damage or malfunction to the operation or regular activity of the works pertaining to the Project or that may cause any damage or inconvenience to the Company or to anyone on its behalf, to the general public using the Site area and to any other third party.
- 4.3.5. That it is aware that the stages of the Project and the timetables for its execution and for completion of the services pursuant to the goals in the Project are material and key elements of the Agreement and that it will act as may be necessary in order to achieve such goals as determined for execution and completion of the services including all their stages and the timetables included in them.

4.4. Conflict of Interests

- 4.4.1. The Management Venture and the Management Team Members shall not be in a Conflict of Interest between their declaration and obligations as they undertook on themselves under this Agreement, the management of the Project, and the provision of the Services, and their professional business or personal business, whether in respect of remuneration or consideration for a benefit or not, including any transaction or undertaking in which there is a Conflict of Interests.

“**Conflict of Interests**” shall include even a concern of conflicting interests.

- 4.4.2. Should a Conflict of Interests situation arise, the Management Venture and the Management Team Members, shall immediately report thereon to the relevant Company’s contact in writing and comply with all of the Company’s instructions with respect thereto.

4.5. Applicable law and Procedures

- 4.5.1. That it undertakes to act pursuant to the procedures of the Company as such may be updated from time to time, including new procedures as may be added from time to time; That it undertakes that its employees and any other person or body acting on its behalf or for it will act pursuant to the provisions set forth herein above.
- 4.5.2. The Management Venture will be fully and exclusively responsible that its activity in the framework of providing the Services, including the activity of the Management Team Members and anyone on their behalf, will be carried out during the entire Services Period pursuant to the provisions of

applicable Law (including the provisions of Section 9 of the Equal Opportunities for Disabled People Law, 1998, if they apply to it or to anyone on its behalf to the Management Team Members), including the responsibility to carry out at its expense any action in order to ensure that the execution of the Services complies with the requirements of the provisions set forth in applicable Law at all times. Without derogating in any way whatsoever from the full and exclusive liability of the Management Venture pursuant to this Section 4.5.2, the Management Venture will be fully and exclusively responsible during the entire Services Period, to notify the Company of any incompatibility and/or deficiency and/or defect and/or omission that arose in connection with the Services in relation to the provisions of applicable Law.

4.6. Licenses, authorizations, permits and qualifications

- 4.6.1. The Management Venture will be fully responsible that during the Services Period it and all the Management Team Members on its behalf and all the other agents acting on its behalf pursuant to the Agreement will have all the approvals, permits, licenses, consents, standards and certificates, of any kind or nature whatsoever, including work permits in Israel, that are required for the purpose of carrying out any duty and obligation imposed upon the Management Venture pursuant to the Agreement or pursuant to the provisions of applicable Law including any competent authority, for the purpose of providing the Services, inter alia as set forth in the framework of the Services (the “**Certificates and Permits**”), including - will have at any time during the Services Period an approved and up-to-date quality management standard.
- 4.6.2. It is being clarified that the Company shall be entitled at any time to demand from the Management Venture to present to it the Certificates and Permits, at its sole and absolute discretion.
- 4.6.3. The Management Venture represents and warrants hereby that it is not aware of any reason to revoke and/or suspend and/or diminish and/o suspend any of the approvals, permits, licenses, consents, standards and certificates set forth above, and in addition that it will carry out everything as may be necessary under its liability and at its expense in order to maintain the validity of such approvals, permits, licenses, consents, standards and certificates until the end of the Services Period.

5. The Services

5.1. General

The Company delivers hereby to the Management Venture and the Management Venture undertakes hereby the overall liability to carry out for the Company the Services by way of the Management Team Members, during the Services Period, pursuant to the provisions set forth in **Appendix B** (The Services) and the other provisions of this Agreement and the instructions of the Company, all as may be required in order to ensure the execution and completion of the Project and the supply of the Services pursuant to the provisions of this Agreement (the “**Services**”).

5.2. Additional Actions in the Framework of the Services

Without derogating from the general nature of the provisions set forth in Section 5.1 herein above, the Management Venture will be fully liable for carrying out, in the framework of the Services and as an integral part of them, any action or service ancillary to the Services, including, inter alia:

- 5.2.1. Professional, thorough and meticulous study and inspection of the Project and the contents of the Services, including all their stages, components, aspects and assemblies, by the Management Team Members, all as may be required in order to ensure the full execution and completion of the Services on time, including in order to ensure the execution and completion of the Project pursuant to its goals and the instructions of the Company.
- 5.2.2. Advice, operation, coordination, interface and synchronization of all that is included in the control of all the works pertaining to the planning and execution of the Project, including all its components and stages and in all the disciplines that are included in its framework, including tasks that were assigned to the Management Team Members or to any third party whatsoever, and including the management of the design, the permit, the authorizations, approvals, the timetable and the budget, and including the execution of tracking and the operation of close supervision in connection with the progress in the Project and the works in the project and providing ongoing and detailed reports to the Company.
- 5.2.3. Advice and assistance to the Company during all the Project stages, participation in tours, taking minutes, assistance in providing answers to questions of third parties, assessment of risks, making comparisons and carrying out calculations and pricing, and providing opinions and recommendations.

For the removal of doubt, it is clarified hereby that the liability, duties and obligations of the Management Venture pursuant to this Agreement will remain of force for all intents and purposes also under circumstances in which the Company decided to act differently than proposed by the Management Venture.

- 5.2.4. Management, control, supervision, operation, organization, synchronization, advice and ongoing coordination of all the interfaces between the various agents and bodies that affect the Project and its execution including as set forth in **Appendix B** (The Services).
- 5.2.5. Ongoing management, operation, coordination, interface, synchronization, prioritization, organization and control of the functioning of all the agents involved in the Project, including the Management Team Members; Providing reports to the Company as well as providing alerts as to the deficient professional or business functioning, implementation and supervision of collecting the liquidated damages amount if any is imposed upon any of the agents involved in the Project as well as carrying out all the may be necessary in order to replace any of the agents involved in the Project (and anyone on their behalf), if necessary, pursuant to the

instructions of the Company and under its approval in advance and in writing.

- 5.2.6. Keeping, documenting and effective management of the ongoing and accrued information and the know-how in connection with the Project, including graphic documentation of its progress, on the Project's Documentation Management System.
- 5.2.7. Inspection, control and supervision of the process of obtaining the required products in the Project pursuant to the specifications and all the relevant requirements in each one of the professional fields included in its framework, upon the required dates and pursuant to the stages of the Project and the Services, including active participation in and execution of all the tasks involved in the management of the timetables, the budget and the works in the framework of carrying out the Project and of the coordination and the execution of partial acceptance, final acceptance, carrying out all the obligations during the warranty period that will be defined to the concessionaire, until the final delivery of the Project to the Company, pursuant to its goals, including the issuance of the acceptance certificates and completion certificates for the entire projects including all the activity segments included in its framework, all in coordination with the Company and subject to approval that will be granted for that purpose in writing and subject to the provisions of applicable Law.
- 5.2.8. Handling, advice and assistance in legal proceedings and quasi-legal proceedings conducted by the Company or in which the Company will become involved in connection with the Project, including attending legal proceedings and quasi-legal proceedings before all the competent authorities, and in addition including providing expert opinions and providing testimonies as may be necessary, during the term of this Agreement and until seven (7) years after the term of this Agreement, inter alia by way of the Core Team Members and additional members of the Management Team Members as the Company may require.
- 5.2.9. Without derogating from the other provisions set forth in this Section 5.2, in the framework of its obligation to carrying out the Services and as an integral part thereof, the Management Venture will carry out all action as well as issue all the documents and reports, and in addition will provide all the manpower that may be necessary, at any number as may be required, in order to comply with all its obligations pursuant to this Agreement, in full and on time, and in addition will carry out action required by the nature of the Services or in order to carry them out at the level that is required by this Agreement or at the level required pursuant to the provisions of applicable Law, even if such execution or action is not expressly set forth or required in this Agreement, all in order to ensure that the Services are carried out in full and on time pursuant to the provisions of this Agreement and pursuant to the provisions of applicable Law.
- 5.2.10. It is expressly clarified hereby, that in the framework of the Services and as an integral part thereof, the Company may at any time pursuant to its absolute discretion, require the Management Venture to carry out

modifications, clarifications, additions or completions of the deliverables of the Services, and in addition may require the repeated execution of any deliverable of the Services, including an update of the Operational Model, the Operational-Financial Model, the Balance Reports and the Sensitivity Tests as defined in **Appendix B** (The Services), plans, opinions, or any other document that will be submitted to it by the Management Venture, and the Management Venture will be under obligation to carry out all the aforesaid.

5.3. Meetings and Updates

- 5.3.1. As an integral part of carrying out the Services, the Management Venture will be required to hold control and current update meetings with the Representative of the Company as well as any other agent that may be required by the Company, at a frequency that will be determined by the Company, at the offices of the Company or at any other location as the Company may direct, in the framework of which Representative of the Company will participate as well as the Project Manager and anyone on behalf of the Management Venture the participation of whom may be requested by the Company. In the framework of such update meeting, or in any other way as the Representative of the Company may direct, the Management Venture will deliver to the Company documentation and ongoing reports as to the execution of the Services including all their aspects, as well as reporting as to any information in connection with the Services and the activity being carried out as part of them.
- 5.3.2. In order to ensure that the Project is being carried out in the best way, the Management Venture undertakes as an integral part of the Services, that the Project Manager and anyone on behalf of the Management Venture the presence of which will be requested by the Company will participate and will accompany the Company at any meeting that the Company may hold in connection with the Services, including the following: with any authorized agent or organ in the Company or with a competent authority or with any other third party, as may be required in connection with the Services and pursuant to the instructions of the Representative of the Company, and in the framework of the above also to carry out any action or prepare or issue any information, document or report that is may be required for that purpose. It is clarified hereby that the Project Manager will update the Representative of the Company on any meeting in which he was invited to participate in a forum that is external to the Company or before any competent authority whatsoever, and will obtain its approval in advance and in writing to participate at such meeting.
- 5.3.3. The scope of activity, the number and position of the Management Team Members that will participate at the meetings or that will provide the Services will be exclusively determined by the Company, after consultation with the Project Manager.
- 5.3.4. The Management Venture will be fully responsible to report directly to the Representative of the Company, by telephone or by email message, immediately, of any extraordinary event in connection with the provision

of the Services or that arises from them or that is not in the ordinary course of carrying out the Services, including any issue, malfunction, deficiency, failure or incompatibility, existing or expected, that may impact, directly or indirectly, the execution and completion of the Services and the goals determined in connection with their execution. The above-mentioned provisions do not derogate from the reporting duties as imposed on the Management Venture and on anyone on its behalf in the framework of the other provisions of the Agreement.

5.4. Overall Responsibility

- 5.4.1. In the framework of its obligations to carry out the Services and as an integral part thereof, the Management Venture will be fully and exclusively responsible to carry out all the actions to fulfill all its obligations pursuant to the Agreement in full and on time and in addition to carry out any such action and to supply any such means, the execution or supply of which arise from the nature of the Services and in order to execute them at the level required by the Agreement and at the level required pursuant to the provisions of applicable Law, even if such execution or supply are not expressly required by the Agreement, all in order to ensure the execution and completion of the Services, in full and on time, and including in order to ensure the execution and completion of the project pursuant to its goals. For the removal of doubt, it is clarified hereby that such actions will be deemed included in the execution of the Services for all intents and purposes and they will be carried out by the Management Venture or anyone on its behalf, without additional consideration at the expense of the Management Venture and without the Management Venture being entitled to any consideration of any kind or nature whatsoever for them.
- 5.4.2. The Management Venture may not in any event enter into agreements with subcontractors on its behalf in connection with the execution of any of the Services, except for the Management Team Members, unless it obtained for that purpose the approval of the Company in a notice, in advance and in writing, specifying the reasons for the notice, that will be granted, if granted, pursuant to the exclusive discretion of the Company. For the removal of doubt, it is clarified hereby that the Management Venture will bear the full, absolute and exclusive responsibility towards the Company and anyone on its behalf in connection with the execution of the Services, and, in addition, that carrying out the Services by way of subcontractors on its behalf as aforesaid will not impose any liability of any kind or nature whatsoever upon the Company, and will not derogate from the liability of the Management Venture or anyone on its behalf pursuant to the Agreement, and the Management Venture waives hereby and will be prevented and under estoppel from raising any claim or demand of any kind whatsoever in connection with it.

The Company may at any time demand pursuant to its exclusive discretion the replacement of any subcontractor by prior notice of forty five (45) days and the Management Venture undertakes to replace such subcontractor to the satisfaction of the Company, closely after receiving

such demand, without such replacement constituting cause for postponement or delay in carrying out the obligations of the Management Venture pursuant to this Agreement, and the Management Venture waives hereby and will be prevented and under estoppel from raising any claim or demand of any kind or nature whatsoever in connection with it.

- 5.4.3. It is clarified hereby that the scope and the availability set forth in **Appendix B** (The Services) will not derogate in any way whatsoever from the duty of the Management Venture to provide the Services in full and on time at the quality set forth in the Agreement. For that purpose, the Management Venture will be responsible to provide for that purpose of providing the Services the relevant professionals at scopes and availabilities that may be required for the purpose of carrying out the Services in full and on time pursuant to the provisions of this Agreement, all under the full and exclusive responsibility of the Management Venture and at its expense, without it being entitled for that purpose to any additional consideration, payment, compensation or indemnification of any kind or nature whatsoever beyond the consideration.

6. **Management Team Members**

6.1. General

- 6.1.1. Throughout the Services Period, the Management Venture will provide the Services by way of the Management Team Members approved by the Company pursuant to the provisions set forth in the Tender Documents and the Agreement. It is clarified hereby that the Management Venture will be fully responsible for the actions of each one of the Management Team Members.
- 6.1.2. The Management Team Members will be available to the Company during working hours at the Company and in special cases where this is required as a result of the nature of the services, also during hours beyond working hour at the Company, and each one of the Management Team Members will carry out the Services in full and pursuant to the provisions of this Agreement.
- 6.1.3. The Management Venture will be fully liable for the work of the Management Team Members and for any deficiency or error in their work or as a result of the work of the Management Team Members, and for any damage, expense and loss that will be caused to the Company or to third parties as a result of such deficiencies or errors or due to a delay in providing the Services or negligence in carrying out the works relating to the Services including negligence in supervision of all the agents related to the design and execution of the Project. It is hereby clarified that the instructions that may be provided from time to time by the Company to the Management Venture will not derogate from the liability of the Management Venture towards the Company in company in connection with providing the Services.
- 6.1.4. In any event of rescission of this Agreement, the Company may enter in the shoes of the Management Venture relating to the Core Team Members

and continue to obtain the Services from the Core Team Members (in whole or in part), without the Management Venture or the Core Team Members having any claim in this regard.

6.2. Replacement of the Management Team Members

6.2.1. The Management Venture may not replace the Management Team Members or any of them, temporarily or permanently, during the first two (2) years after the date they enter into office, except if the Company finds, pursuant to its exclusive discretion, that a management Team member is unable to continue in office for extraordinary and unusual reasons.

6.2.2. After two (2) years of the date that the management team members enter into office, the Management Venture may not replace the Management Team Members, temporarily or permanently, without the approval of the Company in advance and in writing, pursuant to its exclusive discretion.

Without derogating from the discretion of the Company to approve the replacement of a Management Team Member or to refuse such replacement, inter alia for considerations pertaining to the benefit and the promotion of the Project, and compliance with the timetable of the Project, it is clarified and emphasized in advance that a replacement proposed for membership in the Management Team will have at least similar experience and qualifications as the replaced Management Team Member. It is further emphasized that a replacement requested will not be cause for postponement, delay, diminishing or any other impairment in carrying out the obligations of the Management Venture pursuant to this Agreement.

6.2.3. The Company reserves the right to demand, at any time, pursuant to its exclusive discretion and for reasonable reasons, the replacement of any of the Management Team Members by prior notice of forty-five (45) days and in extraordinary cases that do not tolerate delay, immediately upon providing such notice. The Management Venture undertakes to replace a Management Team Member with another member that will be approved by the Company in writing and to its satisfaction, closely after receiving a demand to that effect, without the Management Venture having any claim or demand in connection with such demand and without such replacement causing a delay in the timetable of the Project to complete the Services (hereinafter in this Section 6.2: a “**Replacement Team Member**”).

6.2.4. If a Management Team Member is taken off the roster pursuant to a demand by the Company, or if the Company allows the Management Venture to replace a Management Team Member, the following provisions will apply:

6.2.4.1. The Management Venture will be fully and exclusively responsible to present to the approval of the Company the Replacement Team Member on its behalf within the time period that will be allotted for that purpose by the Company.

6.2.4.2. The Replacement Team Member will be qualified, professional and experienced in carrying out services of the type of the Services the subject of this Agreement and in addition will

comply with all the compulsory requirements and standards determined in connection with the relevant Management Team Member, as defined in the tender documents or in the framework of this Agreement. For that purpose, the Management Venture will present to the Company all the information and documents required in order to prove the compliance of the Replacement Team Member with such requirements.

6.2.4.3. The Management Venture will be fully responsible for the full transfer of the position from the replaced Team Member to the Replacement Team Member for a period of time of not less than three (3) months, so that the Replacement Team Member will be able to fulfill its duties as required pursuant to the provisions of the Agreement without such replacement causing any delay, fault or deficiency to the Services. Such training period will be carried out concurrently with carrying out the Services. It is clarified hereby that the Company will not pay any additional payment for the training time.

6.2.4.4. If the Company does not approve to the Management Venture to replace a Management Team Member, such Management Team Member will not be replaced and if a Management Team Member is replaced or discontinues to serve as Management Team Member in fact, the provisions of Section 13 (Liquidated Damages) will apply, in addition to any other relief and compensation due to the Company pursuant to the provisions of this Agreement and pursuant to applicable Law.

7. The Timetables for Performing the Services

7.1. The Management Venture undertakes to carry out and complete the Services in the time periods and pursuant to the timetable of the Project and the provisions of this Agreement.

7.2. The Management Venture will use all the methods and will use the manpower that will provide maximum assurance as to the completion of all the Services at the best quality and upon the dates set forth for them in the timetable of the Project. It is clarified hereby that under circumstances in which the Management Venture expedites the rate of execution of its obligations and completes the execution of any contents of the Services prior to the date set forth for such completion in the detailed timetable, the Management Venture will not be entitled for that to any bonus or additional payment of any kind or nature whatsoever just like it will not be entitled to an extension of the timetable for any of the Services.

7.3. Suspension. The Company may, pursuant to its absolute discretion, order the suspension of provision of the Services pursuant to this Agreement, in whole or in part, even if the Management Venture did not breach the provisions of this Agreement, provided that such suspension will be for a period that will not be less than six (6) months and will not exceed twelve (12) months. It is clarified that the suspension provision will be delivered to the Management Venture in writing fourteen (14) days in advance. If the Company orders such suspension, the provisions of Sections 7.4 and 7.5 herein below will apply and the suspension

shall be deemed as delay approved by the Company. It is clarified that the provisions set forth above do not derogate from any entitlement of the Company in the event of breach of the provisions of the Agreement by the Management Venture.

- 7.4. The Management Venture will be fully and exclusively responsible for any delay in the execution and completion of the Services pursuant to this Agreement, in relation to the dates set forth for such purpose in the timetable of the Project, except under the circumstances set forth below, and under such circumstances only:

7.4.1. The Company ordered the suspension, pursuant to the provisions set forth in Section 7.3 herein above;

7.4.2. Delays that were caused due to exceptionally extraordinary circumstances, that are not under control of the Management Venture and that the Management Venture did not foresee and could not have foreseen or prevent using reasonable means, including not obtaining approval from a governmental, municipal or other competent authority pursuant to applicable Law (hereinafter in this Section: the “**Authority**”), provided that the Management Venture acted fully pursuant to the instructions of the Authority and the pursuant to the guidelines set forth in applicable Law for the purpose of obtaining the relevant approval and according to the timetables to obtain such approval; All, subject to the confirmation in writing of the Company as to the existence of such exceptionally extraordinary circumstances and that the only reason for the delays was such circumstances, and the Company accepted the request of the Management Venture to extend any of the dates to complete the Services under terms and conditions that will be determined by the Company, pursuant to its exclusive discretion;

If any of the circumstances set forth in Section 7.4.2 herein above exists, the Management Venture will provide to the pre-approval of the Company a document which describes the circumstances and arguments the caused the delay in the timetable of the Project caused in fact. The Company reserves the right to notify the Management Venture in writing if it wishes to reject its request to extend the dates or to approve it, in whole or under terms and conditions.

The Company will provide in detail in its notice to the Management Venture its reservations or comments to the request, as the case may be.

- 7.5. If the Company ordered suspension as set forth in Section 7.3 above or approved the period of delay as set forth in Section 7.4.2 herein above:

7.5.1. The timetable for completing the Services will be extended for the period of the approved delay period or for another period that the Company may approve; and

7.5.2. Compensation will be paid by the Company to the Management Venture as set forth in Addendum 3 (Compensation Mechanism in the Event of Extension of the Timetable) of **Appendix B**.

- 7.6. The extension of the timetable, and the payment of such compensation, will be the sole and only remedy to which the Management Venture will be entitled for such

delay, and will apply only if a circumstance or the circumstances set forth in Section 7.4.2 herein above exists.

- 7.7. It is expressly clarified hereby, for the removal of any doubt, that also under circumstances in which the Services Period or any of the Project Stages that were determined for completion are delayed, the Management Venture will be responsible to carry out all the Services pursuant to the Agreement and the Services order during the entire period of delay, at the required frequency and continuously and without delay.
- 7.8. It is expressly agreed between the parties hereby that the delays approval mechanism set forth in this Section is the sole and exclusive mechanism for approval of extension of the timetable of the Project due to delays of the Management Venture in the execution of its obligations pursuant to the Agreement.
- 7.9. The Management Venture will be responsible for any delay in the execution of its obligations pursuant to this Agreement, if such delay period, in whole or in part, was not approved in writing by the Company. Without derogating from the general nature of the foregoing, the Management Venture will be responsible to notify the Company in advance of the existence of circumstances of any kind or nature whatsoever for which the Management Venture might be delayed in providing any of the Services, this immediately after the Management Venture learned of such circumstances.

If the Project Manager does not provide such notice, the Management Venture will be liable for such delay and will be prevented and under estoppel from raising any demand or claim in connection with the results or consequences.

8. **The Consideration**

8.1. **The Consideration**

In consideration for carrying out the Services and all the obligations of the Management Venture during the Services Period, in full and on time, pursuant to the provisions of the Agreement, the Company will pay to the Management Venture the Basic Services Consideration and the Additional Consideration (as applicable), in amounts and upon dates as set forth in **Appendix C** (The Consideration), (the “**Consideration**”), plus VAT pursuant to applicable Law.

8.2. **Finality of the Consideration**

- 8.2.1. It is clarified hereby that payment of the Consideration will be final and full for the full and completed execution of all the Services and all the other obligations of the Management Venture pursuant to the provisions of the Agreement. Unless otherwise expressly set forth in the Agreement, except for the Consideration, the Management Venture will not be entitled in any event to any additional payment, consideration, compensation or indemnification, of any kind or nature whatsoever, and this - for the removal of any doubt - also in relation to the presence and availability of the project manager and any other agent at the meetings with the Client and the compliance of the Management Venture, the Management Team Members and anyone on its behalf with all the provisions of applicable

Law and the fulfillment of all the obligations set forth in Sections 5.2 and 5.3 herein above.

- 8.2.2. It is clarified hereby that except for the linkage expressly set forth in the Agreement, under the circumstances and terms and conditions set forth in such Section, the Consideration or any payment to which the Management Venture will be entitled pursuant to the Agreement will not be added under any circumstances and for any reason whatsoever any linkage differentials or interest of any kind or nature whatsoever, and the Management Venture hereby waives and in addition will be prevented and under estoppel from raising any claim or demand of any kind or nature whatsoever in this context.
- 8.2.3. The Management Venture represents and warrants that it weighted-in, in the framework of its price proposal any and all inputs, costs and expenses, of any kind or nature whatsoever, involved, directly or indirectly, in carrying out and completing the Services, and the Management Venture hereby waives and in addition will be prevented and under estoppel from raising any claim or demand of any kind or nature whatsoever in this context.
- 8.2.4. Without derogating from the general nature of the provisions set forth in Sections 8.2.3-8.2.1 herein above, it is clarified hereby that the Management Venture will not be entitled to receive any addition to the Consideration, of any kind or nature whatsoever, under circumstances in which the Services have been carried out by any of the Management Team Members during hours that are not the regular working hours including for night work and/or works carried out on Fridays, holiday eves, Saturdays and holidays.

8.3. Linkage

Upon the date in which the conditions for transfer of payment to the Management Venture are fulfilled, as set forth in **Appendix C** (The Consideration) of the Agreement, the Company will pay to the Management Venture on account of the Consideration for the execution, such payment after adjustment to changes that occurred during the period that passed from the filing date of the proposals in the tender and until such payment date. The linkage will be pursuant to the proposal of the Management Venture in the table included in Form “13” (price proposal) of the Invitation to Bid and pursuant to the provisions set forth in **Appendix C** (The Consideration) to this Agreement.

8.4. Manner of Payment of the Consideration

- 8.4.1. The Company will pay to the Management Venture the Consideration and any part thereof by way of bank transfer to the account of the Management Venture as the Management Venture may update from time to time.
- 8.4.2. Any amount paid on account of the Consideration to the Management Venture will be added by VAT pursuant to applicable Law at the date of execution of any such payment and it will be paid against a tax invoice pursuant to applicable Law.

9. Additional contents

The Company may, pursuant to its exclusive and absolute discretion, at any time during the Services Period, for any reason whatsoever, including under circumstances that the Company or any agent involved in the Project have control over, realize the additional contents set forth in Section 17 (additional contents) of Appendix B (The Services). In the event that such additional contents are realized the Management Venture will be entitled to consideration pursuant to the provisions set forth in **Appendix C** (The Consideration).

10. Liability and Indemnities

- 10.1. The Management Venture will be fully responsible for the provision of the Services, including all its components and stages and for the completion of the Services pursuant to the Preliminary Timetable, all pursuant to the provisions of this Agreement and the guidelines and instructions of the Company.
- 10.2. Company's approvals of the design and/or other documents relating to the Services and/or which were prepared by the Management Venture and/or anyone acting on its behalf under this Agreement shall not release the Management Venture from the foregoing full professional responsibility, and this does not impose on the Company and/or any person on its behalf any liability for the nature and quality of the Services and/or the aforementioned design or documents.
- 10.3. Without derogating from the generality of the foregoing and notwithstanding anything to the contrary in applicable Law, the Management Venture will be exclusively, fully and absolutely liable for any bodily injury and/or property damage and/or, loss, and/or failure and/or expense and/or deficiency and/or malfunction and/or damage of any kind or nature whatsoever, that were caused to the Company, and/or to any of its employees, to the Management Venture, and/or to the Management Team Members and/or to subcontractors and/or to sub-designers and/or to any of their employees employed by the Management Venture and/or to any third party and/or the Services, in connection with any violation of any of the obligations of the Management Venture or anyone on its behalf pursuant to the provisions of this Agreement, caused due to the execution of the Services in violation of the provisions of applicable Law and/or of any demand and/or instruction of any competent authority in connection with the aforementioned, regardless of whether the Management Venture was aware of it or not.
- 10.4. The Management Venture will be fully and exclusively liable for any damage to the body and property of any person and any corporation that will be caused during or due to the provision of the Services, regardless of whether such damage is caused by the Management Venture or any person or corporation acting on behalf any of the above or in their name.
- 10.5. The Management Venture hereby undertakes to compensate at its expense anyone employed by it, as well as the Company and any third party for any damages or compensation that will be due to them as a result of damage that will be caused to them during or in connection with or due to the Services as well as for any event under its responsibility as set forth in this Section 10 herein above, and it releases the Company from any liability with regard to such damage.

- 10.6. The Management Venture will be under obligation to indemnify and/or compensate the Company for any damage, loss or expense that will be caused to the Company as set forth herein above, in the full amount that the Company paid as well as to indemnify it for payment made to a third party by the Company in connection with damage due to any act or omission that is under the responsibility of the Management Venture pursuant to the provisions set forth in this Section 10. Indemnification and compensation pursuant to this Section will include, inter alia, legal expenses that the Company will incur.

The Company will notify the Management Venture of any claim or demand that may form any such liability as set forth in this Section herein above within a reasonable period of time after receiving it, and will allow the Management Venture to defend against it (be it by adding it as a third party in such lawsuit or otherwise, as the Company may determine). It is emphasized that the Management Venture may not represent the Company in legal proceedings in connection with such claim or demand unless this is expressly approved in advance and in writing by the Representative of the Company.

- 10.7. It is hereby clarified that if the Management Venture is chosen not to defend itself against any such demand or claim, the Management Venture will be seen as agreeing to any arrangement or compromise reached by the Company at its absolute discretion, and the Management Venture will be bound by the terms and conditions of the settlement agreement, and accordingly compensate or indemnify the Company in accordance with the provisions of the settlement agreement. For the removal of doubt it is clarified hereby that the Company may make use of its rights as set forth in Section 20 (Set off and) in order to realize its rights pursuant to the provisions of this Section herein above (including delay or set off of such amounts that the Company is expected to be under obligation to pay pursuant to such claim or demand filed against it).
- 10.8. The Management Venture finally and irrevocably waives and in addition will be prevented and under estoppel from raising any claim or demand of any kind or nature whatsoever in connection with its duty to compensate or indemnify the Company under the circumstances set forth in Section 10.6.
- 10.9. Notwithstanding the provisions of this Agreement, it is hereby clarified that the liability of the overall Management Venture in accordance with the provisions of this Agreement throughout the period of the Services, including by virtue of breach of the Agreement, forfeiture of guarantees, or for any other reason, shall not exceed the Basic Services Consideration. The limitation of liability of the Management Venture as stated in this section shall not apply in the following cases: (a) Bodily injury or death; (B) fraud or acts of malice or gross negligence; and (c) indemnification paid by the Management Venture for third-party damages.
- 10.10. The Management Venture releases the Company, its employees, consultants and anyone on its behalf from any liability for any loss or damage as set forth in Sections 10.5 through 10.8 herein above, and it waives any personal claim or demand against anyone acting on behalf of the Company unless the cause of action pertains to malicious action only.

11. Insurance

- 11.1. Without derogating from any obligation of the Management Venture pursuant to the provisions of this Agreement and from its liability for the damages to which he is liable by the applicable Law, the Management Venture undertakes to insure, at the Signing Date, at its own expense its liability and the Company's liability, the state of Israel's liability, the Ministry of Transport and Road-Safety's and their employees liability for and/or with respect to the Services in insurances policies at its discretion, provided that such insurances shall not be less than the insurances, limits of liability and the requirements set forth in Appendix E (Insurance).
- 11.2. At the Signing Date, and as a condition for the commencement of the Services, the Management Venture will deliver to the Company a valid Certificate of Insurances signed by its insurers, an insurance company licensed in Israel and an Israeli insurance licensee, in the form set forth in Appendix E (Insurance) ("**Certificates of Insurances**"), in accordance with the dates detailed thereto.

12. Guarantees and Lien

12.1. The Performance Bond

- 12.1.1. To secure the fulfillment of the obligations of the Management Venture pursuant to this Agreement and as a condition to carrying out any payment whatsoever by the Company, the Management Venture will provide to the Company, upon the Signing Date and as a condition to the validity of this Agreement, an autonomous, independent and unconditional bank guarantee in the form set forth in Appendix H (Form of Performance Bond), in the amount of two million (2,000,000) NIS (the "**Performance Bond**").
- 12.1.2. The Performance Bond will be issued by an Approved Financial Body.
- 12.1.3. The Performance Bond will remain in force until the date of completion of Stage 3. Upon such stage the guarantee will be returned to the Management Venture.
- 12.1.4. The Management Venture undertakes to extend the Performance Bond from time to time without additional consideration, this until such date as such Performance Bond is returned to it by the Company.

12.2. General

- 12.2.1. The Company will be entitled, without derogating from any relief, remedy and right vested in the Company pursuant to this Agreement and pursuant to applicable Law, forfeit, pursuant to its absolute and exclusive discretion, the guarantee, in whole or in part, without being required to provide arguments for such decision, this as liquidated damages, if the Management Venture breaches any of its obligations pursuant to this Agreement and at a damage amount that, in the opinion of the Company or anyone on its behalf was caused to it as a result of such breach of obligation by the Management Venture.
- 12.2.2. Under circumstances wherein the Performance Bond was forfeited by the Company, the Management Venture will, within thirty (30) days of the date of forfeiture of the Performance Bond, in whole or in part, will

reinstate the Performance Bond amount to the amount required pursuant to this Agreement, by providing a new bond to the Company in the amount of the bond or the part of the bond that was forfeited, as the case may be, in an aggregate amount not exceeding NIS six million (6,000,000). If the Management Venture does not provide an additional bond in lieu of the guarantee or part of the bond that was forfeited, and without derogating from the rights of the Company pursuant to the Agreement and pursuant to applicable Law, the Company will be entitled to forfeit the Performance Bond amount that the Management Venture was under obligation to provide to it out of the balance of the Performance Bond held by it.

- 12.2.3. Without derogating from the rights of the Company pursuant to the provisions of Section 12.2.1 above, the Management Venture will receive a written notice of the intention to issue a demand for payment pursuant to the guarantee to the issuer of the guarantee detailing the reason for forfeiture at least seven (7) days prior to sending such demand. It is hereby clarified that if the Management Venture remedies the breach within seven (7) days of receipt of such notice, the Company shall cancel the demand for payment.
- 12.2.4. The Performance Bond will be linked to the Consumer Price Index.
- 12.2.5. It is clarified that the forfeiture of a guarantee, in whole or in part, pursuant to the provisions of Section 12.2.1 will not derogate from the entitlement of the Company to terminate or rescind the Agreement pursuant to its provisions or by virtue of any other entitlement of the Company pursuant to the provisions of the Agreement or pursuant to applicable Law.
- 12.2.6. If during the term of the Agreement the Management Venture is required to extend the validity of the Performance Bond or to provide a new guarantee in addition to or in lieu of the Performance Bond, or to increase the amount of the Performance Bond, it must do so at least thirty (30) days prior to the expiry of such Performance Bond. If the Management Venture does not provide a new guarantee or an additional guarantee as set forth herein above, or does not extend it or increase its amount until such date, the Company may, without derogating from its rights pursuant to the Agreement and pursuant to applicable Law, forfeit the guarantee held by it in its full amount, and the guarantee amount will be deemed liquidated damages for such breach by Management Venture and the parties declare and agree hereby that the liquidated damages amount is reasonable and logical in relation to the damage that may be foreseen in advance upon entering into the Agreement.
- 12.2.7. The guarantee will be an autonomous, unconditional and irrevocable bank guarantee to the benefit of the Company. It is hereby agreed and clarified that no provision of this Agreement will impair the autonomous nature of any such guarantee whatsoever.

12.3. Lien

- 12.3.1. In order to secure the fulfillment of the obligations of the Management Venture according to this Agreement the Company will deduct from any payment due to the Management Venture pursuant to the provisions of this Agreement an amount equal to three points (3%) until the end of the Services Period (“**Lien Funds**”).
- 12.3.2. The Company will be entitled, without derogating from any relief, remedy and right vested in the Company pursuant to this Agreement and pursuant to applicable Law, forfeit, pursuant to its absolute and exclusive discretion, any amounts whatsoever out of the Lien Funds, without being required to deliver any notice whatsoever to the Management Venture and without being required to provide arguments for such decision, as liquidated damages, if the Management Venture breaches any of its obligations pursuant to this Agreement and at a damage amount that, in the opinion of the Company or anyone on its behalf, was caused to it as a result of such breach of this Agreement. Without derogating from the rights of the Company pursuant to this Section 12.3.2, the Management Venture shall be given written notice of the intention to forfeit the Lien funds, detailing the cause of forfeiture, at least seven (7) days prior to the date of forfeiture of the Lien Funds. It is hereby clarified that if the Management Venture corrects the breach within seven (7) days from the date of receipt of such notice, the Company shall cancel the forfeiture of the Lien Funds.
- It is clarified that the forfeiture of amounts out of the Lien Funds will not derogate from the entitlement of the Company to terminate or rescind the Agreement pursuant to its provisions or by virtue of any other entitlement of the Company pursuant to the provisions of the Agreement or pursuant to applicable Law.
- 12.3.3. Insofar as the Company does not use by way of set off any consideration due to the Company from the Management Venture pursuant to this Agreement, the Lien Funds will be transferred to the Management Venture, linked to the Consumer Price Index, upon the following dates: (1) Two third of the Lien Funds at the date of completion of Stage 7 (as defined in Appendix B (The Services)); and (2) a third of the Lien Funds following two (2) years from the date of completion of Stage 7.

13. **Liquidated Damages**

13.1. **Absence during the fulfillment of duty**

- 13.1.1. If any of the Management Team Members does not fulfill his / her duties at any time during the Services Period including in the event that the Management Team Members is not present in Israel as required or is not available to provide the Services (except if the Company, pursuant to its exclusive discretion, decided that the Management Team Member is unable to continue to fulfill his / her duties for extraordinary reasons), all without obtaining the approval of the Company in advance and in writing (hereinafter in this Section: “Non-fulfillment of Duty”) the Company may, pursuant to its exclusive discretion, charge the Management Venture a liquidated damages amount of five thousand

(5,000) NIS for each day of Non-fulfillment of Duty of any on the Management Team Members.

- 13.1.2. Without derogating from the provisions of Section 14.4 below, it is hereby clarified that the total amount of the compensation under the provisions of this Section 13.1 shall in no case exceed five percent (5%) of the value of the Basic Services Consideration.

13.2. Liquidated damages general

- 13.2.1. If the Company or charges the Management Venture to pay the liquidated damages amount pursuant to the provisions of this Section **13** this will not impair the entitlement of the Company to charge the Management Venture to pay compensation or enforce any relief whatsoever available to the Company pursuant to the provisions of this Agreement or pursuant to applicable Law, and charge the Management Venture to pay liquidated damages will not be construed as consent of the Company to a delay in execution of the Services or to the entrepreneur not complying with its obligations pursuant to the provisions of this Agreement.
- 13.2.2. The Company may charge, as set forth in this Section 13, in relation to a particular event or to a number of events, pursuant to the circumstances of the event, all pursuant to its exclusive discretion of the Company.
- 13.2.3. The Management Venture agrees and confirms that the liquidated damages amount agreed upon pursuant to this Section 13 are reasonable and were determined upon the signing date after calculating the damages, the losses and the costs that may be caused to the Company as a result of the events set forth in this Section 13, and therefore the payment of agreed upon liquidated damages will not be deemed as a fine and the payment of liquidated damages will not be conditioned upon presenting proof of any damage whatsoever.
- 13.2.4. The Company may set off the agreed upon liquidated damages amount from any consideration due to the Management Venture out of the Lien Funds or out of the guarantees, all pursuant to its exclusive discretion of the Company.

14. Breaches

Each one of the events, and each one of the circumstances set forth in Section 14 (Breaches) below, constitutes a breach event (regardless of whether it was caused by a reason under the control of the Management Venture or of any other body whatsoever, or otherwise) all if each one of such events and each one of such circumstances were not immediately remedied, and if the Company determined a date to correct the breach, pursuant to its exclusive discretion, then until such date:

- 14.1. The Management Venture did not fully and exactly comply with any of its obligations pursuant to the Agreement and such breach was not remedied within the cure period determined by the Company, at its sole discretion, which in any event shall not be less than twenty-one (21) days, and if a remedy period was provided for such breach under this Section 14 (Breaches) or pursuant to an express order of the Company, that may be provided pursuant to its reasonable discretion in relation to each case.

- 14.2. Any representation, declaration or information whatsoever delivered by the Management Venture to the Company in the framework of the Tender or in this Agreement or in any notice whatsoever delivered pursuant to this Agreement, was found erroneous, incomplete, misleading, false or inaccurate.
- 14.3. One hundred and twenty (120) days have passed from the Signing Date without the Management Venture having provided to the Company all the documents set forth in Section 2.2 herein above.
- 14.4. The conditions set forth for charging the liquidated damages amount to the Management Venture pursuant to the provisions of Section 13.1.1 in relation to the Management Team Members, or any of them, are fulfilled for a cumulative period of thirty (30) days or more.
- 14.5. The Management Venture was late in completing its obligations pursuant to this Agreement and in carrying out the Services, for a period of time that exceeds three (3) months of the last date to complete the Services pursuant to the timetable of the Project, in relation to one or more of the stages of the Project.
- 14.6. An application for liquidation or stay of proceedings or for the appointment of a temporary or permanent receiver or the appointment of a temporary or permanent liquidator, as the case may be, was filed against the Management Venture, or bankruptcy proceedings were initiated against the Management Venture and all of such application or proceedings were not canceled within sixty (60) days of their filing date.
- 14.7. If a liquidation order is issued against the Management Venture or if it adopts a resolution for voluntary liquidation or if a receivership order or a stay of proceedings order was issued against it or if it was appointed a temporary or permanent receiver or a temporary or permanent liquidator or a trustee, as the case may be, or if the Management Venture was declared bankrupt and such order or proceeding were not canceled within sixty (60) days of their filing date.
- 14.8. An attachment was imposed upon the property of the Management Venture, in whole or in part, or any action was carried out in relation to such property, in a manner that prevents or that may prevent it from carrying out the Services (in whole or in part) in whole and on time, and such attachments were not canceled within sixty (60) date of the date that they were imposed.
- 14.9. The Management Venture did not commence carrying out the Services upon the Signing Date or discontinued carrying them out for a period exceeding seven (7) days.
- 14.10. The Management Venture is in a conflict of interests or an apprehension of conflict of interests as set forth in Section 4.4 or in the letters of undertaking attached hereto as Appendix D (Declaration and undertaking letters forms).
- 14.11. The Management Venture is not compliant with the provisions of Section 4.5.1 above or any of its undertakings under Appendix F (Form of Declaration as to Obtaining Approvals and Permits), as attached to this Agreement as Attachment 5.

It is clarified hereby that where in Section 14 reference is made to the Management Venture the intention is reference to the Infrastructure Management Company, or the

Aviation Consulting Company or any of the Management Team Members, as the case may be.

15. Termination of the Agreement

15.1. Termination of the Services Period

Without derogating from the other provisions of this Section 15, this Agreement will terminate upon the date set forth for such termination in the timetable of the Project, as may be amended from time to time by approval of the Company in advance and in writing.

15.2. Termination for convenience

15.2.1. The Company may pursuant to its exclusive discretion and for any reason whatsoever, terminate the Agreement or discontinue the engagement pursuant to the Agreement, in whole or in part, prior to commencement date of the Services Period or during the Services Period, by prior notice of ninety (90) days (the “**Notice Period**”).

15.2.2. The Management Venture represents and warrants hereby irrevocably that the termination of the Agreement or the discontinuation of the engagement or the discontinuation of the Services Period is a right vested in the Company and that it waives hereby irrevocably and will be prevented from raising any claim as to its reliance upon providing the Services for the entire Services Period.

15.2.3. If the Company demands the termination of the Agreement, not due to a breach of the obligations of the Management Venture, upon the end of the term of the Agreement or upon its termination, the Company may, but is not under obligation to, demand the further execution of the works during the Notice Period, and the Management Venture will be entitled to receive the following amounts: (1) The monthly payment for the Project Stage during which this Agreement ended or terminated (or the relevant Project Stages in the event that the Company approved the Management Venture to begin the execution of a Project Stage before the completion of the previous Project Stage), for a period of time equal to the Notice Period; (2) The Lien Funds and the guarantee deposited with the Company at that time; and (3) payment in an amount equal to thirty points (30%) of the partial consideration balance (as defined in Appendix C (The Consideration) attributed to the relevant stage during which the Agreement ended or terminated.

It is clarified hereby that the calculation of the payments pursuant to Section 15.2.3 and will constitute the final consideration due to the Management Venture and the Management Venture will not be entitled to any compensation, indemnification or any other payment whatsoever in connection with any matter relating to or arising from this Agreement or its termination, and in addition will not be entitled to receive any payment whatsoever for impairment to goodwill or for the termination of employment of the Management Team Members or for action it has taken or funds that it expended in connection with this Agreement, except as

will be calculated pursuant to the provisions of this Section 15.2.3 herein above.

The payment in fact of the amounts due to the Management Venture (or to the Company, as the case may be), pursuant to the provisions of Section 15.2.3, will be paid within sixty (60) days of the date of termination of the Agreement.

- 15.2.4. It is clarified hereby that the rescission of the Agreement pursuant to the provisions of this Section 15.2 will not derogate from any other right of the Company pursuant to the provisions of this Agreement or pursuant to the provisions of applicable Law.

15.3. Termination for a breach event

- 15.3.1. The Company may terminate this Agreement in any event of breach, immediately, and if the breach is curable, the Management Venture shall be entitled to a remedy period was provided to remedy such breach, and the Company shall be entitled to terminate this Agreement upon the date in which such period ends, if such breach was not remedied.

- 15.3.2. If the Company demands the termination of this Agreement, as a result of a breach of the obligations of the Management Venture, the Management Venture will be entitled to receive the consideration (pursuant to the provisions of this Agreement) for the Services that were provided by it until the termination date, deducted by all the damages that were caused to the Company as a result of the breach of the Agreement and its termination, including for the proceeding to select a new management company and the period of time of such company entering into service and expenses as a result of delays in the Project. It is clarified hereby that if the damages amount including the liquidated damages amount pursuant to Section 13 (liquidated damages) exceed the amounts due to the Management Venture for the Services (including the Lien Funds and the guarantee deposited at that time with the Company), the Management Venture will pay to the Company the difference between the damages amount and the funds due to the Management Venture as set forth herein above.

It is clarified hereby that the calculation of the payments pursuant to this Section 15.3.2 will be carried out by the Company and that the result of the calculation will be final and absolute and will constitute the final consideration due to the Management Venture and the Management Venture will not be entitled to any compensation, indemnification or any other payment whatsoever in connection with any matter relating to or arising from this Agreement or its termination or suspension, or for action it has taken or funds that it expended in connection with this Agreement, except as will be calculated pursuant to the provisions of this Section 15.3.2 herein above.

The payment in fact of the amounts due to the Management Venture if any are due pursuant to this Section 15.3.2, will be paid within sixty (60) days of the date of termination of the Agreement.

- 15.3.3. It is clarified hereby that the rescission of the Agreement pursuant to the provisions of this Section 15.3 will not derogate from any other right of the Company pursuant to the provisions of this Agreement or pursuant to the provisions of applicable Law.

15.4. Results of Termination of the Agreement

- 15.4.1. Without derogating from all other provisions of this Agreement, if the Agreement is terminated pursuant to the provisions of Section 15.3 above, the Company may, without derogating from all other rights vested in it pursuant to applicable Law, continue to carry out the Services in collaboration with any other agent pursuant to this exclusive discretion, including: continuing the execution of the Services directly with a member of the Management Venture or with any of the Management Team Members, and the payment for such works will be made based upon the inputs of work in fact pursuant to a price list that will be agreed between the parties at that time.
- 15.4.2. If the Agreement is terminated for any reason whatsoever, the Management Venture will be responsible, as an integral part of the Services, for carrying out an orderly and continuous handing over and will cooperate fully with the Alternative Agent that will be appointed, if any, by the Company, to carry out the Services, including: Delivery of all the documents, the information and the products of the services that were carried out by it in connection with the Project and the Services to the Company or to anyone on its behalf, all without being entitled to any consideration, compensation or indemnification for that, and in the framework of the timetables that will be defined by the Company. It is expressly clarified hereby that carrying out the handing over process and the other obligations of the Management Venture pursuant to this Section 15.4.2 will be a condition to the payment of the Consideration balance due to the Management Venture for the Services that it carried out until the termination date of the Agreement.
- 15.4.3. The Management Venture will not be entitled to a lien on the material related to the Services or to the Company, including the Documentation Management System, the Risk Management System, the documents and the reports that it prepared for the Company, all the products of the Services, and any document related to the Services, even if it was received from the Company or from any third party. Without derogating from the general nature of the above, the Management Venture will deliver to the Company within three (3) days of the date of termination of the Agreement, all the copies and counterparts of all the documents and the information as set forth in Section 17.1, including the confidential Information mentioned therein as well as the Documentation Management System and the Risk Management System.
- 15.4.4. It is clarified hereby that regardless of the termination of this Agreement for any reason whatsoever, the provisions of Sections 10.3 through 10.9, 12.2, 12.3.2, 13.2, 15, 16, 17, 18, 20, 21, 22, 23.3 and 23.9 will continue to apply until the passing of the periods set forth in such Sections, and if a

period is not noted in any such Section then until the passing of five (5) years from the date of termination of the Agreement.

16. **Confidentiality**

The Management Venture declares and undertakes hereby, finally, fully and irrevocably, as follows:

- 16.1. That it will maintain by itself and in addition will be fully liable for anyone on its behalf maintaining strict confidentiality without limitation of time, and will not disclose and not transfer to any third party and/or will not use, directly and/or indirectly, news, details and documents including any idea, plan, document, invention or creation in connection with the execution of the Agreement, the Project and the Services, in writing or verbally or in any other way including any copy and/or reproduction and/or any summary and/or abstract and/or processing of the aforesaid, on any media whatsoever that were delivered to them or that they obtained during the execution of the Agreement, the Project and the Services or directly or indirectly relating to them, unless the express consent of the Company as provided for such purpose in advance and in writing (collectively, the “**Confidential Information**”).
- 16.2. Without derogating from all other provisions of this Section 16, the Management Venture may use the Confidential Information solely for the purpose of providing the Services and in their framework.
- 16.3. That if the Company allows the delivery of the Confidential Information or any part thereof to any third party whatsoever, such transfer would be under the condition that such third party to whom the Management Venture gave the Confidential Information signs with the Company and with the Management Venture, jointly and severally, a confidentiality undertaking pursuant to which it will be under obligation to the Company and to the Management Venture to maintain confidentiality of the Confidential Information in a manner that protects the rights of the Company, at least as set forth in this Section 16. The Management Venture will be fully and exclusively liable for any act and/or omission that violates, directly or indirectly, any of the provisions set forth in this Section 16. The provisions of this Section do not constitute a contract to the benefit of a third party.
- 16.4. That without derogating from the general nature of the provisions set forth in Section 16.3 herein above, it will be fully responsible for each one of the Management Team Members and their employees signing with the Company and with the Management Venture, jointly and severally, a confidentiality undertaking pursuant to which they will be under obligation to the Company and to the Management Venture to maintain confidentiality of the Confidential Information in a manner that protects the rights of the Company, at least as set forth in this Section 16.
- 16.5. That it will take, as to the Confidential Information, precautions of the first degree in order to maintain its confidentiality, and without derogating from the aforesaid, at least all the precautionary measures that are customary with the Management Venture, and in addition without derogating from the aforesaid, will notify the

Company in writing and immediately, of any event of apprehension of loss, or of loss of Confidential Information or any part thereof.

- 16.6. That in the event that the Management Venture received a demand pursuant to applicable Law, by a competent agent or any competent authority, to deliver the Confidential Information or any part thereof, directly or indirectly, the Management Venture will notify of such demand to the Company immediately and in writing. Without derogating from the provisions of this Section herein above, the Management Venture will allow the Company sufficient time to defend and exhaust all the proceedings relating to the delivery of such Confidential Information, this prior to its delivery to the relevant agent and/or authority. and subject to the provision of any Law.
- 16.7. That it will be responsible to return to the Company the Confidential Information that was delivered to the Management Venture or to anyone on its behalf, including all its copies, and in addition to destroy, upon the demand of the Company, any Confidential Information in possession of the Management Venture and in possession of anyone on its behalf.
- 16.8. That it is aware that the Management Venture and anyone on its behalf does not and will not have any right whatsoever in and to the Confidential Information or any part thereof, including, without derogating, any invention, innovation or patent that will be created based upon the Confidential Information.
- 16.9. That it was clarified to the Management Venture that the violation of any of its obligations pursuant to this Section herein above may cause grave damage to the Company, and the Management Venture undertakes to indemnify and to compensate the Company for any damage and/or loss whatsoever that will be caused to it by such violation. In addition, the Management Venture declares and agrees that in any event of such violation the Company will be entitled to petition all monetary reliefs or other reliefs (including obtaining any type of order) that is available to it pursuant to applicable Law.
- 16.10. The provisions of this Section herein above do not derogate or impair in any way from the duties and the obligations of the Management Venture pursuant to the letters of obligation that are required to be attached to this Agreement, and from the provisions set forth herein.

17. **Intellectual Property**

- 17.1. Any idea, plan, document, invention or creation in connection with the execution of the Agreement or the Project and the Services for the Company, including the Documentation Management System and the Risk Management System will be *ab initio* the full and exclusive property of the Company, regardless of whether they were prepared or made by the Company or anyone on its behalf or whether they were prepared or made by the Management Venture or anyone on its behalf and the Management Venture hereby waives and in addition it will be prevented and under estoppel from raising any claim or demand of any kind or nature whatsoever in this regard. Without derogating from the general nature of the provisions of this Section herein above, it is hereby clarified that the Company is the first, full and exclusive owner of documents of any kind whatsoever pertaining

to the Project and the Services including documents pertaining to planning, engineering, mathematics and legal matters as well as all the rights related to them or arising from such documents, directly or indirectly, and from their products and in any edition, amendment or modification that were made by or under the recommendation of the Management Venture or that were prepared by anyone on its behalf) and in any information and documents prepared and submitted in their framework, including the following: patents, designs, copyrights and other intellectual property rights, registered or otherwise, and they are delivered to the Management Venture in deposit only.

For the removal of doubt it is clarified hereby, that the Management Venture will not have any proprietary right or other right, of any kind or nature whatsoever, in any idea, plan, document, invention or creation in connection with the execution of the Agreement, the Project and the Services, if they were prepared or made by the Company or anyone on its behalf and it will not have any proprietary right or any other right, of any kind or nature whatsoever in any such plan and document in connection with the execution of the Agreement, the Project and the Services regardless of whether they were prepared by or made by the Management Venture or by anyone on its behalf including in this matter: in the Documentation Management System and in the Risk Management System, in such documents, their products and any edition, amendment or modification made in them (including edition, amendment or modification that were made by or under the recommendation of the Management Venture or anyone on its behalf) or in any information and documents that were prepared or submitted in their framework, including in this matter: Designs, copyrights and other intellectual property rights.

- 17.2. The Management Venture will maintain in strict confidentiality any idea, plan, document, invention or creation in connection with carrying out the Agreement, the Project and the Services, and in any event will not disclose them and will not transfer them or copy them (in any way whatsoever), by itself or by anyone on its behalf, directly or indirectly, with or without consideration and will not use them for any purpose other than a purpose directly related to the execution of the Services for the Company only, unless pursuant to the instructions of the Company, and in this matter the other provisions set forth in Section 16 herein above will apply. It is clarified hereby that the duty of confidentiality imposed upon the Management Venture pursuant to this Agreement will not apply to documents that were published in the public domain, other than through a breach of this Agreement and from the date of their publication going forward.
- 17.3. For the removal of doubt it is clarified hereby that the Company may, without being required to obtain the consent of the Management Venture or anyone on its behalf and without the Management Venture or anyone on its behalf being entitled to any consideration whatsoever for it, transfer or to sell or to use any idea, plan, document, invention or creation in connection with the execution of the Agreement, the Project and the Services, including the Documentation Management System and the Risk Management System, as well as to process them or to modify the, at any time and pursuant to the exclusive discretion of the Company, regardless of whether they were prepared by or made by the

Management Venture or by anyone on its behalf or by the Company or anyone on its behalf.

- 17.4. The Management Venture will grant the Company a non-exclusive, perpetual, irrevocable, royalty-free, transferable license with the right to sub-license, copy, modify and make any use or exploit in any way the Documentation Management System and the Risk Management System.

18. No Employer-Employee Relations

- 18.1. It is clarified hereby that the Agreement constitutes an agreement between the Company as a client and the Management Venture as an independent service provider and does not constitute an employment agreement (including an employment contract with any of the Management Team Members including the core team). The Management Venture is an independent business to provide the Services and that between it or anyone on its behalf, including any of the Management Team Members, and the Company there are no employer-employee relationship, authorization relationship, agency relationship or a partnership for all intents and purposes.

Without derogating from the aforesaid, the Management Venture and anyone on its behalf will not be entitled to receive from the Company in any event any payment, compensation or other benefits whatsoever in connection with any period prior to the signing of this Agreement as well as the execution of the Agreement and the Services pursuant to it or any instructions there were provided pursuant to the Agreement and/or upon the rescission of the Agreement or its termination for any reason whatsoever. Without derogating from the general nature of the foregoing, the Management Venture will be responsible to pay to the Management Team Members and their employees all the payments and expenses imposed upon an employer towards its employees, including payments to the National Insurance Institute and any other payment or expense imposed upon the Management Venture as an employer pursuant to the provisions of applicable Law.

It is clarified hereby that where in this Section 18 reference is made to the Management Venture the intention is reference to the Infrastructure Management Company, or the Aviation Consulting Company or any of the Management Team Members, as the case may be.

- 18.2. Without derogating from the general nature of the provisions of Section 18.1 herein above, the Management Venture will be responsible to fulfill towards the Management Team Members and their employees all the provisions of applicable labor law and applicable Law, including: the Wage Protection Law, the Working and Resting Hours Law, payments for overtime and work on holidays and Saturdays pursuant to applicable Law as well as the collective bargaining agreements that apply to them.
- 18.3. The Management Venture undertakes that it will be responsible for it or anyone on its behalf refraining from any act or omission that may create or cause the impression that between it or anyone on its behalf, including the Management Team Members, and the Company there have existed or there are any employer-

employee relationship, or that the relationship between it or anyone on its behalf and the Company are in any way different than what is defined in this Agreement.

18.4. The Management Venture will be liable to the Company for any claim and/or demand of the competent authorities in anything pertaining to the provisions of applicable Law in connection with the execution of the Services pursuant to the Agreement.

18.5. The Management Venture undertakes to ensure as to the Management Team Members and their employees that will be found at the site of the Project that they will take all precautionary measures pursuant to the Work Safety Ordinance and as set forth in applicable Law as to work safety measures.

18.6. Indemnity

18.6.1. It is agreed and declared hereby between the parties that if it is determined by any competent judicial instance at any time whatsoever that an employee of the employees of the Management Venture, the Management Team Members or anyone on their behalf is an employee of the Company, and the provisions of Section 10.6 above shall apply.

18.6.2. Without derogating from the general nature of the aforesaid, financial damage includes any monetary amount that the Management Venture should have provided to the benefit of the employee as an employer, including: pension, severance pay and all the other social benefits that such employee is entitled to by virtue of his employment.

18.6.3. The Company may discharge such damage, in whole or in part, by way of set off from the consideration which the Management Venture will be entitled to receive pursuant to the Agreement, all pursuant to the exclusive discretion of the Company.

19. Endorsement of the Agreement

19.1. The Management Venture may not deliver or transfer to another or assign its rights pursuant to the Agreement or the liabilities arising from it, unless by approval of the Company in advance and in writing.

19.2. The rights the Management Venture pursuant to the Agreement or by virtue of the Agreement, in whole or in part, may not be endorsed or charged in any way whatsoever.

19.3. Any delivery or transfer or another disposition that the Management Venture will attempt in violation of the provisions of this Section will be null and void and of no force and effect.

19.4. The Company may assign all its rights and liabilities pursuant to this Agreement to a governmental body or authority.

20. Set off and Lien

20.1. The Management Venture may not set off or withhold any amount or payment whatsoever due from it to the Company and in addition may not withhold any

asset and/or equipment and/or installation, of any kind or nature whatsoever to secure the liabilities of the Company to it.

- 20.2. The Company may set off and withhold any payment and compensation due to it pursuant to the Agreement from any payment due and that will become due to the Management Venture pursuant to the Agreement or pursuant to other contracts and in addition will be entitled to withhold any asset, equipment or installation of any kind or nature whatsoever to secure the liabilities of the Management Venture to it pursuant to the Agreement or pursuant to other agreements between the parties.

21. **Disputes, Jurisdiction and Applicable Law**

- 21.1. The Management Venture represents and warrants hereby irrevocably that in the event that a dispute or disagreement arises between the parties of any kind or nature whatsoever, including a dispute or disagreement that is being heard before any judicial instance whatsoever, the Management Venture will bear the liability to continue to carry out the Services and its other obligations pursuant to the Agreement without any delay or suspension and pursuant to the timetable of the Project and the instructions of the Company.
- 21.2. For the removal of doubt, it is clarified hereby that notwithstanding anything to the contrary in applicable Law, the only relief available to the Management Venture and to anyone on its behalf will be as expressly set forth in this Agreement and the Management Venture hereby waives any claim or demand for any other relief.
- 21.3. The competent court of Central District will have exclusive jurisdiction in any matter in connection with or relating to the fulfillment of this contract including its appendices.
- 21.4. The laws of the State of Israel will apply to this Agreement and it will be interpreted pursuant to such law regardless of choice of law rules that refer to foreign law.

22. **Execution at the Expense of the Management Venture**

- 22.1. If the Agreement imposes a duty upon the Management Venture, and pursuant to the discretion of the Company the Management Venture is not fulfilling such duty the Company may fulfill such duty, by itself or through other on its behalf at the expense of the Management Venture. The Company shall inform the Management Venture in writing seven (7) days prior to its intention to execute works at the expense of the Management Venture, shall include the reasons for such notice and shall enable the Management Venture within seven (7) days to present its arguments in this matter.
- 22.2. The Management Venture undertakes to pay to the Company all the expenses that it expended, for the provisions set forth in Section 22.1 herein above, plus an amount equal to eight points (8%) of the total of such expenses, pursuant to a bill that will be delivered to it by the Company, without an objection against the need for such expenses as well as their amount, all within seven (7) days from the date of demand. The parties declare hereby that subject to the provisions of Section 22.5 herein below, such amount constitutes an appropriate and reasonable

compensation for the damages that were caused to the authority under such circumstances.

- 22.3. A bill delivered to the Management Venture by the Company as set forth in Section 22.2 herein above, will be conclusive evidence between the parties in the matter of the expenses expended by the Company.
- 22.4. The Company may set off the expenses amount that it expended as set forth in this Section from the Consideration, the guarantee and the Lien Funds.
- 22.5. For the removal of doubt it is clarified hereby that the payment of the amount set forth in Section 22.2 herein above will not derogate from the liability of the Management Venture pursuant to the Agreement or from the entitlement of the Company to any other relief or additional relief as it may be entitled to pursuant to the Agreement or pursuant to applicable Law, including its entitlement to compensation for damages caused to it by the breach of the Agreement and its entitlement to terminate the Agreement.

23. **Miscellaneous**

23.1. Connection to the Systems of the Company

The Company will be entitled to collect payment from the Management Venture for connecting to the systems of the Company for the purpose of project management and input the bills of the Management Venture, pursuant to the procedures of the company as such may be from time to time.

23.2. Permission to Use

The Management Venture and anyone on its behalf will be entitled to enter into all the premises necessary for the purpose of carrying out the Services, however this will not be construed in any way whatsoever as providing to the Management Venture or to anyone on its behalf entitlement of possession or any other exclusive right as to any premises that it was allowed to enter pursuant to the provisions of this Agreement.

23.3. No Exclusivity

The engagement pursuant to this Agreement does not grant any exclusivity whatsoever to the Management Venture in the execution of the Services and the Company may at any time and pursuant to its absolute discretion enter into an engagement with others for identical or similar services even during the Services Period.

23.4. Waiver of the Company in Writing

A modification of this Agreement and a waiver of any right of the rights of the Company will only be made pursuant to approval in writing by the Company, if any is provided.

23.5. Exhaustive Agreement

23.5.1. This agreement contains expresses and exhausts all the terms and conditions agreed upon between the Parties. Any promise, declaration, verbal or written contract, obligation or representation made or provided by the parties prior to entering into the Agreement and that are not

manifested in the Agreement, including its appendices, are hereby revoked and they will not add to the liabilities and rights set forth in the Agreement or that arise from it, will not derogate from them or modify them, and the parties will not be bound by them.

- 23.5.2. Any modification of this Agreement will be by way of a document separately from the Agreement, that will be printed in writing and will be signed by both parties by way of their authorized signatories on behalf of each of the parties on a page bearing the logo of the Company only, otherwise - it will have no force and effect. Such modification, after being duly printed and signed, will be attached as an appendix to the Agreement and as an integral part of it.

23.6. Moral code of Conduct

The Management Venture declares as follows:

- 23.6.1. That it and anyone on its behalf did not offer, give or receive, directly or indirectly, any benefit or money or thing of value with the purpose to influence, directly or indirectly, the engagement of the Company with it in this Agreement, including any decision of the Management Venture or of any of the members of the Management Venture, or anyone on its behalf in the matter of this Agreement, upon its signing and during its term of validity.
- 23.6.2. That it or anyone on its behalf did not, directly or indirectly, solicit or cooperate with any office holder in the Company, its employees or anyone on its behalf, in order to obtain Confidential Information relating to the tender or to this Agreement.
- 23.6.3. That it or anyone on its behalf did not, directly or indirectly, solicit or cooperate with any office holder in the Company, its employees or anyone on its behalf, or any other relevant agent, in order to determine pricing or payments relevant to this Agreement artificially and/or in an uncompetitive way.

23.7. Entire Agreement

This agreement including its appendices reflects the entire understandings between the parties and supersedes any previous discussions, negotiations, understandings, correspondence and documents exchanged between the parties prior to the signing of this Agreement.

23.8. Liability Towards the Authorities

The Management Venture will be liable towards the authorities, the governmental ministries, the local authorities and any other competent authorities whatsoever, for all the liabilities imposed and that will be imposed by such authorities pursuant to the provisions of applicable Law in connection with the execution of the Services.

23.9. Notices and Addresses

- 23.9.1. Any and all notices pursuant to the Agreement may be delivered personally or mailed by registered mail and will be deemed received

within seventy-two (72) hours of their proper delivery at a post office in Israel, as long as the contrary is not proved.

23.9.2. The addresses of the parties to this contract for the purpose of delivery of notices will be as follows:

23.9.2.1. The Company: Ariel Sharon St. 3 Or Yehuda.

23.9.2.2. The management venture _____.

23.9.3. In the event of change of address of the Management Venture, the Management Venture will notify of such change to the Representative of the Company within three (3) days of the date of such change.

In evidence the parties hereto signed:

[The Management Venture]

Netivei Israel - National Transport
Infrastructure Company Ltd.
[The Company]

Appendix A – Definitions

“Additional Consideration”	The Consideration that the Company will pay to the Management Venture with respect to the performance of the additional contents.
“Approved Financial Body”	(a) A banking corporation that holds a license pursuant to the provisions of section 4(a)(1) or section 4(a)(2) of the Banking Law (licensing), 1981; or (b) an agent that holds a license as an Israeli Insurer pursuant to section 15(a)(1) of the Financial Services Supervision Law (insurance), 1981.
“Basic Consideration”	Services The consideration that the Company will pay to the Management Venture with respect to the performance of the Services in the amount of NIS one hundred and three million (103,000,000), in addition to or discount of the rate proposed by the Management Venture as part of the submission of Form “13”, marked as variable X.
“Breach Event”	Each one of the events, and each one of the circumstances set forth in section 14 (Breaches) of the Agreement, (regardless of whether it was caused by a reason under the control of the Management Venture or of any other body whatsoever, or otherwise) all if each one of such events and each one of such circumstances were not immediately

	remedied, and if the Client determined a date to correct the breach, pursuant to its exclusive discretion, then until such date.
“Candidates”	Shall have the meaning ascribed thereto in Section 2.3.1.1 of the Agreement.
“Certificates of Insurances”	Shall have the meaning ascribed thereto in Section 11.2 of the Agreement.
“Client” or “Company”	Shall have the meaning ascribed thereto in the Preamble to the Agreement.
“Concession Tender”	The tender to be published by the Company for the construction, operation and maintenance of the Supplementary Airport.
“Concessionaire”	The entity that will be chosen in the framework of the Concession Tender.
“Confidential Information”	Shall have the meaning ascribed thereto in Section 16.1 of this Agreement.
“Consideration”	Shall have the meaning ascribed thereto in Section 8.1 of the Agreement.
“Core Team Members”	Shall have the meaning ascribed thereto in Attachment C (Presence of the Management Team Members in Israel) of Appendix B (the Services).
“Deposit Funds”	Shall have the meaning ascribed thereto in Section 12.3.1 of this Agreement.
“Detailed Timetable”	Shall have the meaning ascribed thereto in Section 5.1 of Appendix B of the Agreement.
“Documentation Management System”	Shall have the meaning ascribed thereto in Section 10.1 of Appendix B (the Services) of the Agreement.
“Engineering Design Contents”	Shall have the meaning ascribed thereto in Section 12.1 of Appendix B to the Agreement.
“Law”	The provisions of a statute, regulation, bylaw, ordinance, order, judicial ruling, official or recommended standard, publication, guideline, instruction or requirement determined by any competent authority (including code of ethics and ethics regulations that apply to the Management Venture or to anyone on its behalf), regardless of whether they were expressly referenced in the Agreement and its Appendices or not, all as existing upon the Signing Date and as may be updated from time to time during the entire Services Period.
“List”	Shall have the meaning ascribed thereto in Section 2.3.1.1 of this Agreement.
“Management Team”	The team members set forth in Appendix G (Positions of the

Members”	Management Team Members) to the Agreement (including, for the avoidance of doubt, the Core Team Members).
“Management Venture”	Shall have the meaning ascribed thereto in the preamble of this Agreement.
“Member of the Management Venture”	Each of the Infrastructure Management Company and the Aviation Consulting Company.
“Nati’s Price List for Availability Promotion”	Shall have the meaning ascribed thereto in Section 6.3 of Appendix C (the Consideration) of this Agreement.
“Nevatim Site”	Shall have the meaning ascribed thereto in the Invitation to Bid.
"Notice Period”	Shall have the meaning ascribed thereto in Section 15.2.1 of the Agreement.
“Operational-Financial Model”	Shall have the meaning ascribed thereto in Section 16.1.1 of Appendix B to the Agreement.
“Operational-Financial Models”	Shall have the meaning ascribed thereto in Section 16.1.1 of Appendix B to the Agreement.
“Performance Bond”	Shall have the meaning ascribed thereto in Section 12.1.1 of the Agreement.
PPP Tender Scheme	Shall have the meaning ascribed thereto in the Invitation to Bid.
“Preliminary Timetable”	Shall have the meaning ascribed thereto in Appendix C (the Consideration) of the Agreement.
<u>“Price Proposal”</u>	<u>as such term is defined in Appendix A(Definitions) of the Invitation.</u>
“Project”	Shall have the meaning ascribed thereto in the Preamble of the Agreement.
“Project Manager”	A person approved by the Client to serve in the position of project manager in the Agreement, as set forth in Appendix G (Positions of the Management Team Members).
“Project Stage(s)”	Shall have the meaning ascribed thereto in Section 15 (The Contents of the Services - according to Project Stages) of Appendix B to the Agreement.
“Ramat David Site”	Shall have the meaning ascribed thereto in the Invitation to Bid.
“Representative of the Company”	Shall have the meaning ascribed thereto in Section 3.1.1 of the Agreement.
“Risks Management System”	The risks management array that the Management Venture will establish pursuant to the provisions of Section 7.1 of Appendix B (the Services) and pursuant to Attachment A

	(Risk Management) of Appendix B to the Agreement.
“Services”	Shall have the meaning ascribed thereto in Section 5.1 of the Agreement.
“Services Period”	Shall have the meaning ascribed thereto in Section 2.1.2 of the Agreement.
“Signing Date”	Shall have the meaning ascribed thereto in Section 2.2 of the Agreement.
“Site”	Shall have the meaning ascribed thereto in the Invitation to Bid.
“Sites”	Shall have the meaning ascribed thereto in the Invitation to Bid.
“Supplementary Airport”	Shall have the meaning ascribed thereto in the Preamble to the Invitation to Bid.
“Tasks and Products Definer for the Project Manager”	Tasks and products manual to the project manager, including all its chapters, preamble and table of contents, attached to the Agreement by reference, as amended from time to time, available in the Website under the “Vendor Information” and “Construction Design Guidelines” tabs.
“Tender”	Shall have the meaning ascribed thereto in the Preamble of the Agreement.
“Timetable of the Project”	Shall have the meaning ascribed thereto in Section 5.3 of Appendix B of the Agreement.
“Website”	Shall have the meaning ascribed thereto in the Invitation to Bid.

Appendix B - The services

1. List of Attachments

Attachment no.	Attachment description
Attachment A	Risk Management
Attachment B	Documentation and Information Management System
Attachment C	Presence of the Management Team Members in Israel
Attachment D	Contents of the Operational-Financial Model
Attachment E	Maps of the Sites
Attachment F	The Balance Reports

2. Project description

In view of its unique geo-political position, the State of Israel is almost completely dependent upon air traffic for the purpose of ingress to and egress from Israel.

Ben Gurion Airport (“**BGA**”) is the main international airport of Israel, handling the vast majority of international passenger traffic (more than 99% of all the international passenger traffic), into and from Israel.

Pursuant to the aviation policy that was adopted by the government of the State of Israel in the last decade, the international aviation traffic to and from Israel increased rapidly, at a rate of about 10% per annum. During 2016, the international passenger traffic in BGA was 17.3 million passengers as compared to 15.6 million passengers during 2015 and 14.2 million passengers during 2014.

Except BGA, another international airport is located in Uvda close to the holiday city of Eilat (“**Uvda Airport**”). The international passenger traffic in Uvda Airport is assessed to date at less than one point of the entire international passenger traffic to and from Israel. It is noteworthy that even though Uvda Airport is a military airport, pursuant to legal orders issued by the Minister of Defense and the Minister of Transport and Road-Safety, it also provides civil aviation services.

The civil aviation services that are provided by Uvda Airport are expected to terminate upon the completion of construction of a new international airport, close to the historic Timna site, in the area of the city Eilat that is expected to be completed (the “**Eilat-Ilan and Asaf Ramon Airport**”).

Because the Eilat-Ilan and Asaf Ramon Airport is located at the south end of the State of Israel, in fact, it is not expected to provide a possible alternative to the vast majority of the international air traffic services to passengers to most parts of Israel.

All the civil aviation airports in Israel (international as well as local) as well as the aviation navigation services provided, both in control towers as well as in air traffic control of Israeli air space (“**Flight Information Region**” or “**FIR**”) are developed and operated by the Israel Airport Authority. The Israel Airport Authority is a public statutory corporation incorporated pursuant to the Airports Authority Law, 1977 (“**Israel Airport Authority**” or “**IAA**”), in order to develop and operate airports in Israel, and exclusively control the main entrance gates of passenger traffic into Israel.

Another unique characteristic of Israel is the dominance of the Air Force of the Israel Defense Forces (“**IDF**”) in the management of air traffic control, so that most of the air traffic control is being controlled and operated by the IDF, and only part of the air traffic control is intended to the benefit of civil aviation. There are several military airports in Israel, some of which in within the perimeter of civil aviation infrastructures.

In view of the above, the government of Israel decided on July 24, 2011 to acknowledge the urgent national need to construct another civil international airport in Israel as a supplementary airport to Ben Gurion Airport (the “**First Decision**”). Following the First Decision, on October 7, 2014 the government of Israel decided further to order the Minister of Transport and Road-Safety and the Minister of Treasury to inspect the construction and operation of the Supplementary Airport, by the private sector, in a PPP project (Public Private Partnership) configuration (the “**Second Decision**”).

In the framework of the Second Decision and pursuant to preliminary statutory research that was carried out, the government of Israel decided that the Supplementary Airport will be located in the north of Israel in the area of Ramat David. However, on December 5,

2017, the National Committee for Planning and Building decided to promote two detailed plans for the Supplementary Airport. The first in the north of Israel, in the area of Ramat David, and the second in the south of Israel in the area of Nevatim.

It is noted in this context that insofar as the Supplementary Airport is constructed at the Ramat David Site, it will be used as a civil and military airport and that the international passenger traffic is expected to reach 3.5 million passengers during the first year of operation (the current pre-assessment in between the years 2025 and 2030) and reach an average growth of 5% during the upcoming 15 years, with a higher growth rate in the first five years of operation.

Such initial assessments are based upon the assessments of the Israel Aviation Authority, global forecasts as well as the MITERE report. As mentioned, such assessments are very preliminary and will be based in the future upon, *inter alia*, the economic condition in Israel and in the region during the relevant years, the geo-political condition, the regulatory requirements, the attractiveness of the airport as compared to other international airports in Israel and other industry related factors.

The planning authorities of the government of Israel are promoting at this time two detailed plans for the Supplementary Airport concurrently: A National Outline Scheme 15/d for the construction of the Supplementary Airport at the Ramat David Site, and a National Outline Scheme 15/c for the construction of the Supplementary Airport at the Nevatim Site.

It is emphasized that the Government of Israel has not yet decided as to the geographic location of the Supplementary Airport, and its location may be determined eventually to be at the Nevatim Site and not at the Ramat David Site. Accordingly, close to the Signing Date the Company will order the Management Venture in relation to which site to prepare the Operational-Financial Model. It is clarified that the Company reserves the right to order the Management Venture pursuant to its exclusive discretion to prepare for the Company two Operational-Financial Models, the one for the Ramat David Site and the other for the Nevatim Site. In such a case, the payment of the consideration shall be pursuant to the provisions set forth in in the Consideration Appendix for each one of such Operational-Financial Models.

3. The Responsibility of the Management Venture

- 3.1. The Management Venture will be responsible for the successful execution of the Project during the Services Period and will assist the Company to carry out complementary actions relating to the Project and the processes described herein above, pursuant to the provisions of the Agreement and its appendices and the requirements of the Company.
- 3.2. The Management Venture will carry out all the tasks and the services required for the purpose of carrying out and completing the tasks under its responsibility, even if such tasks are not expressly set forth in this appendix.
- 3.3. The responsibility of the Management Venture includes, *inter alia*:
 - 3.3.1. Obtaining all the permits and authorizations with the relevant authorities acting pursuant to applicable Law and the interested parties in the Project

the approval of which is required in connection with the Project.

- 3.3.2. Coordinating the efforts to obtain all the approvals, the licenses and the permits required in order to carry out the Project.
- 3.3.3. Carrying out tracking of obtaining approvals and permits that are required including the status of such approvals and critical dates for the purpose of obtaining the approvals on time, preliminary action that must be taken in order to obtain such approvals, investigation of the consequences of delays that may arise and so forth.
- 3.3.4. Anchoring of the decision making processes and approvals that will be approved in advance and in writing by the Company, including and in particular the multi-disciplinary aspects and additional matters that were defined in the Agreement and/or as may be defined from time to time by the Company as matters that require a decision by and the approval of the Company; Referral of such issues in an orderly manner and in the correct timing for the purpose of obtaining approvals and decisions and their implementation.
- 3.3.5. Inspection of the budget goals that will be determined for the Project as a whole and their feasibility, inspection of the timetable to carry out the Project and the Services and their feasibility, as well as carrying out coordination, advice, planning, operation, coordination, interfacing and synchronization of all the bodies and/or activities required to carry out the Project pursuant to its goals, in order to successfully comply with such goals.
- 3.3.6. Ongoing management, operation, coordination, interfacing, synchronization, prioritization and organization of all the external and internal agents involved in the Project including all its Stages, commencing from the inception of the design period until the completion of the Services and including the following: Management, coordination, synchronization, interfacing, prioritization and supervision of good, efficient and well-timed execution of all the works being carried out in the Project, including in direct connection with the activity of the concessionaire, additional contractors, the consultants and bodies tangent to the Project, as among themselves as well as between them and the Company and anyone on its behalf, all while putting special emphasis on the interface points between the various activity segments in the Project, in order to ensure the completion of the Services and the execution of realization and completion of the Project pursuant to its goals.

The responsibility of the Management Venture does not include any tasks whatsoever in relation to the planning works by the statutory team, however the Management Venture will be responsible as part of the management of the Project and its risks to reflect to the Company the status of the statutory process and the compliance of the statutory process with the timetables for completion of its obligations.

4. Detailed Description of the Contents of the Services - General

Sections 5 (Management of Timetables), 6 (Management of Assessments, Budget and

Cash flow), 7 (Risk management), 8 (Interfaces with Third), 10 (Information and Documents Systems), 11 (Management of Quality Assurance in the Framework of the Design Works and Construction Works of the), 13 (Claims Management).

herein below provide details as to the general contents of the services that the Management Venture must carry out during the entire Services Period, unless otherwise expressly set forth. It is clarified hereby that the Management Venture will carry out such contents as an integral contiguous part and concurrently with the execution of the contents of the services set forth in section 14 (Details of Expert), in section 0 (The Contents of the Services - according to Project) and the timetable for carrying them out.

For the removal of doubt, it is clarified hereby that the Basic Services Consideration, includes all the components of the contents of the Services set forth in this Appendix B herein above and below, including the Project Documentation Management System and the Risk Management System.

5. Management of Timetables

- 5.1. The Management Venture will submit to the approval of the Company a detailed and integrated timetable pursuant to the provisions of the Agreement (the “**Detailed Timetable**”). Such timetable will include reference to all the processes until the delivery of the Supplementary Airport project to full operation based upon the Preliminary Timetable.
- 5.2. The Management Venture will integrate into the Detailed Timetable the timetables of the additional agents in the Project (statutory team, contractors, consultants, approving agents and so forth).
- 5.3. After obtaining the approval of the Company to the Detailed Timetable it will become the timetable for the Project that will be maintained throughout the life of the Supplementary Airport project (the “**Timetable of the Project**”). No changes will be made to Timetable of the Project unless by written approval of the Company.
- 5.4. The Management Venture will carry out tracking, management and supervision of the Timetable of the Project on an ongoing basis and will update it as may be necessary at least once a month.
- 5.5. The Management Venture will produce a monthly report that will include reporting on any deviations and issued that require reference by the Company or its involvement.
- 5.6. The Management Venture will supervise the compliance with timetables and in the event of deviation from the Timetable of the Project the Management Venture will take corrective action in order to ensure the compliance with the Timetables of the Project. The Management Venture will alert as to any deviation or change in Timetable of the Project in the next monthly report immediately after its discovery by it.
- 5.7. The Management Venture will use MS Project software to manage the Timetable of the Project.
- 5.8. The Management Venture will conduct ongoing tracking and update of the timetable of the Project, so that it reflects the changes and adjustments that will be made based upon the progress of the works. The Management Venture will be responsible to check and approve (or reject) the timetables submitted to it by the various agents.

- 5.9. It is hereby clarified that no changes in the Stages of the Project in the Initial Timetable will be carried out without the approval of the Company. Any change application will be accompanied by a detailed explanation in words to clarify the changes and the adjustments that were carried out and the reasons for that, including the impact on the Timetable of the Project and on the budget and on the actions that must be taken to reinstate the Initial Timetable. In this explanation in words the Management Venture will emphasize the changes that affect the critical path of activities in the Project, the impact of such changes and the ways to deal with such impact if necessary.

6. Management of Assessments, Budget and Cash flow

- 6.1. The Management Venture will fulfill all the obligations set forth in the Tasks and Products Definer for the Project Manager.
- 6.2. The Management Venture will carry out ongoing tracking of the assessment, budget and cash flow of the Project to ensure that they are in compliance with the goals and the forecast that was prepared prior to the commencement of execution of the Project. If noncompliance is found in one of them, the Management Venture must compare this issue with the timetables of the Project and ensure that there is no deviation in the timetables of the Project accordingly. The Management Venture will check with the concessionaire ways to expedite the activity and achieve the assessment, budget and cash flow goals.
- 6.3. The Management Venture will check the bills of the concessionaire and will approve them and in addition will inspect the completion of the milestones set forth in the concession agreement, will approve the bill accordingly and will deliver it to the Company for control and verification.
- 6.4. Deleted.
- 6.5. Deleted.
- 6.6. **Update of the Project Budget pursuant to the Decisions of the Extraordinary Items Committee and the Tender Committee**

- 6.6.1. **Participation in the extraordinary items committee meetings for the purpose of receiving claims by the concessionaire, inspecting them and transferring reference to the Company.** Participation in extraordinary items committee meetings will be carried out upon receiving a claim of the concessionaire that requires a change in the sections of the concession agreement or in the Timetable of the Project. In such event the Management Venture will prepare a document that contains the claim of the concessionaire as well as the reasons and the price analysis that it made in this matter as well as its recommendations. This document will be delivered to the Company for control and thereafter to the control team on behalf of the extraordinary items committee. The team will inspect the documents, will analyze the facts and will submit a recommendation in this matter to the extraordinary items committee. Upon receiving such recommendation, the extraordinary items committee will convene to discuss the matter. If the matter is approved by the extraordinary items committee, the Management Venture will receive the minutes of the meeting (written by the engagements wing of the company) and will act according to them. The

Management Venture will change the total price and the partial rate for the milestone or will defined the amount for such item as well as update the budget of the Project. Any matter raised at the extraordinary items committee may be directed to the tender committee pursuant to the decision of the extraordinary items committee.

- 6.6.2. **Participation at the meeting of the tender committee for the purpose of changing the content, time frame or cost of the Project.** Convening the tenders committee to discuss the Project will be one of the reasons for a material change in the budget of the Project or a change in the timetables. The Management Venture will prepare for the committee a report and a presentation that describe the required change, the reasons for such change, the consequences of such change and its recommendation. The minutes of the meeting of the committee (that will be distributed by the engagements wing) will be binding upon the Management Venture that will act accordingly.
- 6.7. If the Company requests to “expedite the rate of execution” in order to complete the Project earlier than planned and set forth in the concession agreement, the concessionaire will submit a proposal for that purpose that will include the method to expedite the timetables and the financial consequences in terms of the timetables as well as the requested consideration. After carrying out negotiations with the concessionaire, the Management Venture will submit a document to the Company which will contain a recommendation whether to accept the proposal of the concessionaire or not. This recommendation will be submitted to the tenders committee.

7. Risk management

- 7.1. The Management Venture will carry out comprehensive risk management for the Project that will constitute a framework with which identification and assessment of the risks will be carried out including the impact of the risks on the Project, if they materialize, their scope, the quality, their impact on the timetables, on the costs assessment and so forth, *inter alia* by way of risks surveys and integration of risks from all the interfaces involved in the Project, all pursuant to the provisions set forth in **Attachment A** (“**Risk Management**”).
- 7.2. The Management Venture will propose action items to mitigate risks and the best solutions for the Project mainly in the aspects of reduction of costs and shorter timetables.
- 7.3. The Management Venture is responsible for the assimilation of the actions to prevent or mitigate the risk as the Company decided.
- 7.4. The Management Venture will fulfill all the obligations of the “winning consultant and/or the “Consultant” set forth in **Attachment A**.

8. Interfaces with Third Parties

- 8.1. The Management Venture will be responsible for advice, assistance and representation of the Company with tangent bodies as well as control, interfacing and synchronization with them including handling obtaining all the approvals, the permits, the licenses, the certificates, the qualifications and the consents that are required to carry out and complete the Project and to complete the Services.

- 8.2. The Management Venture will manage all the interfaces and will carry out integration with all the agents that are required to carry out and operate the Project, including the agents set forth below:
- 8.2.1. The Air Force;
 - 8.2.2. The Ministry of Defense;
 - 8.2.3. The General Security Service;
 - 8.2.4. The governmental ministries, control companies and national infrastructure companies and additional bodies acting on their behalf;
 - 8.2.5. The Ministry of Transport and Road-Safety and the Ministry of Treasury in anything relating to the relevant rates to operate the airport and their regulation;
 - 8.2.6. Governmental bodies and competent authorities including local authorities;
 - 8.2.7. Statutory bodies and planning institutions;
 - 8.2.8. Representatives of the public and the community, residents, neighbors, business owners and environmental organizations;
 - 8.2.9. The statutory planning team.

For the avoidance of doubt, this list does not exhaust the required agents.

- 8.3. Without derogating from the general nature of the provisions set forth in sections 8.1 and 8.2, the Management Venture: (1) will carry out coordination with the Air Force in connection with cohabitation, including, *inter alia*, in the matter of joint air traffic control, removal of the elements / structures required of an Air Force base to the benefit of the construction of the airport, the locations of the firefighting stations, the passage between the military section and the civil section of the airport, cleaning up the runways, mutual billing, maintenance of the airport and the interfaces in the matter of security guarding; and (2) will manage all the interfaces in connection with the procedure to regulate the service charges and the uses of the airport and determine them.
- 8.4. The Management Venture will manage on an ongoing basis and will verify the operation, coordination, interfacing, synchronization and organization of all the interfaces that are required along all the stages of the Project and including: Management, supervision, synchronization and supervision of the proper, efficient and well-timed execution of the interfaces for the purpose of carrying out the Project and executing it in the framework of the binding timetables.
- 8.5. Management of interfaces and synchronization of all the processes. In the framework of the Services the Management Venture will be required to emphasize the unique interfacing and cooperation aspects included in the Project including the requirement to carry out all that is necessary in order to coordinate and synchronize the activity of the relevant agents, all in order to enable administrative, constructive, technical and professional continuity and interfacing in carrying out the Project until its completion pursuant to all the goals of the Project.
- 8.6. Management, control, supervision, operation, organization, synchronization, and ongoing advice to all the interfaces between the units, the structures, the segments and the various systems included in the project, as among themselves, while providing concrete and detailed reference to the design, execution and operation

activities and aspects at the interface points between work segments and the activity of the Project and the Services, all so that the Services and Project are executed and completed pursuant to their goals as one active integrated unit.

- 8.7. The Management Venture will participate in coordination and follow-up meetings in the matter of the interfaces at the requested by the Company and at least once every two weeks for the purpose of ongoing tracking of progress of interface management in the framework of the project management plan the Risk Management and the timetables.
- 8.8. The Management Venture will report immediately to the Company of any delay, or expected delay, in the timetables of the Project as well as of any difficulty and/or delay in connection with the management of the interfaces. Subject to the provisions set forth in sections 5.3 and 5.5, insofar as the Management Venture encounters a difficulty or a delay in the timetables of the Project, the Management Venture will recommend to the Company of possible solutions and alternatives.

9. Deleted.

10. Information and Documents Systems Management

- 10.1. The Management Venture will manage all the documents relating to the Project in a designated documentation and information management system that will be provided by the Management Venture as set forth in **Attachment B** (the “**Project Documentation Management System**”).
- 10.2. Document management will be in the Hebrew and in the English, as may be necessary.
- 10.3. The Project documentation Management System will allow segmentation to segments and subjects.
- 10.4. All the project documents, including planning, reports, timetables, budget and so forth, will be managed by way of the Project documentation Management System.

11. Management of Quality Assurance in the Framework of the Design Works and Construction Works of the Concessionaire

- 11.1. The Management Venture will inspect the quality assurance plan prepared by the quality assurance team (the “**Frame Plan**”), will provide comments to it and will provide comments and guidelines to the concessionaire, all pursuant to guidelines that will be determined. The Frame Plan will be considered final after its approval by the Management Venture.
- 11.2. In the framework of the Frame Plan the following details, *inter alia*, will be determined:
 - 11.2.1. The scope of activity of the quality assurance array in the Project and the frequency of visits at the Site.
 - 11.2.2. The proposal of the Management Venture in relation to the computerized system with which the quality assurance array will be managed in the Project, that will be compatible with the format, the details of which will be

delivered to the Management Venture by the Company.

- 11.3. The Management Venture will inspect and approve the quality control plan of the concessionaire (the “**Quality Control Plan**”)
- 11.4. The Management Venture will inspect and approve the applications of the quality control team of the concessionaire for changes in the Quality Control Plan including changes in the scope of manpower in the quality control array, changes in the scope of attendance of the quality control team at the Site, changes in the documents of the control system and so forth.
- 11.5. The Management Venture will prepare a detailed quality assurance plan based upon the Frame Plan, and on the approved quality control plan of the concessionaire (the “**Detailed Quality Assurance Plan**”). The Detailed Quality Assurance Plan will be delivered for review of the Company and will be deemed final after its approval by the Company.
- 11.6. The Management Venture will be responsible for the implementation of the Frame Plan as approved by the Management Venture, including supervision of the qualification of the quality control laboratories, laboratory testing, surveys and billing inspection of laboratories and surveyors.
- 11.7. In addition, the Management Venture will carry out tracking and control of the ongoing work of the quality assurance array of the concessionaire including:
 - 11.7.1. Verification and approval of the supply sources, the suppliers of materials and services provided by subcontractors;
 - 11.7.2. Participation in execution of test segments in the framework of pre-control, including their approval or disqualification;
 - 11.7.3. Inspection of the control process even outside of the work site, if necessary.
 - 11.7.4. Carrying out visits to the Site, inspections, tracking of control logs, testing forms and the other documents of the quality control array.
 - 11.7.5. Verification of the testing of the products that are brought to the Site, including carrying out random testing of products;
 - 11.7.6. Providing guidelines and/or instructions to the quality control array including the guidelines that modify the approved quality control plan of the contractor.

12. Deleted.

13. Claims Management

- 13.1. The Management Venture will alert as to potential claims expected to be received from contractors, suppliers, the concessionaire and any other agent involved in the Project. The alerts will be documented in monthly reports that will be submitted to the Company.
- 13.2. The Management Venture will manage, handle, advise to and assist in legal and quasi-legal proceedings that the Company will handle and/or in which the Company will be engaged in connection with the Project, *inter alia* in relation to contractors, consultants and/or in relation to any third party that was involved in the Project. In the framework of the above, the Management Venture will be required to be well

familiar with the provisions of all the relevant legal and engineering documents in such proceedings, provide affidavits, attend legal proceedings and quasi-legal proceedings for the purpose of providing testimonies, participate in preliminary hearings and preliminary discussions to such legal proceedings and quasi-legal proceedings as well as provide expert opinions and provide testimonies as may be necessary until the end of the relevant statute of limitations period in connection with such claims.

- 13.3. The Management Venture will provide preliminary assessment pertaining to any claim that will be received from the designer of the Project, contractors, consultants and so forth in terms of cost, time expenditure, implications for the Project and the chances of the claim to succeed, and will provide recommendations as to the course of action relating to the claim.
- 13.4. The Management Venture will prepare a periodic report as to claims status.
- 13.5. The Company may order the Management Venture and the Management Team Members, as it may decide, to provide to it assistance in legal proceedings, including providing testimony and an opinion in the field of expertise, recovery of information and issues that will arise during the provision of the Services, analysis of claims and so forth, this for a period not exceeding seven (7) years after the completion of Project Stage “7”.
- 13.6. The Basic Services Consideration (as defined in Appendix A to the Agreement), includes the entire consideration for providing counsel to claims through the period until the end of the first two (2) years after the completion of Project Stage “7”, and the Management Venture will not be entitled to any additional consideration for such counsel to claims. The Basic Services Consideration does not include counsel to claims commencing from the end of two (2) years from the date of completion of Project Stage “7”, the Management Venture will be entitled to consideration as set forth in Tables 1 and 2 of Addendum 2 to Appendix C of the Agreement, according to the scope of the counsel to claims services which will be actual provided in practice .

14. Details of Expert Contents

Without derogating from the liability of the Management Venture pursuant to the Agreement, each one of the Management Team Members and the Infrastructure Management Know-How Provider (as relevant) will be professionally responsible on behalf of the Management Venture for the management of the services field including the products provided by the Management Venture in the fields of its expertise, and will approve by their signature any professional content that will be delivered to the Company. The tasks set forth below are listed among the duties of the Management Team Members and the Infrastructure Management Know-How Provider (as relevant) which require them to stay in Israel:

- 14.1. Participation in planning meetings when matters pertaining to the field of expertise arise.
- 14.2. Participation in planning coordination and betterment of the Project components meetings with the statutory planning team.
- 14.3. Presentation of professional planning issues to the administration and on its behalf to all additional relevant bodies as may be required, including the tender Committee

and governmental ministries and to the control bodies on their behalf.

- 14.4. Participation in meetings to prepare the tenders with the legal advisors.
- 14.5. Preparing materials and participation in preparation meetings and meetings of the steering committees and the tender committee.
- 14.6. Participation in the review team of the proposals in the tender of the concessionaire including the preliminary screening stage.
- 14.7. Participation in professional meetings in the fields of their expertise, including in the execution stage and the delivery stage of the Project.
- 14.8. Participation in status meetings (decision making meetings).
It is hereby clarified that part of the work may be carried out not necessarily in Israel:
- 14.9. Obtaining plans and reports and providing planning opinion. Inspection of opinions and professional material in the field of expertise and in fields tangent to the field of expertise.
- 14.10. Preparing supporting reports as to selection of planning alternatives.
- 14.11. Preparing professional tender specifications.

15. Presence in Israel

- 15.1. It is emphasized that presence in Israel of the Management Team Members is done pursuant to the professional needs of the Project and pursuant to the rate of its progress.
- 15.2. The dates of meetings in Israel will be coordinated with the Management Team Members in advance, as much as possible ten days in advance.
- 15.3. The Company will make an effort to batch meeting dates together, as much as possible, on similar dates during a calendar month.
- 15.4. Without derogating from the general nature of the foregoing, attached hereto as **Attachment 15.4** minimum requirements from the Management Venture in relation to the minimum periods of stay in Israel that will be required from the Management Team Members, divided according to the Stages of the Project. It is clarified hereby that this division is not an obligation of the Company in relation to the scope of presence in Israel and the Management Venture or anyone of the Management Team Members will not have any claim or demand if the required presence exceeds that which is set forth in such assessment. It is further clarified that in any case the Management Venture shall be required to provide the manpower required for the execution of all of its obligations under the provisions of the Agreement.

16. The Contents of the Services - according to Project Stages

The Management Venture will carry out the Services in the framework of the project stages as set forth below (the “**Project Stages**” and each a “**Project Stage**”).

Project Stage “1” - Preparing a Model pursuant to Real Data and Constraints - in Coordination with the Products of the Statutory Planning

16.1. Contents of the Project Stage

- 16.1.1. The Management Venture will prepare an operational-financial model in connection with a competitive airport that will be constructed in a PPP Tender Scheme, pursuant to real data and the existing state of affairs, the air traffic space, the ground infrastructures, the statutory constraints, the interfaces with the Air Force, the coordination of infrastructure and the environmental aspects. The operational-financial model will be submitted to the Company in relation to one out of the two Sites set forth in **Attachment E**, as the Company will instruct the Management Venture, according to the selection and discretion of the Company, all as set forth in **Attachment D** (contents of the operational-financial model) (in relation to each site, the “**Operational-Financial Model**”). Without derogating from the aforesaid, the Company reserves the right to order the Management Venture to submit to it an Operational-Financial Model in relation to the Sites (in relation to the both Sites, the “**Operational-Financial Models**”).
- 16.1.2. The Company will deliver to the Management Venture all the relevant complementary data as to airport to which the Operational-Financial-Model will pertain, the specific location, including compulsory terrain data, various constraints and work assumptions that are obtained from the statutory plan forming for the Site.
- 16.1.3. The Operational-Financial Model will reflect the operational concept of air traffic control and supervision (of the regional airspace as well as CTR) that would be optimal for the Supplementary Airport, while expressing the physical planning components of the ground infrastructure, the airspace, the commercial aspects, the operational processes, the concession model and the engagement and billing method with the Company, taking into consideration, *inter alia*, the activity of the airport in the competitive aviation market in Israel as well as the region, including reference to regulatory, safety and security issues, including alternatives to the regulation of the air traffic control in relation to the current state of affairs (level playing field). The Management Venture will form the Operational-Financial Model based upon, *inter alia*, all the aviation regulation aspects in Israel, the charges and fees structure and review of various models worldwide for airports by concession, in the framework of the Operational-Financial Model the Management Venture will propose solutions and actions which impact the contribute to the environmental regional development pursuant to the analysis of this component as compared to other airports worldwide, all as set forth in **Attachment D** (the contents of the Operational-Financial Model).
- 16.1.4. The Operational-Financial Model will present a Sensitivity Analysis that will describe the change in demand distribution in the Israeli aviation market, divided by airports, existing as well as planned, in a scenario of construction of two supplementary airports to Ben Gurion Airport.
- 16.1.5. In order to validate the Operational-Financial Model, the Management Venture will make all the necessary investigations and inspections in connection with: (1) the work products and the planning material that accrued until that time with the Company; (2) the balance report for the main processes that was prepared by the statutory team as a stage in the

forming and verification of the planning of the statutory team; (3) environmental and other constraints as may be available at that time; (4) the construction of the Supplementary Airport and its operation in a competitive concession configuration; (5) data on aviation in Israel (6) potential demand for the airport at its location as will be determined by the Company; (7) demographic and other trends; (8) macro-economic impact on the region in which the Supplementary Airport will be constructed; (9) future trends and market surveys; (10) accessibility of land transportation to the Supplementary Airport.

- 16.1.6. The Management Venture will maintain a professional dialog with the statutory team for the purpose of forming the Operational-Financial Model.
- 16.1.7. Without derogating from the general nature of the provisions of section 5.3 (Meetings and Updates) of the Agreement, the Management Venture will participate in a weekly update meeting in which it will present to the Company the general principles of the Operational-Financial Model and will assimilate them in the Operational-Financial Model that will be submitted by it. During the first update meeting, that will take place seven (7) weeks after the Signing Date (as defined in the Agreement), the Management Venture will present the work plan for preparing the Operational-Financial Model, including its chapter headings. For the removal of doubt, it is clarified hereby that the decisions of the Company in the framework of such update meetings as set forth in this section will be binding upon the Management Venture that will be under obligation to implement them and assimilate them in the Operational-Financial Model.
- 16.1.8. The Operational Model (as such term is defined in the Invitation to Bid) submitted by the Management Venture during the Tender process, will not be binding upon the Company, and the Company does not undertake that it will be used, in whole or in part, for the purpose of preparing the Operational-Financial Model, and no claim or appeal by the Management Venture in this regard will be heard.
- 16.1.9. The Operational Model will not be binding upon the Company and the Company may (1) accept it in whole or in part; or (2) require the Management Venture to modify all the work assumptions and/or the operational concepts and/or the Operational-Financial Model, and the Management Venture will not have any claim in connection with reliance upon the Operational Model.
- 16.1.10. In the framework of the Operational-Financial Model, the Management Venture will validate, expand on, modify, adjust and complete each and every analysis, for each required parameter, regardless of whether it was presented in the framework of the Operational Model or not, and regardless of whether it was expressly required in the framework of the Tender or not.
- 16.1.11. Unless otherwise determined by the Company, the basic guidelines, the highlights, the general characterization of the needs, the work assumptions, and the purposes assigned to the benefit of preparing the Operational Model, will continue to apply and to be binding upon the Management Venture also in connection with the requirements of the Operational-

Financial Model.

- 16.1.12. The Operational-Financial Model will be presented based upon the presentation methodology and the main contents set forth in **Attachment D** (Contents of the Operational-Financial Model).
- 16.1.13. Any conclusion and/or recommendation presented by the Management Venture in the framework of the Operational-Financial Model: (1) will include detailed explanations and a presentation of the array of advantages and disadvantages arising from one line of action or from another; (2) An empirical economic analysis; (3) Will be supported by a review of comparative literature as to the manner of handling customary worldwide, as well as an analysis that is based upon real data so that the efficiency of the recommendations may be inspected as well as their consequences as to the project as a whole as well as to the management of the civil aviation sector of the State of Israel.
- 16.1.14. The Management Venture will form the Operational-Financial Model and will carry out all that may be required in order to respond to all the parameters and the impacts of the airspace data and the area of the designated airport, taking into consideration the targets and goals of the Project, including taking into consideration existing constraints and restrictions.
- 16.1.15. The Management Venture will assimilate any demand or any other constraint that will be delivered to it by the Company, and in addition will change and adjust the work assumptions of the Operational-Financial Model as it may be required to do so, and the Company reserves the rights to (1) modify and/or reject parts of the proposed operational concept; (2) dictate different operational concepts; (3) Obligate the Management Venture to propose by its own initiative changes to parts and/or various contents of the Operational-Financial Model.
- 16.1.16. The Management Venture will study and will be well acquainted with the forms of assimilation of the Operational-Financial Model in the engineering and statutory plans of the ground infrastructure and any other relevant document that may impact the planning documents for the statutory plan prior to its submission to the planning institutions.
- 16.1.17. The Management Venture will work in cooperation and will maintain a professional dialog with the statutory planning team (1) in all issues relating to the preparation of the statutory plan for deposit, including in connection with the physical data forming in the area of the Supplementary Airport, the constraints of the forming statutory plan, and the conclusions and the analysis carried out in the framework of the statutory plan; and (2) in anything relating to the input of insights and the operational instructions derived from the Operational-Financial Model forming so that they are assimilated in the statutory plan.
- 16.1.18. If there are disagreements between the Management Venture and the statutory planning team, the Management Venture will maintain an open and professional discussion the purpose of which is an agreement

pertaining the optimal solution in the issue at hand and in general taking the constraints into consideration. For the removal of doubt, it is clarified hereby that the Company will decide in any matter in which no professional agreement is formed between the teams as set forth above, and the Management Venture will be under obligation to assimilate and implement the decision of the Company pertaining to the Operational-Financial Model.

- 16.1.19. The Management Venture will be responsible (1) to synchronize all the constraints arising from the Operational-Financial Model in order for them to be assimilated in the statutory plan for deposit, including the translation into the language of the statutory plan for deposit; (2) to ensure that all the constraints arising from the Operational-Financial Model, as well as the directions that were agreed in the statutory plan for deposit and in the documents of the plan were indeed deposited.
- 16.1.20. The Management Venture will present the Operational-Financial Model to the decision makers in the government of Israel while emphasizing the recommendations the implementation of which requires changes in applicable Law.
- 16.1.21. The Company may order the Management Venture to adjust, modify and/or process the Operational-Financial Model pursuant to any guideline that will be provided by the regulatory agents and the decision makers in the government of Israel. Including and without derogating from the general nature of the aforementioned, guidelines in connection with the regulatory constraints and/or in the aviation sector in the State of Israel, this also after the completion of Project Stage “2”.
- 16.1.22. The Management Venture will participate in all the meetings and discussions in connection with the presentation of the Project to the decision makers in the government of Israel, and in addition will prepare all the relevant background material for such meetings, will provide a response to all the questions and the requirements that will be presented to it during the presentation of the model by any of the agents involved in the Project.
- 16.1.23. The Management Venture will adjust the Operational-Financial Model to the final guidelines that will be ordered by the State of Israel.
- 16.1.24. The Management Venture will propose transportation solutions of transportation to the airport including a solution for passengers arriving to and leaving the airport as well as a solution for short-term and long-term parking and in addition will carry out a simulation of the traffic inside the airport, a simulation of the division of areas within the airport as well as recommendations as to the type of flights that will depart from the airport, airport uses in the aviation and land use aspects, environmental recommendations and comparative analysis to other airports worldwide.

16.2. Terms and Conditions for Completion of the Project Stages

As a condition precedent to the completion of **Project Stage “1”**:

- 16.2.1. The Operational-Financial Model will be submitted to the approval of the Company pursuant to the provisions of section 16.1 herein above (such

submission date will be called hereinafter the “**Operational-Financial Model Submission Date**”).

- 16.2.2. Within thirty (30) days of the Operational-Financial Model Submission Date, the Company will decide whether: (1) to approve to the Management Venture the Operational-Financial Model; or (2) to conditionally approve the Operational-Financial Model subject to completions and amendments that the Management Venture will be required to complete for the purpose of completion of the Project Stage in the Project. The Company may make additional notes and require additional amendments in relation to the Operational-Financial Model within forty-five (45) days of the Operational-Financial Model Submission Date. If the Operational-Financial Model is not approved by the Company upon the Operational-Financial Model Submission Date, the provisions of Appendix C (consideration) of the Agreement will apply, in the matter of the partial consideration balance attributable to Project Stage “1”, including the following changes, subject to the fulfillment of all the other terms and conditions set forth in section 16.2: (1) Eighty points (80%) of the partial consideration balance will be paid to the Management Venture upon the Operational-Financial Model Submission Date; and (2) additional twenty points (20%) of the partial consideration balance for Project Stage “1” will be paid to the Management Venture upon the approval of the Operational-Financial Model by the Company.
- 16.2.3. The Company will approve the risk survey that will be filed pursuant to the provisions of section 7 (Risk management) herein above.
- 16.2.4. The Project Documentation Management System will be provided in accordance with the provisions of Section 10 (Information and Documents Systems) above.
- 16.2.5. The Company will approve the Operational-Financial Model insofar as it is whole and completed and provides a solution to all the relevant issues for the purpose of forming the operational concept including or the purpose of entering into the engagement, construction and operation of the Supplementary Airport and its translation to the PPP tender documents.
- 16.2.6. It is clarified hereby that the contact with the statutory team as set forth in sections 16.1.16 through 16.1.19 does not have to be perfect as a condition precedent to the completion of Project Stage “1” and will continue to be managed on an ongoing basis also during the next Project Stages.

Project Stage “2” - Balance Report (simulation for the main processes) to verify the model components including Sensitivity Analysis

16.3. Contents of the Project Stage

16.3.1. Operational Balance Reports

The Management Venture will present by way of simulations of the main processes as set forth in **Attachment F** (the Balance Reports) (the “**Balance Reports**”), an efficient and orderly operation of the airport, as characterized by the Operational-Financial Model and the good order of the assumptions based upon, *inter alia*, compatibility with the requirements of

ORAT.

- 16.3.2. The Balance Reports will be carried out relating to a number of states pursuant to the planned stages, the size of the airport and the capacity of passengers, as set forth below:

The planned stages	Airport size	Passenger capacity
Simulation and Equalization Reports for Stage A	State “0” planned infrastructure for opening day	Four (4) million passengers per year
Simulation and Equalization Reports for Stage B	State “1” after execution of adjustments and physical expansion	Ten (10) million passengers per year
Simulation and Equalization Reports for the Final Stage	State “2” final infrastructure after execution of completions and expansions	Twenty (20) million passengers per year

- 16.3.3. Prior to preparing the Balance Reports the Company may change the assumptions set forth in section 16.3.2 herein above in relation to the planned stages and/or the airport size and/or the capacity of passengers pursuant to the constraints arising from the statutory planning, changes in the requirements of the Company and/or other constraints.

16.3.4. **Sensitivity Analysis of the Operation of the Airport based upon Existing Infrastructure**

The Management Venture will present by way of simulations of the main processes the capabilities of the concessionaire to adjust the operation of the airport to an increase on the capacity of passengers based upon the existing infrastructure at that stage, as set forth below:

The planned stages	Airport size	Increase in the capacity of passengers	Passenger capacity for analysis
Stage A	State “0”	Increase of 50% in the capacity of passengers	Six (6) million passengers per year
Stage A	State “0”	Increase of 100% in the capacity of passengers	Eight (8) million passengers per year

Stage B	State “1”	Increase of 50% in the capacity of passengers	Fifteen (15) million passengers per year
Stage B	State “1”	Increase of 100% in the capacity of passengers	Twenty (20) million passengers per year

(the “**Sensitivity Analysis**”).

- 16.3.5. The Sensitivity Analysis will point to possible bottle-necks, barriers and restrictions, potential changes in the uses and zoning of areas and the costs arising from such changes, if any, the aspects relating to the service indices and other indices, as the Company may direct.
- 16.3.6. The means used in the Sensitivity Analysis, such as: software, mechanized tools and so forth, and the mechanized products of the Equalization Reports will be made available to the Company and will be available for the purpose of carrying out adjustments and additional runs also during the other stages of the Project.
- 16.3.7. Preparing the Operational-Financial Model that will include a built-in economic incentive for the concessionaire to increase, expand and develop the infrastructure pursuant to the increase in the number of passengers and in order to prevent impairment in the level of service provided both to the passengers as well as to the carriers.

16.4. Terms and Conditions for Completion of the Project Stage

- 16.4.1. As a condition precedent to the completion of **Project Stage “2”**, the Management Venture will submit the Balance Reports and Sensitivity Analysis to the Company pursuant to the provisions of section 16.3 herein above. The Project Stage in the Project will be completed upon obtaining the approval of the Company, that may inspect the good order of the documents and their compliance with the requirements within fifteen (15) days of the date of submission by the Management Venture of the Balance Reports and the Sensitivity Analysis to the Company.

Project Stage “3” - Pre-Qualification Proceeding and Preparation of the PPP Tender Documents

16.5. Contents of the Project Stage

Secondary Stage: Pre-Qualification Proceeding

- 16.5.1. Preparing the pre-qualification process about a year prior to the planned publication of the tender.
- 16.5.2. Inspection of the engineering and financial threshold requirements, analysis and adjustment of the engineering threshold requirements in the project while inspecting similar projects in the market.

- 16.5.3. Investigation of the potential bidders' market, inspection of compatibility with the threshold requirements.
- 16.5.4. Management of the process of the preparing the pre-qualification documents, including preparing the relevant appendices.
- 16.5.5. Providing a response to clarification questions from participants in the pre-qualification proceeding.
- 16.5.6. Management of the consultants' team for inspection of the submissions in the preliminary screening proceeding.
- 16.5.7. Inspection of the submissions in the framework of the pre-qualification proceeding (including inspection of compliance of the engineering projects presented by the bidders for the purpose of determining their compliance with the threshold requirements), including the formulation of clarification questions, presentation of an analysis of the submissions to the tender committee and providing recommendations on declaring the appropriate bidders by way of a summary report.
- 16.5.8. Participation in legal proceedings throughout the proceeding, as may be necessary, including preparing an opinion and participation in legal hearings.

Main Stage: Preparation of Tender Documents

- 16.5.9. Management of the preparation process of the PPP tender documents.
- 16.5.10. Preparation of specifications and required engineering documents.
- 16.5.11. Preparation of the other tender documents, inter alia, based upon the engineering material of the statutory engineering plans and the Operational-Financial Model, taking into consideration the Balance Reports as well as the instructions of the Company. It is clarified hereby that the Company may direct the Management Venture not to rely upon the Operational-Financial Model and its conclusions but on other assumptions or contradicting assumptions, which will be the foundation for the tender documents. In addition, the Company may require the application of additional Sensitivity Analyses and additional implications analyses in view of the promotion of various processes.
- 16.5.12. Own quality control in relation to the quality of the products, inspection of the engineering contents and the compatibility of the products with the engineering requirements, inspection of compliance with applicable Law, verification that there are no contradictions with the other specifications and/or plans or any other document.
- 16.5.13. The planning was carried out in full coordination with the statutory planning team.
- 16.5.14. The planning was coordinated with all the agents in the Company and outside of the Company that are required to approve the Project including all its components in order to enable the availability promotion process and the execution of the Project perfectly and without delay and pursuant to the approved assessment.

16.5.15. The planning will be submitted pursuant to the engineering plans in their most updated version.

16.5.16. Determination of the submission contents that is required from bidders in the tender and the methodology of assigning the score for the various components of the proposal.

16.5.17. Forming financial model for the Supplementary Airport project.

16.5.18. Forming competitive model for the tender.

16.5.19. Assistance in forming a financial model as a shadow model.

16.5.20. A summary report including the recommendation to the inspection committee and to the tender committee.

16.6. Terms and Conditions for Completion of the Project Stage

16.6.1. Terms and conditions for completion of **the Secondary Stage: Pre-qualification proceeding** includes: Approval of the agents required as to the readiness for publication of the concession tender (RFT).

16.6.2. Terms and conditions for completion of **the Main Stage: Preparation of Tender Documents** includes: Completion of inspection of the proposals process and declaration of the participants that were found to be suitable to submit a proposal in the tender.

16.6.3. Project Stage “4” - Clarification Questions and Amendments until the Submission of Proposals in the PPP Tender

16.7. Contents of the Project Stage

16.7.1. Advice to the tender proceeding and management of the process of providing answers and clarifications to the questions of the bidders relating to all the material that is attached to the tender (engineering, operational, financial, legal and so forth), and in addition other similar processes insofar as any are determined (including a process of dialog pertaining to planning and alternative planning).

16.7.2. The Management Venture will provide assistance to the tenders committee and will provide logistical and administrative management services and in addition will manage the tender proceedings to select the winning bidder including the pre-qualification proceeding and the tender proceedings until the signing of the concession agreement. The management of this stage is logistical-organizational management to ensure the completion of execution of the decisions and processes as an ancillary agent to the tenders committee and to the engineering, legal and financial consultants' team.

16.7.3. The Management Venture will manage the entire tender proceedings, from the date of publication of the tender to select the concessionaire, through the submission of the proposals in the tender as aforementioned, responses to the questions of the bidders, adjustments that may be necessary, inspection and providing an opinion as to the proposals submitted in the tender to select the concessionaire and the management of all the consultants involved in the Project.

16.8. Terms and Conditions for Completion of the Project Stage

- 16.8.1. The condition precedent to the completion of **Project Stage “4”** is: Submission of proposals in the PPP tender.

Project Stage “5” - Inspection of the Proposals in the PPP Tender**16.9. Contents of the Project Stage**

- 16.9.1. Inspection of the proposals of the bidders.
- 16.9.2. Management of the clarifications proceeding and inspection of the responses to the clarifications, if required.
- 16.9.3. Scoring of the proposals and providing professional opinions including the submission of the summary report to the tender committee.
- 16.9.4. Management of hearing proceedings for the bidders and similar proceedings, if required.
- 16.9.5. Participation in legal proceedings throughout the tender proceeding, as may be necessary, including preparing an opinion and participation in legal hearings.

16.10. Terms and Conditions for Completion of the Project Stage

- 16.10.1. The condition precedent to the completion of **Project Stage “5”** is: Declaration of the winner in the tender.

Project Stage “6” - Financial Closing in the PPP Tender (including approval of the detailed design of the concessionaire and issuance of permits)**16.11. Contents of the Project Stage**

- 16.11.1. The process of approval of the detailed design of the concessionaire pursuant to the progress of the planning and its adjustment to the requirements of the PPP tender and applicable Law.
- 16.11.2. Advice to the process of financial closing, including meetings with financial bodies, coordination with the advisors to the financiers, providing an opinion, inspection of the Agreements and so forth.
- 16.11.3. After the concession agreement is signed, the Management Venture will manage the process of financial closing, will be responsible for inspection of all the material that will be submitted, providing an opinion, evaluation of the quality of the material, and the definition of the completions required prior to the completion of the financial closing stage, until notice to proceed is provided to the concessionaire to commence the construction works.
- 16.11.4. Inspection and approval of every planning document that is required that will be prepared by the concessionaire in order to obtain an order to proceed, including any adjustment to the requirements of the tender documents, including the concession agreement, the proposal of the concessionaire, the Tasks and Products Definer for the Project Manager and applicable Law, both relating to the detailed planning for execution as approved by the Company as well as in relation to the required outputs and

products required in the framework of the Project.

16.12. Terms and Conditions for Completion of the Project Stage

- 16.12.1. The condition precedent to the completion of **Project Stage “6”** is providing notice to proceed to the concessionaire as to the construction works.

Project Stage “7” - Advice to the Construction Works (including the one-year commissioning and licensing of operation)

16.13. Contents of the Project Stage

- 16.13.1. The Management Venture will manage the execution of the construction works by the concessionaire including inspection and approval of the planning made by the concessionaire, including all its components.
- 16.13.2. Inspection and approval of every planning document that is required that will be prepared by the concessionaire, including any adjustment to the requirements of the tender documents, including the concession agreement, the proposal of the concessionaire, the Tasks and Products Definer for the Project Manager and applicable Law, both relating to the detailed design for execution as approved by the Company as well as in relation to the required outputs and products required in the framework of the Project.
- 16.13.3. The Management Venture will inspect the changes in planning and additional changes that the concessionaire will propose and their impact on the Supplementary Airport project and will recommend to the Company as to approval, compliance and completion of the stages in the Project until the approval of the commencement of execution of acceptance testing.
- 16.13.4. The Management Venture will carry out tracking and ongoing supervision of the construction works of the Supplementary Airport.
- 16.13.5. In addition to the management of the entire process with the concessionaire, the Management Venture will appoint supervisors on its behalf that will ensure that the execution processes of the concessionaire are carried out pursuant to the requirements and that will assist the concessionaire as much as possible in obtaining approvals and permits for the work.
- 16.13.6. The Management Venture will manage all the required activities including activities the execution of which is required pursuant to the provisions of the concession agreement.
- 16.13.7. Management of change orders on behalf of the Company.
- 16.13.8. Participation in meetings of the management of the Company, the tender committee and sub-committees.
- 16.13.9. Participation in general forums of the consultants’ team and representation of the engineering team.
- 16.13.10. Delivery of reports and summaries in writing pursuant to a request by the Company on all the activities being carried out.
- 16.13.11. Weekly visits at the Site and participation in coordination meetings

with the concessionaire, including issuance of summaries and follow-up on tasks.

- 16.13.12. Management of the engineering risks matrix for the entire construction period, including providing comments to the risk matrices of other teams.
- 16.13.13. Maintaining quality assurance processes pursuant to the provisions of section 11 herein above and pursuant to the provisions set forth in ORAT specifications.
- 16.13.14. Management of tracking, documentation and control of the changes that will be required and/or agreed, analysis of their consequences on the Agreement including on the financial aspects and the timetables and the contents.
- 16.13.15. Management of each stage of the acceptance testing and the deliveries in the Supplementary Airport project on behalf of the Company.
- 16.13.16. Control as to the compatibility of the timetables with the concession agreement, control of trends in the timetable with time, locating deviations and bottle-necks including deriving implications in various aspects: Contractual milestones, resources, ongoing control plan of compliance of the concessionaire with the concession agreement.

16.14. Terms and Conditions for Completion of the Project Stage

- 16.14.1. The condition precedent to the completion of **Project stage “7”** is: granting a permit to operate for the commercial operation of the Supplementary Airport.

17. Additional contents

17.1. Advice during the first two years of the operation of the Supplementary Airport.

- 17.1.1. The Company may order the Management Venture to grant services to inspect the compliance of the concessionaire with the terms and conditions of operation and/or licensing in various aspects, full management of the warranty period, verification of the functionality requirements concurrently with the establishment of a supervising authority that will be vested with the responsibility for supervising the airport and operation of the concessionaire.
- 17.1.2. Participation in coordination meetings and weekly follow-up meetings as representative of the Company and the issuance of written summaries.
- 17.1.3. Participation in conventions and tours.
- 17.1.4. Advice to the integration of the control teams on behalf of the Company.
- 17.1.5. Participation in management of changes on behalf of the concessionaire and on behalf of the State of Israel.
- 17.1.6. Updating the timetable in terms of issues relating to the LCC, assessment and management of risks at a frequency of at least once every month.
- 17.1.7. Maintaining quality assurance processes pursuant to the provisions of

section 11 herein above and pursuant to the provisions set forth in ORAT specifications.

- 17.1.8. The Consideration to the Management Venture for the Services under this Section 17.1 shall be in accordance with the provisions of Section 6.2 of Appendix C of the Agreement (Consideration for Changes in Scope and Contents of the Services).

17.2. **Availability Promotion**

- 17.2.1. The Company may order the Management Venture to manage various projects to promote the availability of the Site and its surroundings, including the management of planning and management of the execution of such projects, pursuant to the provisions of section 5 (Management of), section 6 (Management of Assessments, Budget and Cash **flow**) and the procedures of the Company as may be updated from time to time.
- 17.2.2. The consideration to the Management Venture for such projects will be as set forth in the provisions of Section 6.3 of Appendix C of the Agreement (Consideration for Changes in Scope and Contents of the Services).

17.3. **Engineering Design**

- 17.3.1. The Company may order the Management Venture to carry out engineering design at the level of initial design, preliminary design and/or detailed design in the various disciplines for the detailed infrastructure components (land infrastructure) up to a cumulative construction value equals to NIS five hundred million (500,000,000) (the "**Engineering Design Contents**")...
- 17.3.2. The Engineering Design Contents will be carried out for the needs of the Company with respect to the Project, pursuant to the contents of the services and the criteria according to the Tasks and Products Definer for the Project Manager.
- 17.3.3. Control processes and the approval of design products by the Company will be set forth as part of the criteria or in the Tasks and Products Definer for the Project Manager, according to the decision of the Company.
- 17.3.4. it is clarified that the consideration with respect to the Engineering Design Contents shall be paid to the Management Venture according to the provisions of Section 4.6 of Appendix C (the Consideration) of the Agreement..
- 17.3.5. It is hereby clarified that the preparation of planning guidelines, specifications and technical specifications for the Concession Tender documents according to accepted standards is not included in the "Engineering Design Contents" in this section below, and no additional consideration beyond the Basic Services Consideration will be paid to the Management Venture for such preparation of planning guidelines, specifications and technical specifications..

17.4. **Management of Expropriations**

- 17.4.1. The Company may order the Management Venture to carry out the management of the expropriations process that will be carried out by the

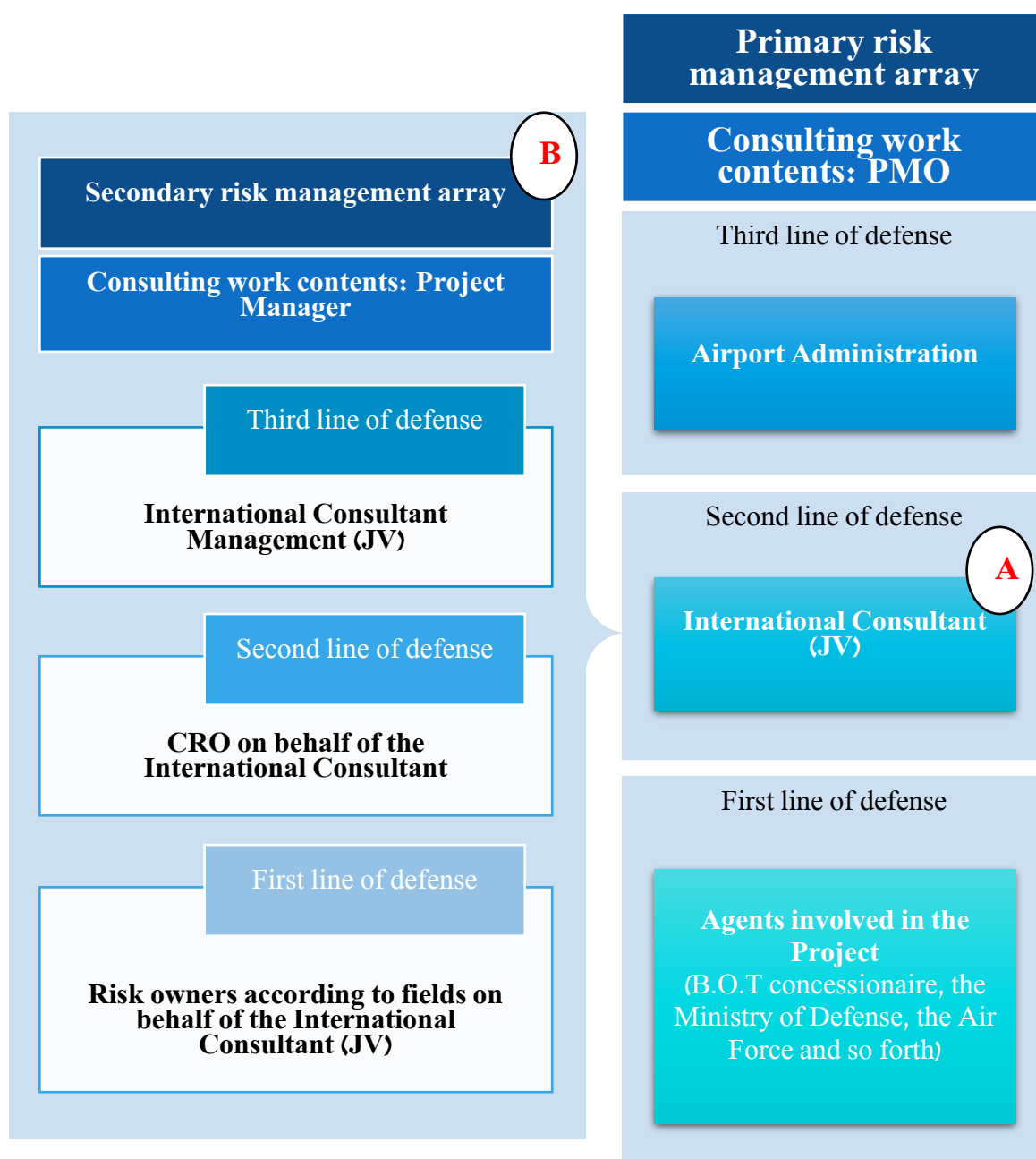
expropriations department of the Company, pursuant to the provisions Chapter 9 of the Tasks and Products Definer for the Project Manager.

- 17.4.2. It is hereby clarified that the consideration with respect to the management of the expropriations shall be paid in accordance with the provisions of Section 6.5 of Appendix C (The Consideration) to the Agreement.

Attachment A - Risk Management

1. Establishment of an array and the process of risk management in the Project

- 1.1. The Management Venture will implement an array and a risk management process, as part of the ongoing management of the Project, with the purpose to provide a reasonable level of security to prevent the realization of risks by carrying out a methodical process to search and identify the risks, assess their consequences and the probability of their occurrence, define a method of handling them and control of the execution of the actions arising from such handling.
- 1.2. The Management Venture is required to establish a risk management array in its operations and in the field of its responsibility in all the stages of the Project, as well as to ensure the existence of a quality reporting and monitoring mechanism to the company.
- 1.3. The process and array of risk management will be based upon a methodology and practice that is customary in risks management - see the methodology principles for risk management and required formats as the basis of implementation of the process and the risk management array by the Management Venture in section 2 (Methodological aspects of the risk management process), section 3 (The main components in the risk management array) and section 4 (Definitions) of this appendix.
- 1.4. In view of the operational structure of the construction of the airport and the operation of the Management Venture as Project manager on the one hand and as Project management office (PMO) on the other hand, the risk management array of the Project will be comprised of a main - integrative risks management array as well as from a secondary - comprehensive risks management array.
- 1.5. Each one of the risks management arrays will include the three risk management lines of defense (see section 2.2 of this appendix), in the framework of which the authorities and obligations of the management will be defined, pursuant to its position, and for each one of the values a separate risks map will be managed. Herein below is a schematic description of the risk management array in the Project:



(A) Integrative risk management array as a “second line of defense”

The integrative risk management array will constitute a framework and will define guidelines for contents and principles that are required in the framework of the risks management in the Project, in the framework of which the Management Venture will serve as a “second line of defense” (A) reporting to the Company.

In the framework of its duties the Management Venture will integrate the risks identified by the various agents and will manage the risks map at the level of the company, while understanding the consequences of the risks among the various agents and among the risks maps of the arrays, this subject to the risks management policy and the appetite for risk that will be defined by the Company.

The Management Venture will establish a risk management array including all its aspects, including, identification and mapping of the risks during the various Project stages, risk assessment and validation of the risks map, forming and follow-up on key risks handling plans and any other aspect with all the agents involved in the first line of defense as risk owners that are responsible for managing a comprehensive risk management array, each one in its field, as set forth in sections 2-4 of this appendix, with emphasis on compliance with reporting routines as defined by the Company.

(B) A comprehensive risk management array as a “first line of defense” - will be fully managed by the Management Venture.

In the framework of its position as Project manager the Management Venture will establish a comprehensive risk management array, as an inherent part of the management work in the Project, that will include three lines of defense and all the components required in a risk management array for all the contents under the responsibility of the Management Venture as the manager of the construction Project. The Management Venture will establish infrastructures and mechanisms to identify and monitor the risks in the Project and will act with all the means at its disposal in order to mitigate the risks identified and handle the risks generators.

It is emphasized that the comprehensive risk management array will serve as foundation for uncovering the risks and the reports that are required for the main and integrative risks map and therefore will include at least the infrastructures and the components that are required by the integrative risk management array (as set forth in sections 1.5-1.6 herein below), mutatis mutandis, that will allow it to comply with the contents and the timetables which are required to it by virtue of its position as “second line of defense” in the integrative risk management array. The Management Venture may, pursuant to its discretion, define contents, mechanisms, reporting frequency and so forth in the

comprehensive risk management array beyond the requirements for the comprehensive risk management array as set forth in this appendix.

1.6. The Management Venture is required to establish a risk management array, as set forth above, that takes into account all the activities under its responsibility, from the planning stage and the model presentation stage, through the tender stage until the Project management of the construction stage of the airport until the permission to operate it is obtained and further on if necessary.

1.6.1. The risk management arrays will act pursuant to the methodology set forth in this document and will include at least the following components:

- Full risk survey
- Periodic risk assessment
- Key risks handling plans
- Establishment of risk indicators (KRI)
- Periodic reporting to the Company
- Using a designated information system to manage risks

1.6.2. The Management Venture will react to any exogenous and endogenous change in the Project in the framework of the establishment of the risk management array, if it is required to do so by the company or under the circumstances.

1.7. The operation of the risk management array will be carried out in two stages:

1.7.1. **The first stage - the establishment of infrastructures and the assimilation of the risk management arrays**

At this stage the infrastructure components required in order to operate the risk management array will be formed and assimilated, herein are highlights in this context to be applied at this stage:

1.7.1.1. **The risk management policy and appetite for risk**

The Management Venture will form a risk management policy document that will express the concept of risk management and risk appetite of the Company, and that will define the risk management processes in the Project. The policy document will be approved by the Company and will include reference, inter alia, to the following matters:

- Definition of fields of responsibility, authority and involvement of the various position holders in the lines of defense in the risk integrative management array, including the details of the agents that were appointed to fulfill such positions.
- The principles of risks management in the Project, including reference to the various components in the risk management array (risks survey, mitigation plan, failure events reporting, definition of risk indicators) and to monitoring and control processes.
- The definition of appetite to risk in the Project in detail, including the definition of indicators to inspect deviation from the definitions of appetite to risk, with sections of the various risk categories and in view of the goals of the Project.
- Definition of the nature of the risks that will be presented to the company, reflected in the integrative risks map and managed in the framework of the integrative risk management array. Herein below are characteristics that should, inter alia, be considered, in the definition of such risks:
 - ◀ Potential risks the realization of which may impair attaining the goals of the Project (timetables, budget, quality, environmental, security and safety and so forth).
 - ◀ Material risks, with wide and mutual impact, including interfaces in the Project.
 - ◀ Risks that require active involvement of the company for the purpose of handling and mitigation.
 - ◀ Additional characteristics that will be defined by the Company.

1.7.1.2. Risks management information system:

The Management Venture will be required to assimilate the risks management system as infrastructure got the risk management array in the Project. The Management Venture will ensure that the risk management system that it will assimilate will be compatible with the risks management system that the PPP concessionaire will use in the future as well, and for that purpose the Management Venture will ensure that the requirement to

use the risks management system, and the capabilities that it will be required to provide, will be included and assimilated in the framework of the PPP tender documents. The risks management system in the Project will include the following features and capabilities¹:

- Enables documentation and risks database management.
- Enables cataloging activities and goals.
- Enables presentation of executive dashboard.
- Support of characterization of risks measurement assessment criteria.
- Ability to produce executive reports.
- Supports reporting on failure events and immediate reports.
- Supports distribution of surveys to users of the system and enables receiving the responses.
- Supports weighting in of risk level pursuant to defined criteria and risk rating according to severity and probability.
- Enables tracking of risk history including viewing the changes log that were carried out in such risk - which changes were carried out, when and by which users (trends).
- Supports production of risk map drawings (heat maps)
- Enables a one-to-one cataloging in relation to risk, the risk cause, the response and so forth.
- Supports in management of access and permissions as may be necessary and pursuant to authority.
- Includes tools to analyze trends including risk assessments history through time
- The system will measure and alert automatically as to risks that crosses a certain pre-defined threshold.
- Supports the creation of risk indicators (KRI) and interfacing with all the information systems and management tools that will be used in the

¹ An impression of the risk management information system may be obtained in the following link: <https://www.capterra.com/risk-management-software/>. It is hereby clarified that the information systems set forth in the link herein above are for impression purposes only, the consultant may select any risk management system that complies with the requirements set forth in section 1.6.1.2. above.

Project by the Management Venture and their linking to the risk on an individual level

- Includes a dashboard that allows an executive view of the indicators status (KRI) that were defined.
- Supports the presentation of key risks and will allow documentation of the actions carried out in relation to each one of the key factors, including the full details of the handling plans.
- Presentation of the list of handling / mitigation plans including the timetable for implementation, status and person in charge.

1.7.1.3. Matters requiring approval of the company:

- The risk management policy document, including the definition of the risk appetite in the Project, as set forth in section 1.6.1.1. (see section 3.1 in the matter of “risk appetite”).
- Risks management information system in the Project.
- Measurement criteria to assess the severity and the probability of such risks materializing, including the criteria to assess such risks (see section 0).
- A catalog of the activity categories (see section 0).
- Any other matter that may be defined by the company.

1.7.2. **The second stage - ongoing management and maintenance of the risk management array**

At this stage the risk management array will be operated and maintained, including all its components, on an ongoing basis. Here are the highlights in the context of implementation of this stage:

1.7.2.1. The risks management process will be reflected in the risks map (heat map) that will be validated with the risk owners at least in the following cases:

- Risk assessment - once every period that will be defined by the company a risk assessment will be carried out and an update of the risks map will be carried out pursuant to the changes in the risk assessment and as a function of the actions that were taken in order to mitigate the risks. The company will be provided with a report on risks the assessment of which has undergone material change, in relation to the previous risk assessment carried out.

- Change in the risk appetite - any change in the risk appetite will entail validation of the measurement criteria and the criteria to assess the risk and a re-assessment of the risks. The Management Venture will ensure that there is an effective mechanism to obtain indications for change in the risk appetite.
- Any other case that may be defined by the company.

1.7.2.2. Management routines and timetables

Herein below are the management routines and the minimum timetables that the Management Venture is required to maintain:

- **Carrying out a new risks survey** - will be first carried out upon the inception of the Project and once more within 60 days of the date of issuance of the winning notice to the winner in the BOT tender. In addition, a material change in the contents / operation concept of the Project will require carrying out a new risks survey, subject to the instructions of the company.
- **A risk assessment** - once every six months or during the transition between milestones or pursuant to the consideration of the company.
- **Tracking status on implementation and effectiveness of the key risks handling plans** -pursuant to the instructions of the company.
- **Designated meeting for risk management** - once every month.

1.7.2.3. **Update of KRI data** - once every two months at least, except for indicators that the company may require to update at a higher frequency, matters that require the approval of the company

A change or update of any one of the matters that require the approval of the company (as set forth in section 1.6.1.2 herein above) in the framework of the ongoing operation of the risk management array, that will be submitted to the re-approval of the company.

1.7.2.4. Documentation policy

At every stage of the work stages it is required to document the contents and the work products that were produced in the risk management process. The documentation kept will be carried out on the risks management information system. The Management Venture will form a policy for

documentation that will take into account the required documentation aspects, including: Forming designated parameters, defining timetables and the frequency of documentation, documentation of meetings and reports received, definition of the information that will be input in the information system and more.

1.7.2.5. Communications and reporting mechanisms

Concurrently with forming the reporting mechanism on the various levels, the Management Venture is required to comply with the configuration of orderly reporting to the company the Project. The reporting configuration is divided into 3 main types of reports:

- **Executive dashboard** - will allow the company the Project to view selected data in “real time”.
- **Periodic reporting** - at every status meeting between the company and the winning consultant a report will be submitted as to risk management, pursuant to the following sections:
 - An updated risks map and key risks, including new risks added
 - Status of handling plans in relation to the risks
 - Status of risk indicators (KRI)
 - Failure or near failure events
 - Significantly changing risks (emerging risks)
 - Reports relating to critical design review (CDR)
- **Immediate reports** - in the event of a material failure event or “near failure” the Management Venture will deliver an immediate report to the company the Project. It is emphasized that an immediate report will be delivered by way of the customary channels for reporting in the Project, the flow of information both to the company as well as to the relevant operative agents must be ensured.

1.8. The timetables to establish risk management infrastructure

The Management Venture will present readiness to operate the risks management array and to maintain the required infrastructure, pursuant to its duties in the various risk

management arrays (comprehensive and integrative) and pursuant to the details of the timetable set forth below:

1.8.1. The Management Venture will present **within 45 days** of the date of winning the tender the following matters:

- An orderly policy document that includes detailed reference to all the items set forth below:
 - Details of the agents in the internal risk management array of the Management Venture, their position and their fields of responsibility.
 - The principles of risks management in the Project, including reference to the various components in the internal risk management array which the Management Venture will maintain as Project manager (risks survey, mitigation plan, failure events reporting, definition of risk indicators) and to monitoring and control processes.
 - The definition of appetite to risk in the Project in detail, including the definition of indicators to inspect deviation from the definitions of appetite to risk, with sections of the various risk categories and in view of the goals of the Project.
- For the removal of doubt, all the items will be brought to the approval of the company.

The presentation of the risks management system which complies with the functional requirements of this document including the timetable to the approval of the company for the assimilation processes and making the system usable.

1.8.2. The Management Venture will present **within 60 days** of the date of winning the tender the following matters:

- Carrying out and presenting a full risk survey including key risks and a proposal for a handling and mitigation plan (in its positions in the two risks management arrays).

1.9. All the requirements set forth in section 1.7 herein above will constitute a part of the contents of the milestone the subject matter of which is the betterment and verification of the model (as defined in the tender documents) and their completion is a condition precedent to payment for completion of the milestone.

2. Methodological aspects of the risk management process

Risk management is a main foundation in the management of the Project and is intended to identify, assess and prioritize risks, pursuant to which handling plans of such risks will be implemented in order to minimize, supervise and control risk events that were identified. Risk management aids the management of the Project to make decisions based upon exposure to risks in conditions of uncertainty.

In the Project management methodology, the risk management process is recognized as an executive core process of supreme importance for the improvement of the chances to achieve the various goals of the Projects in terms of time, cost, quality, safety and positive environmental impact.

The risk management process is an ongoing process that continues throughout the life cycle of the Project, commencing from the initiation stage, through the execution and operation and until the completion and closing of the Project.

The customary work approach for risk management in Projects is based inter alia on the COSO-ERM risk management model. This model takes into account the activities taking place on all levels in the framework of the Project as well as requires the Project management to keep a portfolio of all the risks and events that may occur and cause damage. Pursuant to the model the Project goals belong to four categories as follows:

- ◀ Strategy - determining the goals on the highest level.
- ◀ Operation - efficient and effective operation.
- ◀ Reporting - reliability of the reports.
- ◀ Compliance - reporting in compliance with the provisions of applicable laws and regulations.

2.1. **The framework of the work and principles in risk management:**

risk management is a process that is based upon an array of principles and a defined work framework, here are the main principled underlying the risk management array:

a. **The control environment**

The control environment is a group of standards and processes that provide the foundation for internal audit, Project management is required to determine the tone at the top regarding the importance of internal audit. The control environment includes integrity and ethical values in the realization of the activity; The parameters that allow

the management of the Project to supervise and verify the fulfillment of matters under its responsibility; The organizational structure for carrying out the Project and allocating authority and responsibility; The process to recruit, develop and retain qualified personnel; Insistence on performance indicators, incentives and bonuses to drive the commitment to execution and so forth.

b. Objectives setting

Mapping of the risks in the framework of the risk management process that is carried out in view of the goals and targets of the Project, as well as identifying the goals and processes to realize such targets is the starting point of risk management.

c. Event identification

Various events may have negative as well as positive impact on the risks in the Project. In the framework of the risk management process the relevant events must be monitored and their impact on achieving the goals in the Project must be analyzed. During the identification of the events those events that constitute a risk must be distinguished from those that are a prospect for growth and new opportunities.

d. Risk assessment

The risk assessment is a process that is carried out in the Project in order to identify risks relating to the Project, the impact of these events is required to be assessed in terms of quality and quantity. The risk assessment involves a dynamic and repeating process to identify and assess the risks to achieve the goals. The risk to achieving these goals is related to determining the risk tolerance, and therefore the risk assessment is the foundation for determining how such risks should be managed.

e. Risk response

The management of the Project will determine the policy as to the manner of handling risks pursuant to cost-benefit considerations. The response of the management can be simplified into four types of possible responses:

- Avoidance - avoidance of risk by avoidance of handling the matter of the activity that is generating the risk.
- Acceptance - accepting the risk and not taking any real measures to mitigate it.
- Reduction / mitigation - mitigation of the risk by implementing a mitigation plan comprised of controls and ways to handle the risk.

◀ Transfer / sharing - sharing with other agents the handling of the risk.

f. Control activities

Control activities are actions determined by way of guidelines that promote the assurance that the guidelines of the Project management mitigate the risks to failing to achieve the goals of the Project. Control activities are carried out on all levels, during the various stages of the business processes and in the technological environment. They may be preventive or investigative and may include a wide variety of manual and automatic actions such as permissions, approvals, adjustments and performance review.

g. Information and communications

Essential information will be identified in each Project and transferred to the employees on time so that they can carry out their job appropriately. The information systems produce reports that contain a lot of information as to the relevant activities, which allows to manage and monitor the reporting on Projects in the Project. The information systems handle not only the data produced in relation to the Project, such as budgets and forecasts, but also the data as to events, actions and external conditions that are important for the decision-making process in order to make informed business decisions and report to external agents.

h. Supervision and monitoring

Supervision includes the activities that the management of the Projects carried out in order to track the internal audits and all the processes and actions in the Project. The management of the Project will create a supervision mechanism on the controls by way of ongoing actions, separate assessments or a combination of both. Pursuant to the model, a strong internal audit system is essential to implement effective risk management.

2.2. **risk management array and fields of responsibility**

The risks management process is based upon the “three lines of defense” model in risk management, which outlines three layers in the activity and responsibilities of the partners in the process as set forth below:

Lines of defense	Risk supervision mechanism	Responsibility
<u>Third line of defense</u> A designated committee for risk management / Project management	Supervision of the risk management process and its monitoring <ul style="list-style-type: none"> ▪ Inspection of the rationalization and methods of risk assessment and reporting ▪ Carrying out supervision on the risk management process and its contents concurrently with the duties of the second line of defense ▪ Providing assurance that the risk management process is being carried out in an appropriate manner. 	Policy setters
<u>Second line of defense</u> Chief risk officer - CRO	Responsible for the risk management process <ul style="list-style-type: none"> ▪ determining the policy and the risk management process ▪ Providing guidelines and coordination of all the participants in the risk management process ▪ Identifying trends, synergy potential and opportunities for change ▪ Liaising between the first and third line of defense ▪ Supervision on certain risk areas 	Standards setters
<u>First line of defense</u> Risk owners	responsibility for the individual risk <ul style="list-style-type: none"> ▪ Risk management / implementation of actions to manage and handle risk ▪ Execution of the management process and handling the risks ▪ Carrying out risk assessments and identification of existing risks and emerging risks ▪ reporting on failure and “near failure” events 	Position holders that are responsible for the process

The three lines of defense model is constructed so that at the end of the process the responsibility for the individual risk management and its consequences apply to the risk owner both at the level of the individual risk as well as at the level of all the risks under their responsibility.

Here are the details of the authority and responsibility in forming and implementing the risk management plan, across the various position holders in the risk management array of the Project:

The first layer - determines the policy

Its responsibility is to determine the management policy and the policy to handle risks and in addition the “appetite for risk”, as a comprehensive whole of all the relevant units involved in the Project. In addition, the duty of the policy setter is to determine the policy in the context of the lateral risks and the material risks in the entire activity of the Project, as well as the risk handling policy.

The second layer - chief risks officer

It is responsible for constructing and maintaining the infrastructure of the Project in the context of risk management and handling (manpower and systems) as well as verifying good working order of the risk management and handling process of the Project as a whole.

The third layer - risk owners

It is their responsibility to manage and handle in fact the risks under their responsibility and to determine the manner of management of the individual risk.

3. The main components in the risk management array

The risk management array includes a number of essential components in order to be effective. Inter alia, significant elements in the risk management array are:

- a. Risk appetite
- b. Risk survey
- c. Forming a handling plan
- d. Determining management, supervision, control and monitoring
- e. Reporting mechanisms

f. Mapping of extreme scenarios

Here are details as to these essential components²:

3.1. **Risk appetite:**

Risk appetite is the level of risk that may be contained in the Project to maximize value. The risk appetite is determined by the policy setters in the Project and defines the limits of exposure to risk that they are willing to undertake.

The risk appetite reflects the operation and execution strategy of the Project, its goals, the business plans and the expectations of interested parties, the willingness and ability to take risks and it may change with time.

Field	Sample Declarations on risk appetite
Finances / investments / budget	<ul style="list-style-type: none"> * Maintaining a cash flow that allows ongoing operations * Maintaining compliance with budget goals / budget supervision on large projects * Maintaining a minimal investments budget
Regulation	<ul style="list-style-type: none"> * Rate of internal regulation violations (internal procedures) * Zero tolerance for violations in the field of local and international compliance
Security	<ul style="list-style-type: none"> * Number of security events - harm to employees / clients, no more than X incidents per year * Zero tolerance to security faults that affect air traffic * Zero tolerance to loss of life or severe injury
Environment	<ul style="list-style-type: none"> * Minimum environmental pollution
Goodwill	<ul style="list-style-type: none"> * Reduction of the number of negative publications in the national and international media * Zero tolerance to cases of refusal of an international airline to arrive in the airport as a result of goodwill

Here are examples of declarations on risk appetite and the way to turn them into quantitative indicators:

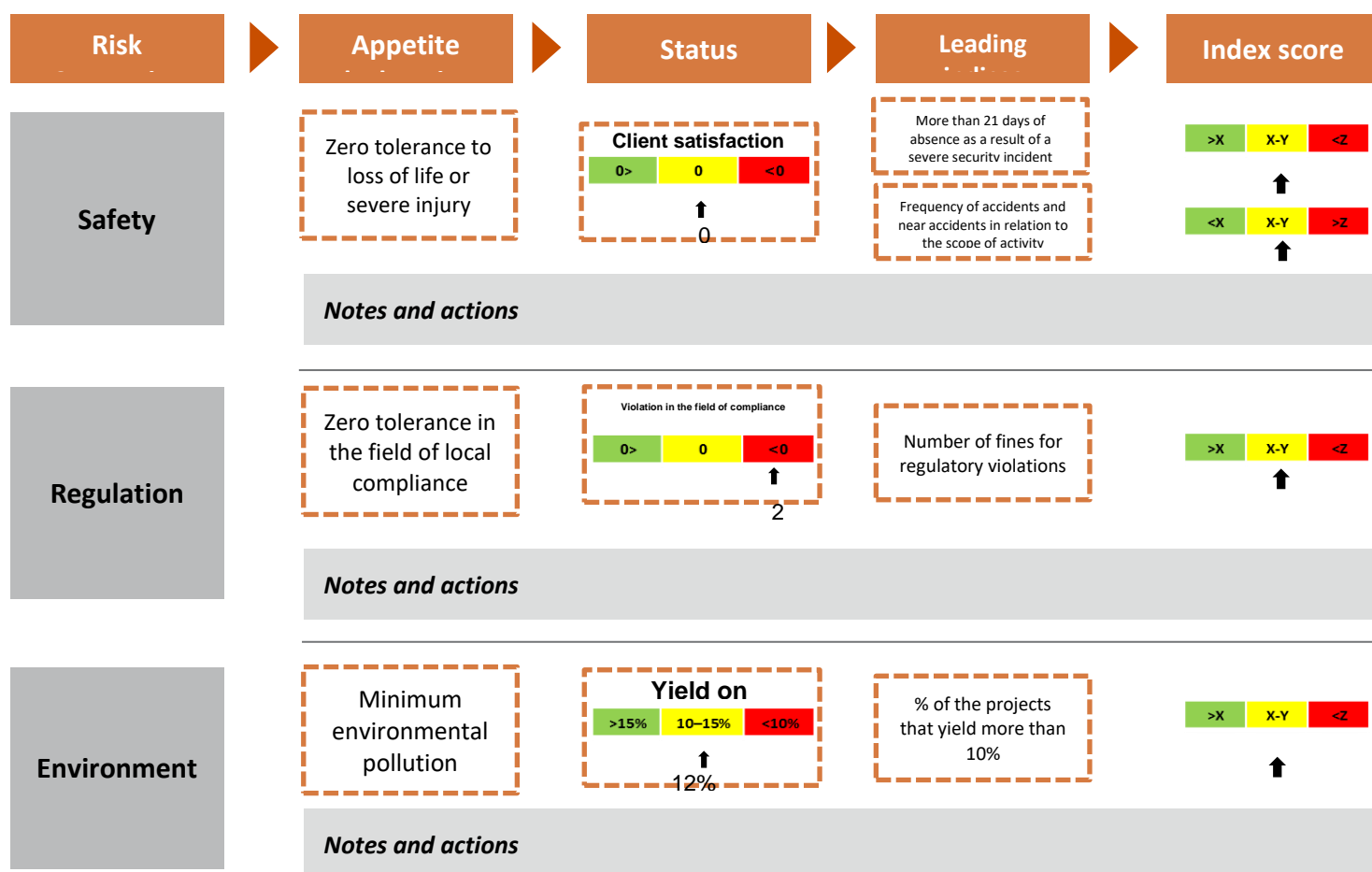
² For specific examples related to the risks in construction and operation of an airport, the following links may be of use:

<http://www.trb.org/Main/Home.aspx>

https://ppp-risk.github.org/risk_category/airport/

<https://www.scribd.com/document/339918546/Mindy-Price-Construction-Risk>

It is noted that the binding methodology is the customary methodology in risk management as set forth in this appendix. The contents set forth in the links herein above may be useful in forming relevant professional infrastructure for the risk management process in the Project.



3.2. Risk survey

A risk survey is a methodical process carried out on a periodic basis to form and maintain the risk map at the Project level and which focuses on material risks. A risk survey includes mapping of scenarios and/or processes that are evaluated and rated according to scales of assessment that were defined by the management of the Project, according to parameters of severity and probability. The findings of the risk survey constitute the foundation for forming the handling plan of the key risks and taking action to mitigate them.

A risk survey includes the following stages:

➤ Mapping and planning of the work and its scope

The purpose of this stage is to determine the goals of the survey and forming consent as to the contents of the survey, its stages, the work approach, the timetables and the budget scope. This stage includes, inter alia, reference to the following matters:

- the units, the bodies and the activities that will be included in the work contents.
- Executives and agents that will take part in the survey process.
- Individual reference to the goals of the Project that will be included in the contents of the risk management process.
- The work method and its adaptation to the characteristics of the Project.
- The main risk areas upon which the risk survey will focus.

◀ Mapping of material risks in the Project

This stage includes all the actions that are being carried out for the purpose of identifying and mapping the risks. In the framework of this process, possible agents (internal or external) and possible outcomes (consequences) of potential risk event will be taken into account. In order to identify the risk, the tools and methods to identify risks, that are adapted to the nature of the activity in the Project will be implemented.

The mapping of risks will include a preliminary stage in the framework of which the main activities categories in the Project will be mapped as well as the goals of such activities, across categories (the COSO-ERM model divides into 4 categories: strategy, operation, reporting, compliance). Identification of the targets and definition of the risk categories is the starting point for carrying out the risk survey as well as the foundation for achieving maximum perfection of the risk survey. In relation to each risk, a risk owner will be identified that will be the agent directly responsible for risk management in the Project.

Here is a partial example for the main activity categories³:

Here is an example of a risk mapping document format:

³ The example is for illustration purposes only of the document structure and is not a full and binding list of categories of activities.

Risk no.	Risk Category	Risk subject	Risk definition	Risk factors	Impact of the risk	Level of severity	Rate of probability

Top category (COSO)	Secondary category	Activity category
Strategy	Realization of project strategy	Business concentration
		Goodwill and image
		Interfaces with governmental bodies
		Outsourcing strategy
		Geo-political
		Corporate responsibility and sustainability (CR&S)
	External factor	Security
		Natural disasters
	Emergency event	Business continuity management (BCP/DRP)
Operations	Planning	Statutory planning
		Engineering planning
		Interfaces with third parties
	Construction	Construction works
	Safety	Environmental, health and safety
	Procurement and engagements	Procurement management
	Information technology	Information systems management
		Information security
	Human resources	Human resources management
	Legal	Legal proceedings management
	Financial	Embezzlement and fraud
		Financing and liquidity
		Budget management
		Economic conditions / trends
		Insurance
Reporting	Reporting	Accounting and taxes
		Reporting to authorities and external bodies
		Internal reporting
Compliance	Compliance	Laws and regulations
		Regulation
		Compliance policy
		Compliance supervision

◀ determining criteria for rating risks

In order to assess the risks criteria will be formed that will be used by position holders to rate risks in terms of severity (impact) and probability. Criteria to assess severity and probability may be quantitative as well as qualitative.

Criteria to assess the severity level of the risks are criteria to assess the damage level that may form in the Project as a result of a risk occurring. Criteria to assess the probability level of the risks are criteria to assess the potential of the risk occurring.

Here is an example of criteria for assessment of severity and probability:

Impact of the risk on business processes				
Level	Description	Deviation from the budget	Deviation from the timetables	Impact on passenger traffic
1	Immaterial	Less than 2% of the budget	A deviation of up to a month	A decrease of less than 10% in passenger traffic
2	Low	2%-5% of the budget	A deviation of 2-3 months	A decrease of between 10% and 20% in passenger traffic
3	Medium	5%-15% of the budget	A deviation of 3-4 months	A decrease of between 20% and 30% in passenger traffic
4	Material	15%-30% of the budget	A deviation of 5-6 months	A decrease of between 30% and 40% in passenger traffic
5	Critical	More than 30% of the budget	A deviation of more than six months	A decrease of more than 40% in passenger traffic

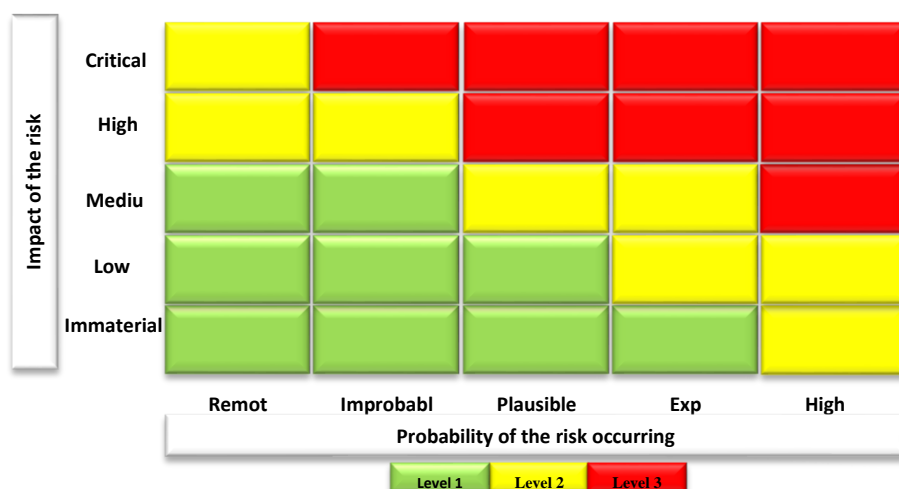
Probability of the risk occurring		
Level	Description	Risk Description
1	Remote	5% > chance that the event will occur The event may occur under extraordinary circumstances - once every 50 years
2	Improbable	5%-10% chance that the event will occur The event may occur sometime on the upcoming 10 years
3	Plausible	10%-50% chance that the event will occur The event may occur sometime in the upcoming two to five years
4	Expected	50%-80% chance that the event will occur The event will probably occur during the next couple of years
5	High probability	80% > chance that the event will occur The event will probably occur during the upcoming year

➤ Risk assessment and rating of severity and probability

When carrying out a risk survey the level of impact and the level of probability of the risk is being assessed by the relevant position holders in the Project and reflects their assessment of the consequences of the risk, while taking into account the ways to handle the risk (responses) that exist in the context of the risk event, in terms of effectiveness and completeness of carrying out the responses. These assessments are manifested in the risks map that is a drawing of the risk levels (as residual risk as mentioned) in the various fields of activity in the Project.

The risks map includes all the risks in a lateral view and allows a managerial focus on the risks, that constitute “key risks”, the key risks are risks the risk level of which was defined as high or critical.

Here are examples of as risk map (heat map):



➤ Summary of the results and their presentation to the management of the Project

The results and findings of the risk survey including the key risks identified and the outline of the plan to handle them will be submitted to the management of the Project.

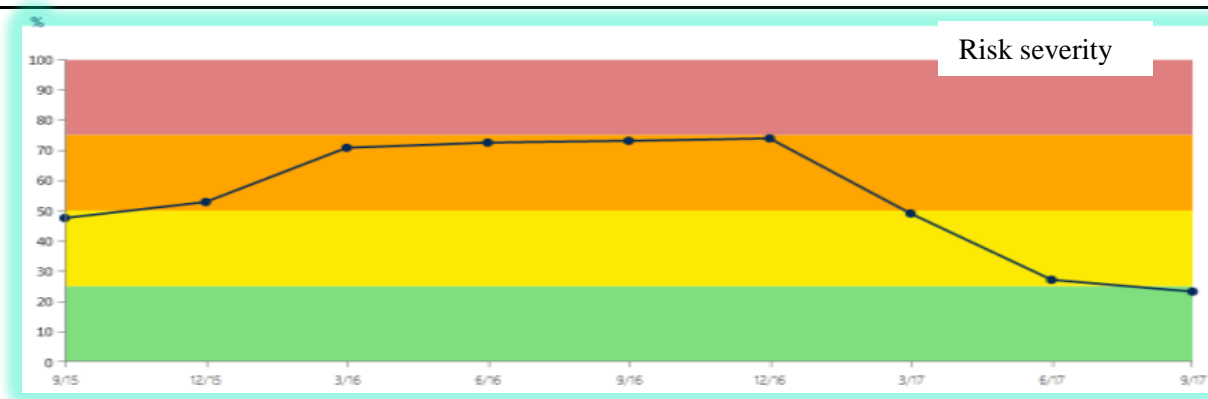
3.3. Key risks handling plans

Upon completion of the risk survey and forming of the risk map the plan to handle the key risks identified will be formed. The main purpose of the handling plan is to define individual work plans to implement mitigation, monitoring and control actions on the key risks determined. The handling plan will be derived from the risk factors identified and will include for each recommended control or action a definition of timetables for implementation, prioritization and the agent responsible.

Here is an example of the handling plan format at the individual agent level:

Key risk no. XXX - <risk definition>

Risk subject	Risk definition	Risk manager	Risk factors
Risk explanation			
Risk history - as of XXX			Impact of the risk



Key risk no. XXX - <risk definition> (cont.)

Risk factor no. 1 - XXX			
<u>Existing actions pertaining to the risk factor:</u>			
a.			
b.			
c.			
d.			
<u>Planned actions pertaining to the risk factor:</u>			
Responsible agent	Timetables	Milestones for implementation	Action
			a.
			b.
			c.

3.4. Tracking of the handling plans

Handling material risks is an ongoing process that requires the establishment of an array of built-in and organized tracking of the implementation of the handling plans and their implementation, which includes documentation, control and ongoing inspection of the effectiveness of such handling.

Risk Name	
Risk manager:	

Main risk factors for handling:

Factor no.	Actions determined as risk mitigation	Milestones determined in implementation of actions for handling	Person responsible for implementation	Timetables approved for implementation	Rate of completion (in points)	Status of execution (details)	Updated timetables for implementation
1		a. b. c. d.					
		a. b. c. d.					
2		a. b. c. d.					
		a. b. c. d.					
3		a. b. c. d.					

		a.					
		b.					
		c.					
		d.					

Here is an example of a tracking format for the implementation of a handling plan:

3.5. **Mapping and management of extreme scenarios**

The purpose of analysis of extreme scenarios is to identify potential risk events, that may have extraordinary impact on the Project and to evaluate their potential consequences. An extreme scenario is an event that may cause a material loss / damage to the Project, regardless of whether it can be measured on the quantitative level or on the qualitative level, and for this scenario an individual and unique preparations are required. An extreme scenario by its nature is such that the probability for its occurrence is very low.

The analysis of extreme scenarios includes the following stages:

- Determining tests to define extreme events
- defining the variables that comprise the extreme scenarios
- Forming potential extreme scenarios
- Inspection of the effectiveness of handling in an extreme scenario
- Forming a handling plan for the scenario
- Orderly discussion of the scenarios and approval of the policy as to the manner of handling them

Activity category	Extreme scenario	Impact (pursuant to impact criteria)	Action taken to prepare for the occurrence of extreme scenarios	Action planned to prepare for the occurrence of extreme scenarios

Here is an example of an extreme event mapping format:

3.6. **Failure and “near failure” events**

Failure events are risk events that materialized and as a result damage was caused in the Project. “Near failure” events are risk events that materialized or that the occurrence of which was stopped or prevented and no damage was caused as a result but a potential for damage exists.

Identifying failure events and “near failure” events requires immediate handling of the consequences and in addition carrying out a debriefing and learning lessons in order to prevent the recurrence of such event, mitigate the probability that it will recur and mitigate the damage level if it ever recurs.

The risk officer is responsible to assimilate the process of reporting and debriefing failure and near failure events.

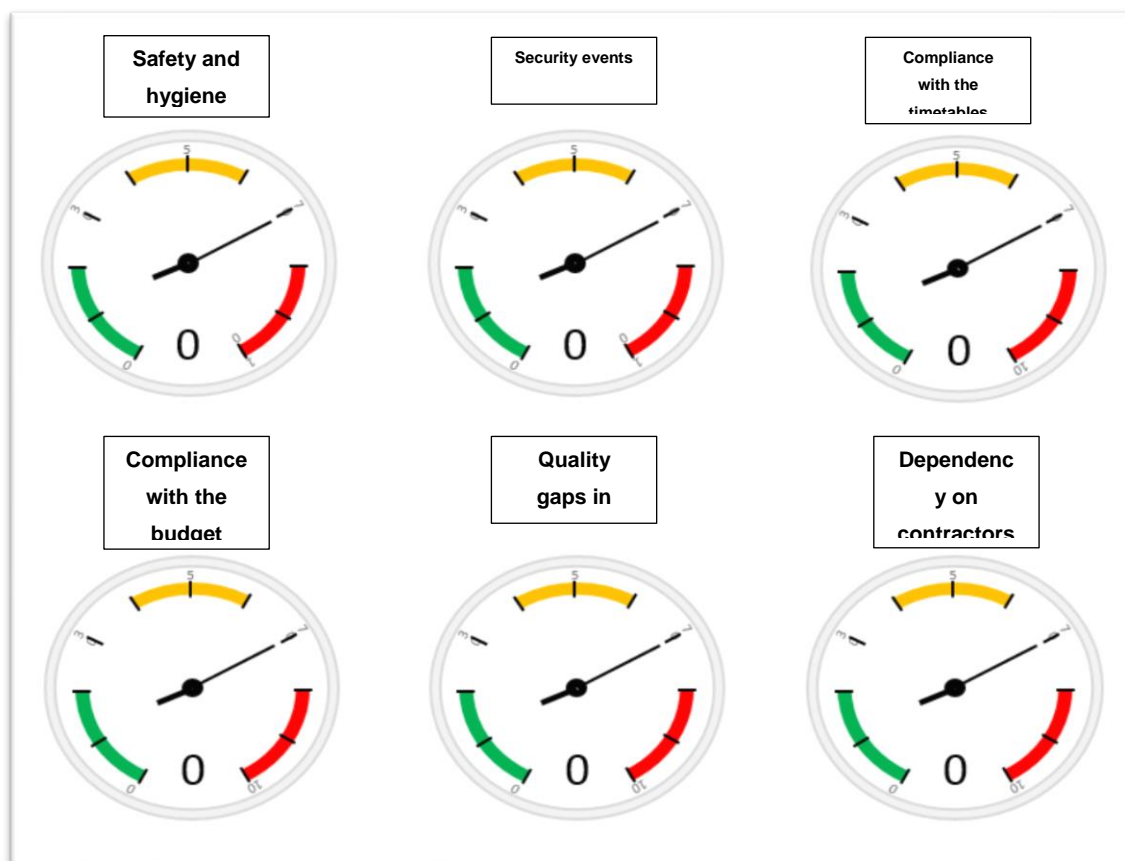
Reporting of failure events will include inter alia the details on the following:

- Details and description of the reported failure
- Details and description of the relevant position holders involved in the event
- Details and description of the information systems relevant to the event
- Details and description of the damage caused, if any, and how the event was located
- Details and description of the internal processes taken in view of the failure event
- Initial lesson learning arising from the materialization of the failure event

3.7. **Indicators for risk measurement (KRI - key risk indicators)**

Indicators to measure risks are quantitative or qualitative indicators that indicate a change in the activity profile and/or indicate a change in the exposure of the Project to risk. Forming these indicators allows a dynamic inspection of the state of the risk and its severity while measuring the events and changes in the activities in the Project.

Here is an example for a possible presentation of risk indicators (KRI):



4. Definitions

- 1.
2. Definitions and relevant terms for a risk management process in a Project:
 - **Risk** - the possibility that an event, activity or action or omission (internal or external to the Project) will impair the ability to achieve the goals and targets of the Project.
 - **Risk appetite** - risk appetite is the level of risk that may be contained / obtained in the Project to maximize value.
 - **Risk category** - a group of risks with similar characteristics. Sub-categories will be defined in each category, of risks with similar characteristics.
 - **Criteria to assess the severity level of the risks** - criteria that refer to the damage level that may form in the Project as a result of a risk occurring. The assessment of the severity

level is mainly defined by quantitative characteristics that refer to the operating profit as well as qualitative characteristics. There are five severity levels: Immaterial, low, medium, high and critical.

- **Criteria to assess the probability level of the risks** - are criteria that relate to the frequency of the risk forming. There are five probability levels: remote, unlikely, plausible, expected, with high degree of certainty.
- The response to the risk [all the actions taken to handle the risk]. These actions are determined according to the risk handling policy. The management of the Project may adopt one of the four options as a risk response policy:
 - Accepting the risk level and not taking action to mitigate it - mostly this policy will be determined when the probability level and the impact level are low.
 - Reduction / mitigation of the risk level and implementation of orderly mitigation action - mostly this policy will be determined when the probability level and the impact level are high.
 - Transfer / sharing of the risk, inter alia by agents external to the Paz group - mostly this policy will be determined when the impact level is high and the probability level is low.
 - Rejecting the risk / refraining from handling the subject of action that creates the risk - mostly this policy will be determined when the probability level is high and the impact level is low.
- **Residual risk** - is the risk level that remains after the implementation of the risk handling plan.
- **Risk map** - a drawing of the rating of risk levels (the product of severity and probability) for key risks that includes various risk areas.
- **Key risks** - risks defined as having a high severity level and high probability and are prioritized by the management of the Project during the determination as to handling risks.
- **Extreme scenario** - extraordinary events that were assessed to be characterized by a critical severity level which requires immediate action.
- **Failure event** - risks that materialized and caused damage in the Project and/or to Netivei Israel and/or to the state.
- **Risk owner** - the agent in the Project that is directly responsible for processes relevant to the risk.

Attachment B - Project Documentation and Information Management System

1. General

Here is the characterization of the system, containing all the requirements of the Company for the purpose of orderly management of the Project. The Management Venture is required to provide to the benefit of the Project systems that will aid in the ongoing management of files, tasks and reports. This while providing an option to retrieve and glean data and files out of the database, to the benefit of the various uses of the Company.

2. Definitions

- 2.1. The "**System**" - a secured Internet system, that will be proposed by the management venture, with the purpose to allow the Company access to the Project information management system, that will be operated by a supplier for the Company in a software as a service (SAAS) configuration. The system will support a number of project management methodologies and management methods such as waterfall / stage gate and so forth.
- 2.2. "**Software as a Service**"- software that will be provided to the Company as a service provided by way of hosting at the supplier's website instead of purchasing and installing the software product. The operation of the software services from the website of the supplier will be by way of a communications network.
- 2.3. The "**Supplier**" - the operator of the System for the Company.
- 2.4. "**BIM**" - information management method the purpose of which is to streamline the planning and execution of civil engineering projects. In this method there is a computerized, three-dimensional model that is a digital representation of the true structure including all its characteristics, and that is being used by all those involved in the construction process: Entrepreneurs, planners, constructors and supervisors, throughout the life of the Project, from the preliminary planning stage until the Project is completed, and even after such date for the purposes of maintenance of the structure.
- 2.5. "**Document Management**" - the ability to load, view and edit any file pursuant to the defined permissions levels and the supported file types.
- 2.6. "**Tasks Management**" - the ability to develop a task, to define a person in charge of execution (a system user or an external agent that is not defined as a system user), to add other users in carbon copy (internal or external users), to define a target date for execution, to attach documents, to describe the task by way of a short text and a long text.
- 2.7. "**Risk Management**" - the ability to define risks, classify and rank the risk level, the impact on the Project and the steps necessary in order to mitigate or resolve such risk. In addition, the ability to report and alert as to the state of risks in the Project.
- 2.8. "**Timetables Management**" - the ability to define and follow-up on the planned timetables as compared to what occurred in fact in all aspects of the Project.
- 2.9. "**Resources Management**" - the ability to define, update and remove the resources required for the Project.

- 2.10. **“Budget Management”** - the ability to manage the budget of the Project, planning against execution.
- 2.11. **“Meeting Summaries”** - record, update, view and distribute to a defined list all the meetings in the Project and follow-up on tasks defined in such meetings.
- 2.12. **“Deficiencies Tracking”** - the ability to record, update, report and track identified deficiencies. The ability to link deficiencies to risks, tasks and more.
- 2.13. **“System User”** - a user with permission to view or edit one or more components of the system.
- 2.14. **“External User”** - a user without permission to view or edit the components of the system but with permission to receive notices and correspondence from the system.

3. **System goals**

The system is intended to aid create a “project community” based upon internal and external agents to the organization: Creating a flow of updated information among the agents participating in the Project.

4. **The objectives of the system**

The objectives of the system will be:

- 4.1. Create a uniform infrastructure for project documents management;
- 4.2. Allow coordinated project documents management;
- 4.3. Construct a database of the Project data, documents, summaries, programs and so forth, accessible to all the users of the system during the Project as well as thereafter.

5. **Threshold Requirements**

5.1. **System contents**

The system contents proposed by the Management Venture will fully support all the components required as set forth in this appendix in an integrative way.

5.2. **Licenses**

All the license types that will be required to supply the system will be included and managed as part of the contents of the system and the solution. The Management Venture will ensure appropriate licensing for any applicative component or infrastructure component of the System.

- 5.3. The system will comply with all the security requirements set forth in this appendix.
- 5.4. The Management Venture will present the use that was made in the system in projects of this type that are relevant to the Project.

6. Architecture and infrastructure requirements

6.1. **System architecture**

- 6.1.1. The system will be installed and applied on the Management Venture servers.
- 6.1.2. The services of the system will be open and available to all the users of the system in the Company, in the Management Venture and to anyone that may be required to use it.
- 6.1.3. The system architecture will be compatible with the information and cyber security guidelines that prevail in the Company.
- 6.1.4. The Management Venture will provide in details the architecture of the information, the system components, their location and the manner of their integration.

6.2. **System architecture**

The Management Venture will present the data structure architecture and the data keeping according to the following requirements:

- 6.2.1. **Logic diagram** - main entities, connections between entities and hierarchy capabilities, the ability to contain a number of projects concurrently and/or as part of a hierarchy.
- 6.2.2. **Physical diagram** - the physical location of the data, volume limitation and impact on performance.

6.3. **Private or public cloud**

The Management Venture will present the experience of the system with each supported option as set forth below:

- 6.3.1. **Public cloud** - is the system installed as part of a public cloud, and are there functional constraints and/or technical constraints as a result of that.
- 6.3.2. **Private cloud** - is it possible to define the system as a private cloud for the Company, what are the requirements to establish a private cloud, are there any functional and/or technical constraints as a result of that.

6.4. **Requirements from the Company**

The Management Venture will present the requirements from the Company in order to support the installation, training and implementation of the system, in connection, inter alia, with:

- 6.4.1. Hardware and required equipment;
- 6.4.2. Required software;
- 6.4.3. Communications;
- 6.4.4. Local installations at the premises of the Company.

6.5. **Language**

- 6.5.1. The system will fully support English.
- 6.5.2. The system will support information in English and in Hebrew for data input, data update, data presentation and saving files with names in English as well as in Hebrew.
- 6.5.3. The Management Venture will present whether the following additional capabilities are available: (1) documentation help in several languages option; and (2) management of folders and files in Hebrew and in English together option.

6.6. Support of currencies

The system will support multiple currencies with an option to define the NIS as the main currency.

6.7. Support of different time zones

Because many users in various time zones will be working on the system the system will support the synchronization and management of activities along a time line, taking into consideration various time zones.

6.8. Automation

The system will allow automation of processes as much as possible. The Management Venture will present any existing constraints of the system which require manual intervention.

6.9. Distribution of information via email messages

A user will be able to send email message using the system to users and/or user groups, that are members in the relevant project. The messages may contain the following components:

- 6.9.1. A link to a new document or a new version of a document uploaded to the system;
- 6.9.2. Notice of a new task;
- 6.9.3. Notice of completion of a task;
- 6.9.4. Sending an open tasks report. In such event the report will be sent to all those in charge as well as those carbon copied on such tasks.

6.10. Support of browsers

- 6.10.1. The desired system is web based and is supported by all the standard browsers available in the market such as Internet Explorer, Chrome and Safari.
- 6.10.2. If there are any restrictions on the use of a browser / a certain version of a browser, this will be noted in the response.

6.11. End user terminals

- 6.11.1. The system will run on desktop as well as on laptop computers.
- 6.11.2. The Management Venture will provide a description of any special requirements from end user terminals.

6.12. Accessibility

The information in the system must be accessible and legible to all the users of the system along the life of the Project. Upon the completion of the Project and thereafter the information will remain accessible to the users of the Company, be it by way of the Company entering into the shoes of the Management Venture in the ownership of the cloud website of the Project or be it by installation of an identical environment on the servers of the Company.

6.13. Authorizations

The system will support a permissions mechanism to manage information access permissions and user access permissions and will include the permissions set forth below:

- 6.13.1. Permissions to view information;
- 6.13.2. Permissions to update information;
- 6.13.3. Permissions to delete information.

6.14. Availability

The system will be available for access and for data for its users throughout the life of the Project and thereafter during working hours as defined by the management venture. The Management Venture will define the working hours (as well as the hours in which the system will not be available), and will present them to the Company, taking into consideration that the Project will include users in different time zones worldwide.

6.15. Updating

The information in the system will be updated immediately and will be available to all the users at any location and for any purpose.

If there are constraints in the system that impact the level of update and availability of the data the Management Venture will present such constraints to the Company.

The level of update of the information will be measured according to: (1) **information retrieval** - to what extent is the information up-to-date; and (2) **information update** - how much time is required until the updated information is available in the system including all its components.

6.16. Information security

- 6.16.1. The system will apply security to all the layers and sub-layers related to the system.
- 6.16.2. The access to the service will be carried out using an encrypted and secured protocol only and HTTPS protocol supported.
- 6.16.3. Logging on to the system and user identification will be based on strong identification mechanisms using known technology. Including three levels of identification.
- 6.16.4. Remote connection to infrastructure resources (management of operating system, information security rules and so forth) will be

carried out using a secured protocol and a high alternative port. During connection no information whatsoever will be transferred to the end user (the initiator of the connection) except “picture” information of what is being executed at the resource remotely.

- 6.16.5. The Management Venture will be required to present the network structure, the technology to be used to realize virtualization, the compartmentalization in the cloud and the segregation of the environments that will be made available to the Company.
- 6.16.6. The data encryption structure will be presented as well as the key holders, and access data to the work environment.
- 6.16.7. The Management Venture will be required to present the structure of creating users in the system.
- 6.16.8. The Management Venture will be required to present the security mechanisms that will be made available to the Company, including: (1) Applicative security; (2) Infrastructure security; (3) Unauthorized penetration stopping mechanism - IPS; (4) Screening process of unauthorized contents; (5) Identification and blocking mechanisms of viruses in real-time; (6) Good working order, reliability and credibility verification mechanisms for files uploaded by system users; (7) Permissions management mechanism for the files system; (8) Security patches update mechanism for the operating system and applications.
- 6.16.9. The Management Venture will be required to present the information encryption mechanism as well as the confidentiality procedures including the policy and granting permissions to the employees of the management venture.
- 6.16.10. The Management Venture will be required to present a backup and survivability structure including the type of technology that will be made available to the Company in anything relating to modification, deletion and viewing of files.
- 6.16.11. The Management Venture will be required to present procedures to create a new environment in the service, including the establishment of the environment, verification of segregation of the environments between the various companies.
- 6.16.12. The Management Venture will present the information security capabilities of the system.

6.17. Ownership of the data

The information in the system is owned (and under the responsibility of) the Company regardless of such or other physical location.
Any update and/or external report requires the approval of the Company.

6.18. Security and control

6.18.1. Changes tracking

The system will contain a track changes mechanism for the system

6.18.2. What was the change, what was before and what was the change itself, the file name / the document name updated.

6.18.3. Who made the change, user name and email address.

6.18.4. When was the change made, taking into account the different time zones in the system.

6.18.5. **Reports of changes**

The system is expected to provide ongoing reports and summaries of changes made in the system in a number of sections such as time, position holder as well as according to processes. In addition, it is expected that the system will allow changes reports on demand. The Management Venture will present the reporting capabilities of the system.

6.18.6. **Usage log**

The representative of the Company / the Project manager will be able to run a usage log.

In this framework they will be able to see any “touch” in the system (viewing, running a report, updating information, uploading files and so forth).

each log record will include the following details:

6.18.6.1. User name + email address

6.18.6.2. Date and time

6.18.6.3. Action

6.18.6.4. File / task name

6.18.7. **Control processes**

The Management Venture will provide a description and the capabilities of the following control processes:

6.18.7.1. **Identification of extraordinary changes** - the option to define what are extraordinary changes, their identification and reporting.

6.18.7.2. **Tracking of users and sensitive processes** - the option to define users and/or sensitive processes that requires closer tracking

6.18.7.3. **Alerts** - defining the levels of alerts and defining the distribution list for alerts.

6.18.8. **Security capabilities**

The Management Venture will describe the security capabilities of the system in the following matters:

6.18.8.1. Prevention of unauthorized changes;

6.18.8.2. Blocking if suspect users.

6.19. Approvals

The Management Venture will present the information security approvals of the supplier, such as ISO 27000, or alternatively, will present the results of risks surveys and penetration testing carried out for the system by an external agent and the certificate as to handling the findings, if any.

6.20. Cyber Requirements

- 6.20.1. Installation of the management system will be performed in a controlled environment, and an FW system will be installed between the Management Venture's servers and the management system.
- 6.20.2. The system services will be open and accessible according to the access authorization established by the Company's Information Security manager.
- 6.20.3. The system's architecture will be layered (not flat).
- 6.20.4. When transferring/storing data on the cloud (whether public or private), cloud Information Security measures should be undertaken at the instruction of the Cyber team.
- 6.20.5. Preventing process from being performed automatically in connection with the operating system (backup, software updates, remote connection for maintenance and so forth).
- 6.20.6. A security package application should be implemented.
- 6.20.7. Connection to mobile computers/cellular devices will be performed according to the instruction of the Company's Information Security manager.
- 6.20.8. Full monitoring of connections to the system will be performed.
- 6.20.9. A system to prevent information leaks (DLP) will be installed.
- 6.20.10. Remote connection will implement a 2FA based identification mechanism (such as Google Authenticator).
- 6.20.11. The manner of transferring sensitive materials should be defined and confirmed by the Information Security manager.
- 6.20.12. A period will be defined for conducting a pilot of the security level, and this report, with recommendations for correcting deficiencies, should be provided to the Company, and management and tracking of the repair of the repair of such deficiencies by the Management Venture will be performed.

7. Functionality requirements

As part of the approval of the system that will be used as a platform in this project by the Management Venture and as a condition precedent to the commencement of work on it the approval of the Company is required in advance to all the components set forth in this section and the presentation of the capabilities of the system as set forth below:

7.1. Support of processes and capabilities

7.1.1. Multiple projects management**7.1.1.1. Logging into the system**

A main log in page for the system / project which requires a user name and password for each user. In addition, the system will support the following capabilities, all pursuant to the security procedures customary in the Company:

- 7.1.1.1.1. The user will change the personal password every three months.
- 7.1.1.1.2. Users that did not log into the system for a month will be reported to the system administrators.
- 7.1.1.1.3. User passwords shall not be less than 8 figures, including digits, letters and symbols (e.g. Zbd@11905!).
- 7.1.1.1.4. The password of a user that does not enter the system for a period of 3 weeks will be reset.
- 7.1.1.1.5. A list of permissions will be defined for using the various folders, according to job description (changing data, entering data, view only etc.).
- 7.1.1.1.6. It is recommended to conduct secured printing, such as with an employee card.

7.1.1.2. Logging into the system

Simple and interactive log in through the main screen of the system.

7.1.1.3. Main screen for the Project

- 7.1.1.3.1. A main screen for the Project that will present information regarding the components of the Project with a look adapted to each system user;
- 7.1.1.3.2. A list of all the Projects in which the user is a member;
- 7.1.1.3.3. A list of all the tasks that belong to such user according to status;
- 7.1.1.3.4. Access to meeting summaries, timetables and so forth that are relevant to the user;

- 7.1.1.3.5. A list of active documents for the user;
 - 7.1.1.3.6. Managerial dashboard presentation adjusted according to positions.
 - 7.1.1.4. **Access to project components**
 - 7.1.1.4.1. The user will be able to quickly and intuitively access each one of the Projects of which he /she is a member (to the Project portal page).
 - 7.1.1.4.2. The user will be able to quickly and intuitively access the open tasks report for the Project and from that page report the execution of a task.
 - 7.1.1.4.3. The user will be able to quickly access the documents report for review and thereby view the documents waiting for him/her.
- 7.1.2. **Project portal**
 - 7.1.2.1. **Executive summary**

The user will be able to view the executive summary of a specific project that will include the following components:

 - 7.1.2.1.1. Text that will be input by the Project manager;
 - 7.1.2.1.2. A report of user open tasks;
 - 7.1.2.1.3. A report of documents for user review;
 - 7.1.2.1.4. A list of users related to the Project and their position in the Project;
 - 7.1.2.1.5. Management of distribution lists and an option of automatically sending meeting summaries pursuant to such distribution lists pursuant to the permissions of the user;
 - 7.1.2.2. **Management of permissions**

The system will allow permissions management for all user as follows:

 - 7.1.2.2.1. Who is entitled to view the Project portal (access to the portal);

7.1.2.2.2. Who is entitled to view what information in the Project (data within the portal);

7.1.2.2.3. Who is entitled to update / delete information in the Project;

7.1.2.2.4. The Company or anyone on its behalf may add a new user to its project and define such user's permissions for the Project pursuant to the rules set forth in the permissions management module.

7.1.2.3. **Access to modules in the Project portal**

7.1.2.3.1. Access to documents management module;

7.1.2.3.2. Access to tasks management module;

7.1.2.3.3. Reports module;

7.1.2.4. **Users management**

The Company or anyone on its behalf may add a new user to its project and define such user's permissions for the Project pursuant to the rules set forth in the permissions management module. It is clarified that such new user definitions will be performed by written approval of the functionary designated for this purpose by the Company.

7.1.3. **Technical specifications management support**

7.1.3.1. **Task management**

The tasks management system will provide the user with the ability to develop a task, to define a person in charge of execution (a system user or an external agent that is not defined as a system user), to add other users in carbon copy (internal or external users), to define a target date for execution, to attach documents, to describe the task by way of a short text and a long text.

Tagging tasks

A task will be tagged according to the following parameters: Project; People in charge of carrying out the task and task goals (quantitative and/or in terms of timetable).

Tasks tracking

The system will allow tracking of the execution of open tasks; Completed tasks; alerts on open tasks with an upcoming due date; alerts on open tasks past their due date.

permissions of tasks management

Access to the task (viewing the report, viewing a particular task and editing the task) will be allowed to the following users: The Project manager, the user in charge of the task; The user that initiated the task; The user that is carbon copied on the task.

Reports

A user will be able to run tracking reports pursuant to various sections, such as: His / her open tasks, open tasks that he / she initiated for others, tasks opened between dates and so forth.

7.1.3.2. Meetings summaries

General

The system will provide a simple integrated solution for writing meetings summaries.

Capabilities

The system will enable the users to prepare meetings summaries in the system in Hebrew or in English in Microsoft Word format;

The system will enable the users to load documents of meetings summaries in Microsoft Word format;

A meeting summary will include the following components:

- 7.1.3.2.1. Meeting description;
- 7.1.3.2.2. Meeting date;
- 7.1.3.2.3. Meeting location;
- 7.1.3.2.4. Participants at the meeting;
- 7.1.3.2.5. People invited that did not attend;
- 7.1.3.2.6. Managed by: Short text;
- 7.1.3.2.7. Summarized by: User name of the person that input the meeting summary;
- 7.1.3.2.8. Distribution: Those that attended, people invited that did not attend, the Project manager, others (internal users + external users).

7.1.3.2.9. Items discussed at the meeting: A dynamic list (lines may be added to it) pursuant to the number of items discussed at the meeting

7.1.3.2.10. Tasks: Tasks may be added to the meeting and synchronized with the general tasks database (tasks originating in other meeting summaries or tasks that were opened individually).
A participant that is an addressee of a task must be in the mailing list of the meeting.

7.1.3.2.11. Attaching documents:
The option to attach documents of various types, including documents that are already in the system as well as documents not in the system

Printing: The option to print a meeting summary pursuant to a format that will be provided by the Company

Synchronization with the tasks management system:

7.1.3.2.12. Creating new tasks;

7.1.3.2.13. Updating tasks.

Tagging of meeting summaries

Meeting summaries will be tagged for a specific project.

Distribution

The system will allow the distribution of meetings summaries to those invited to the meeting as well as the relevant project manager.

Retrieval

A meeting will be retrievable according to the following parameters: Date, project and meeting topic.

7.1.3.3. Management of timetables

General

The system will provide a simple integrated solution for management of timetables of the users and the Project and the option to present the timetables on a time axis.

Capabilities**For users**

- 7.1.3.3.1. The system will enable each user to view his / her timetable in the context of the Project, including tasks and planned meetings.
- 7.1.3.3.2. The user will be able to update his / her timetable.

For projects

- 7.1.3.3.3. The system will enable to build and present the timetable of the Project including work plans and milestones.
- 7.1.3.3.4. The system will enable to view the timetable of all the Projects combined.

The timetable of a project may be updated by the Project manager or anyone on his behalf.

User Access

The timetable of the user will appear on the home page of the user.

Project

The timetable of the Project will appear on the Project home page.

Time zones

The management of time zones will take into account that there is a large number of users that may be in different time zones.

7.1.3.4.

Management of resources**General**

The system will provide a simple integrative solution for the management of resources in the Project, follow up on their usage and alerts on any shortages.

Definitions

The system will provide the capabilities to define the resources that include inter alia the resources necessary in the Project; Details on each resource including availability, capacity and constraints and the stage in the Project in which such resources are required.

Timing of resources

The system will enable advance planning and timing of required resources, checking for their availability and approval of the planning.

Execution follow-up

The system will enable update of execution of resources realization in the Project. **Alerts**

The system will alert in the following cases of over planning for a resource; Planning for an unavailable resource; and realization of resource activity beyond the planning.

7.1.3.5. Change management**General**

The system will provide a simple integrated solution to manage the changes in the various project and tracking and control on the life of such changes.

Capabilities

The system will support the process of changes applications, changes approvals, changes execution and their consequences and documentation of changes in a specific project or in a number of projects.

Application for change

The system will contain the following data for each change:

- 7.1.3.5.1. The nature of the change;
- 7.1.3.5.2. CAD and BIM documents that describe the change (with an option to attach more documents);
- 7.1.3.5.3. The Project in which change is requested;
- 7.1.3.5.4. Who requested the change;
- 7.1.3.5.5. Who is responsible for implementing the change;
- 7.1.3.5.6. Is approval required and by whom;
- 7.1.3.5.7. When is the change to be carried out?
- 7.1.3.5.8. Financial impact / manpower / timetables and more that the change requires;

- 7.1.3.5.9. Consequences and risks if the change is not carried out;
- 7.1.3.5.10. Providing a univalent identifier to each change.

Approval of changes

The system will support:

- 7.1.3.5.11. Definition of changes processes and their implementation;
- 7.1.3.5.12. Tracking on execution of changes and in particular if the changes have not been carried out;
- 7.1.3.5.13. Report on changes that are pending approval and alert if such approval in upcoming soon;
- 7.1.3.5.14. Report on changes that were rejected;
- 7.1.3.5.15. Documentation of minutes of meetings to approve changes.

Carrying out the change and its consequences

The system will manage and supervise the changes that were approved.

Reports and alerts on open tasks close to their due date.

Report on changes that deviate from the initial definitions (cost/time/manpower).

Report on the consequences of the change in the Project in the aspects of timetables, budget and risks.

Documentation of changes

The system will document all the changes that have been requested and carried out. Document all the documentation details, when they were requested, when they were approved, and when they were carried out including CAD and BIM files attached by way of minutes of the changes approval meetings and will allow changes search by project, status of the change and more.

Access and connectivity to modules

Connectivity to task management

Connectivity to timetables management

Connectivity to risk management

Connectivity to budget management

7.1.3.6. **Risk management**

General

The system will provide a simple integrated solution for risk management in projects.

Risks records

The System will enable the users to define risks, including:

- 7.1.3.6.1. What is the risk;
- 7.1.3.6.2. The risk level;
- 7.1.3.6.3. Who is responsible for the solution;
- 7.1.3.6.4. What is the solution to mitigate / eliminate the risk;
- 7.1.3.6.5. existing constraints (time, money, manpower and more);

A risk may be related to a specific project or to a number of projects.

Risks will be defined by the users in the system pursuant to permissions.

Tracking, reports and alerts

The system will provide reports and alerts on a daily level:

- 7.1.3.6.6. What are the open risks according to risk level;
- 7.1.3.6.7. What are the imminent risks.

Access and connectivity to modules

- 7.1.3.6.8. Connectivity to task management;
- 7.1.3.6.9. Connectivity to timetables management;
- 7.1.3.6.10. Connectivity to budget management.

7.1.3.7. **Budget management**

The budget of the Project will be managed in SAP and in the Projects management system the budget will be managed pursuant to milestones only. In addition, the cash flow of the Project will be managed in SAP, and in addition the cash flow will be input in the Projects management system according to milestones.

General

The system will provide a simple integrated solution for project management in the Projects.

Planning

The system will enable input of budget planning for each project pursuant to the planning of the Project.

Execution against planning

The system will enable input of execution in fact of the budget elements and pursuant to the planned milestones.

Alerts

The system will allow the definition of alerts such as:

7.1.3.7.1. Deviation of execution against planning;

7.1.3.7.2. Expected deviation in view of execution;

7.1.3.7.3. Reports.

The system will produce reports such as:

7.1.3.7.4. Budget status;

7.1.3.7.5. Expenses forecast.

Interfacing with the SAP system

Interfacing with the SAP system may be required for budget data and cash flow data, ability to input the file in a standard format (CSV for example) for inputting data will be required.

7.1.3.8. **Tracking of deficiencies / safety deficiencies**

The Project management system will support a solution in which the deficiencies in the system are documented and they may be managed in the SAP system or another designated off the shelf product.

General

The system will provide a simple integrated solution for deficiencies management in projects.

Deficiencies records

The system will support the following data management:

7.1.3.8.1. The nature of the deficiency;

- 7.1.3.8.2. Who reported the deficiency;
- 7.1.3.8.3. A possible solution to the deficiency;
- 7.1.3.8.4. Who is responsible for resolving the deficiency;
- 7.1.3.8.5. When is the deficiency to be resolved;
- 7.1.3.8.6. Risks and constraints as a result of the deficiency;

Deficiencies will be defined by the users in the system pursuant to permissions.

Deficiencies update

So long as the deficiency is not resolved the deficiency will remain in the system as open.

Deficiencies may be updated -

- 7.1.3.8.7. If the nature of the deficiency changes;
- 7.1.3.8.8. if the person responsible for resolving the deficiency changes;
- 7.1.3.8.9. If the constraints change;
- 7.1.3.8.10. If the deficiency is resolved.

Tracking, reports and alerts

The system will provide reports and alerts on a daily level:

- 7.1.3.8.11. What are the open deficiencies according to risk level;
- 7.1.3.8.12. The deficiencies the resolution of which was postponed.

Access and connectivity to modules

- 7.1.3.8.13. Connectivity to task management;
- 7.1.3.8.14. Connectivity to timetables management;
- 7.1.3.8.15. Connectivity to risk management.

7.2. Reports

7.2.1. Progress reports

The system will provide progress reports and alerts on delays in the periodic reports, reports on demand, status reports, project level reports, scheduled reports / reports on demand and executive reports.

7.2.2. Status reports

The system will supply daily status reports in connection with open tasks, risks according to rating and probability that they will occur and open deficiencies and status of work on the solution.

7.2.3. **Project level reports**

The ability is required to report a prism on the Project and report on the Project level in terms of timetable, budget, changes, deficiencies and more, jointly and separately.

7.2.4. **Scheduled reports /reports on demand**

All the reports in the system will be carried out according to:

7.2.4.1. A scheduled date for execution. Such date may be periodic (daily, weekly and so forth) or a predetermined date (the beginning of the month, end of a month and so forth); or

7.2.4.2. On demand - according to the type of the user and the level of authorizations.

7.2.5. **Executive reports**

The system will produce executive reports:

7.2.5.1. Summary reports;

7.2.5.2. Graphic reports;

7.2.5.3. An option for in depth reporting on demand;

7.2.5.4. An option to view the reports according to authorizations.

7.2.6. **Reports distribution**

The system will allow to define a distribution list for selected reports

7.2.6.1. An option to send the report to the distribution list;

7.2.6.2. An option to notify the distribution list that the report was produced.

7.2.7. **Additional requirements**

7.2.7.1. Aggregation capability;

7.2.7.2. Reporting on various levels;

7.2.7.3. Reports production on demand;

7.2.8. **Reports generator**

The solution will include a reports generator with screening and sorting capabilities. The reports will be carried out and issued pursuant to the permissions and positions

7.3. **BIM support**

General

The system will support BIM with a computerized model, three dimensional, that will be a digital representation of the true structure including all its characteristics and components.

The Project stages

The system will support the application, representation and update of the model and its components throughout all the Project stages from the preliminary planning stage until the completion of the Project and thereafter for the purpose of maintenance of the structure.

Layers / model

3D

7.4. Users management**General**

The system will include a module to manage all the users in the system.

User types

The system will be able to work with a number of users:

- 7.4.1. Users on behalf of the Company (internal employees of the organization);
- 7.4.2. External users on behalf of the Management Venture and its partners (the consultants' team and the service providers).

The system will allow various definitions and permissions and tracking of all the user types.

Users definition

The system will allow, as much as possible, a personal user for anyone that works in the Project without using a generic user for employees. If a generic user must be used, such user will be assigned a complex password 12 characters long at least. A work procedure will be determined for this type of account. The system shall enable determining the validity for a user.

Work concurrently

The system will support and manage the following cases:

- 7.4.3. Management of concurrent work of several users on the same components in the Project, plans, documents, timetables and so forth. Including locking and saving of the last update.
- 7.4.4. The system will save exactly for each user what the user updated, where and why.

The system will report on demand for each of the system components who changed, what was changes and when.

Management of permissions

Here are the functional requirements:

- 7.4.5. A new user will be established in the system by the representative of the Management Venture after obtaining approval of the representative of the Company.
- 7.4.6. Subsequently, the Project manager may assign it to his project and defined appropriate permissions for it.
- 7.4.7. Permissions may be defined according to groups (for folders).
- 7.4.8. Individual permissions may be defined (for specific documents).
- 7.4.9. Individual users may be defined for each user, what it may update and what it may view.
- 7.4.10. The system will verify that a user cannot exceed its assigned permissions.

Users log in

If an AD server is not used, passwords will be handled as follows: The ability to enforce a varies system strength that including at least: Minimum required characters; Complexity; Restriction of password validity; Not repeating previous passwords and a lock out mechanism of users after several failed attempts.

Reports

The system will enable to produce a permissions report according to users, according to project and according to action.

Audit trail

The system will enable tracking of changes made in the system such as

- 7.4.11. Any change in the timetable
- 7.4.12. Other updates if possible

Volumes

A forecast of about 150 users (not concurrently).

7.5. Support of files / documents types

7.5.1. General

The system will support a user that can load, view and edit any file pursuant to the permissions levels defined in the permissions management module.

7.5.2. Folders tree

The system will support the filing of documents in a filing tree.

- 7.5.2.1. The Company will define a basic folder tree structure that will serve as default in every project.
- 7.5.2.2. The Project manager / the Company or anyone on its behalf may add sub-folders and define to the Project users different permissions pursuant to the permissions module.

- 7.5.2.3. A user may operate in a folder pursuant to appropriate permissions that were defined in the permissions management module.
- 7.5.2.4. The addition of folders and definition of permissions shall be performed by a system admin at the instruction of the Project Manager.
- 7.5.2.5. The permissions manager module shall be monitored by the system manager.

7.5.3. **File format types**

The system will support the following formats:

- 7.5.3.1. All the standard file types of Office 2000-2016 or higher (including ms project and outlook files)
- 7.5.3.2. Pdf format
- 7.5.3.3. All the standard file types of Autocad 2000-2018 and higher (including XREF, plt, dwf)
- 7.5.3.4. All picture file formats
- 7.5.3.5. All video file formats
- 7.5.3.6. Compressed formats zip, rar
- 7.5.3.7. GIS file formats: all the files related to formats SHP + mxd
- 7.5.3.8. CAD and BIM

The Management Venture will note whether there are constraints and/or restrictions for various file types that are not supported by the system.

7.5.4. **Indexing filing**

Each document will have an indexing fields list that will describe it. Here are the functional requirements:

- 7.5.4.1. The Company will define a basic fields list that will serve as default for each project.
- 7.5.4.2. Here are the field types that the system should support:
 - 7.5.4.2.1. Short text (up to 40 characters)
 - 7.5.4.2.2. Date (including support of date picker)
 - 7.5.4.2.3. Whole number
 - 7.5.4.2.4. decimal number
 - 7.5.4.2.5. Long text
 - 7.5.4.2.6. Closed values list (look up table)

- 7.5.4.3. The Project manager / the Company or anyone on its behalf may add fields beyond the basic fields list that was defined by the Company as set forth herein above.
- 7.5.4.4. It will be possible to define compulsory fields.
- 7.5.4.5. The user will be required to input values in the fields.
- 7.5.4.6. These fields will be available to the user through a built-in search function as well as in the file characteristics screen.

7.5.5. **Versions management**

The system will support the following functionality requirements:

- 7.5.5.1. Every update of the file creates a version.
- 7.5.5.2. The last version will be available for viewing by users, according to the permissions, for the documents management system. Older versions will be available for viewing as well and will be marked as such.
- 7.5.5.3. The user will be able to recover an older version instead of the current version but the system will not allow the two files (the old and the new) to be defined as the updated version simultaneously in the documents management system.
- 7.5.5.4. The user will have a clear indication as to the version number of the file.
- 7.5.5.5. The ability to restrict the deletion of files pursuant to permission.

7.5.6. **Viewers**

The system will allow viewing of all file formats (except files in compressed formats) directly from within the system without having to download the file to the local station. It is clarified that for the purpose of reducing the entrance of pathogens to the server, an AV mechanism must be integrated into the system.

7.5.7. **CAD support**

The Company instructs its users pursuant to their CAD specifications. The specifications are available for viewing on the website of the Company: <http://www.iroads.co.il/he/content/cad-standard>. The system will support the following functionality requirements:

- 7.5.7.1. CAD (dwg, plt, dwf) file format viewing capability

- 7.5.7.2. If reference files (Xref) are attached to the file the system will present the file in its full form. If a reference file is missing the system will alert to that fact.
- 7.5.7.3. The system will display data stored in modal space or a division to sheets in paper space.
- 7.5.7.4. Presentation of layers: Layers will be displayed according to their definition in the dwg file.
- 7.5.7.5. Hebrew support: The specifications of the Company defines the standard fonts to be used by the programs of the Company.
- 7.5.7.6. Support of blocks: blocks will be presented according to their definition in the dwg file.
- 7.5.7.7. **Notes (red lining):**
 - 7.5.7.7.1. The system will allow users to add notes and sketches (lines, points, polygons, text and so forth) on CAD files as a separate red lining layer.
 - 7.5.7.7.2. The user will be able to control the characteristics of the note / sketch (color, thickness, style, font, size and so forth).
 - 7.5.7.7.3. The user will be able to edit / correct the red lining layer (geometry and/or note / sketch characteristics).
 - 7.5.7.7.4. The user will be able to distribute the CAD files together with the red lining layer to other users in the Project so that the addressees will be able to view the CAD file together with the red lining layer.

7.5.8. **Documents search**

- 7.5.8.1. The system will allow documents search built in according to the index fields
- 7.5.8.2. The system will allow documents search based upon a free text search. The search will be carried out on all the index fields as well as the content in the body of the files (this section is relevant to ms-office files, mail files and pdf format files that are not scanned).

7.5.9. **Permissions in the documents management system**

- 7.5.9.1. Permissions to folders according to groups / users:
 - 7.5.9.1.1. **Viewing of the documents list**

- 7.5.9.1.2. **Viewing only:** The files may be opened in the system viewer only.
- 7.5.9.1.3. **Loading documents:** The user can add documents to a folder
- 7.5.9.1.4. **Creating a sub-folder:** A user will be able to create a sub folder
- 7.5.9.1.5. **Downloading files:** A user will be able to download files to its local machine, to edit them and to reload them with a different version.
- 7.5.9.1.6. **Version recovery:** A user will be able to recover a version
- 7.5.9.1.7. **Documents deletion:** A user will be able to mark a file as deleted (physical deletion of documents will not be allowed).
- 7.5.9.2. Permissions for a single document:
 - 7.5.9.2.1. A document will succeed the permissions of the folder automatically
 - 7.5.9.2.2. More stringent permissions may be added for a single document according to a list of users
- 7.6. The Company shall determine system definitions for material suppliers and immaterial suppliers, according to the system component. Furthermore, the Company shall provide responses to critical systems at the instruction of the national Cyber team in defining suppliers in the chain of supply.
- 8. **Operative requirements**
 - 8.1. **Performance**
 - 8.1.1. **General**

Here is the level of performance that is required from the supplier for the entire period of the services, whereby the performance set forth below will be measured according to the surfing speed using a bandwidth of 1.5MB or more:

All performance is required for at least 80% of the cases
 - 8.1.1. **Loading time of the system (time to be ready)**

8 seconds
 - 8.1.2. **Time to present a documents list (in the folders tree and/or a report)**

3 seconds

- 8.1.3. **Time to present a tasks list**
3 seconds
- 8.1.4. **Time to load a file of up to 10 MB to the system**
20 seconds
- 8.1.5. **Time to display an office / pdf file of up to 1 MB in the existing system viewer**
3 seconds
- 8.1.6. **Time to display a CAD and BIM file (including x-ref) of about 80 MB (about 80 files) and the existing system viewer**
1.5 minutes
- 8.2. **Backup**
 - 8.2.1. **General**
The system will provide a response for business continuity (BCP) and backup capabilities of the application and of the information.
 - 8.2.2. **Loading times from backup**
Up to 48 hours
 - 8.2.3. **Backup and recovery plan**
The Management Venture will present the backup and recovery solutions of the solution

including recovery times, transition procedure from the main system to the backup system and back.
- 8.3. **Operation**
 - 8.3.1. **Installation**
 - 8.3.1.1. The Management Venture will ensure all the aspects of the installation
 - 8.3.1.1.1. the Management Venture serves and each one of the service providers that are included in the solution
 - 8.3.1.1.2. Local installations at the premises of the Company if required
 - 8.3.1.2. If the involvement of the Company in the installation process is required the Management Venture will notify of that and will coordinate it in advance with the Company.
 - 8.3.1.3. The Management Venture will describe the installation process and testing that it plans
 - 8.3.2. **Training**
 - 8.3.2.1. The Management Venture will plan and coordinate the training for the system according to groups with

process orientation / according to positions, according to the definitions of users in the system

8.3.2.1.1. Technical training is intended for support personnel

8.3.2.1.2. Business training for users

8.3.2.2. Obtaining training and assimilation software according to system components.

8.3.2.3. The training will be in Hebrew as well as in English

8.3.2.4. Obtaining training folders in Hebrew and English

8.3.2.5. The training will be coordinated sufficient time in advance prior to the commencement of the Project.

8.3.2.6. The training will be provided

8.3.2.6.1. in a frontal configuration in Israel

8.3.2.6.2. and will be available interactively for those that did not attend the training and/or to anyone who joined later on.

8.3.3. **Operations**

8.3.3.1. The system will be available to the users 24 hours a day, 7 days a week, 365 days a year. The maintenance and operation of the system will be carried out from the servers installed with the Management Venture (or with anyone on its behalf).

8.3.3.2. Issues and failures in the system will be resolved pursuant to the level of the issue

8.3.3.2.1. **Critical issue** that discontinues work - will be resolved within 4 hours

8.3.3.2.2. **Main issue** that prevents work only on part of the system or only on one project - will be resolved within one day

8.3.3.2.3. **Secondary issue** - will be resolved within 3 working days

8.3.4. **Support and upgrades**

8.3.4.1. Maintaining a support center and service and availability norms during working hours 8-17 according to Israel time.

8.3.4.2. **System monitoring** - the Management Venture (or the supplier maintaining the system on its behalf) will monitor that system so that malfunctions are discovered prior to the users of the website are exposed to them. For that purpose, the supplier will

maintain automatic monitoring tools. In addition, the supplier will carry out a “sanity” check once a day.

8.3.4.3. System upgrade: The Company will be entitled to version updates by the Management Venture or the supplier on its behalf, if any. If the shutdown of the system is required for the purpose of such updates this will be carried out in coordination with the representative of the Company at least 72 hours in advance.

8.3.4.4. Upgrades and patched intended to fix deficiencies at a high / critical level will be handled immediately.

8.3.4.5. Upgrade / maintenance will be carried out in coordination with the client, under its approval and after a survey of the consequences of the repairs that were carried out, their impact on the lateral processes in the system and the risk involved in carrying out / not carrying out the upgrade

8.3.5. **End of project processes**

8.3.5.1. **Contract termination:** If the contract is terminated for any reason whatsoever, the Management Venture will transfer to the client all the material accrued in an orderly manner on digital media.

8.3.5.2. **Accessibility to project data:** The Management Venture will allow the continued accessibility to the Project data also after its termination for any reason whatsoever

8.3.5.3. The Management Venture will describe the Project termination processes that exist in order to support the needs set forth herein above

9. **Testing and project samples in the system**

Attachment C - Presence of the Management Team Members in Israel

The Project Stage	Permanent stay	Stay of two weeks in a month	At least five to ten continuous working days per month⁴	At least four times during the project stage⁵	On call⁶
1.	<ul style="list-style-type: none"> ▪ The Project Manager ▪ Deputy Project Manager 	<ul style="list-style-type: none"> ▪ The Core Team Members 	<ul style="list-style-type: none"> ▪ Security Consultant ▪ Communications Consultant ▪ Fuel and Energy Consultant ▪ Safety Consultant ▪ Acoustics Consultant 		the other Management Team Members
2.	<ul style="list-style-type: none"> ▪ The Project Manager ▪ Deputy Project Manager 	<ul style="list-style-type: none"> ▪ The Core Team Members 	<ul style="list-style-type: none"> ▪ Information and computerization systems consultant ▪ Fuel and Energy Consultant ▪ Acoustics and Noise Consultant ▪ Safety Consultant ▪ Security Consultant 		the other Management Team Members
3.	<ul style="list-style-type: none"> ▪ The Project Manager ▪ Deputy Project Manager 	<ul style="list-style-type: none"> ▪ The Core Team Members ▪ Security Consultant ▪ Fuel and Energy Consultant ▪ Safety Consultant ▪ Program Consultant ▪ Information and computerization systems consultant 			the other Management Team Members

⁴ and during the other working days in such month, presence as may be required.

⁵Stay of at least five (5) to ten (10) continuous working days in a month each time

⁶with prior notice of five (5) days in advance at least prior to their required arrival date

		<ul style="list-style-type: none"> ▪ Communications Consultant 			
		Control Systems Consultant			
4.	<ul style="list-style-type: none"> ▪ The Project Manager ▪ Deputy Project Manager 				All Management Team Members
5.	<ul style="list-style-type: none"> ▪ The Project Manager ▪ Deputy Project Manager 		The Core Team Members		the other Management Team Members
6.	<ul style="list-style-type: none"> ▪ The Project Manager ▪ Deputy Project Manager 				The Core Team Members and the other Management Team Members
7.			<ul style="list-style-type: none"> ▪ Land Aviation Infrastructure Planner ▪ Air Aviation Infrastructure Planner ▪ Security Consultant ▪ Safety Consultant ▪ Information and computerization systems consultant ▪ Communications Consultant ▪ Control Systems Consultant 		All Management Team Members

- (1) Airborne Aviation Infrastructure Designer
- (2) Ground Aviation Infrastructure Designer
- (3) Economist;
- (4) Commercial Operation Consultant;
- (5) Aviation Operation Consultant;
- (6) Program Consultant;
- (7) Architect; and
- (8) Transportation Consultant

The “**Core Team Members**”

ATTACHMENT D – CONTENT OF THE OPERATIONAL-FINANCIAL MODEL

The Consultant shall be required to submit a document for the initial design, operational and financial aspects of the supplementary airport in the location or locations that shall be specified (hereinafter: the “**Operational-Financial Model**”).

ISRAELI AVIATION SECTOR –KEY STATISTICS AND BACKGROUND INFORMATION

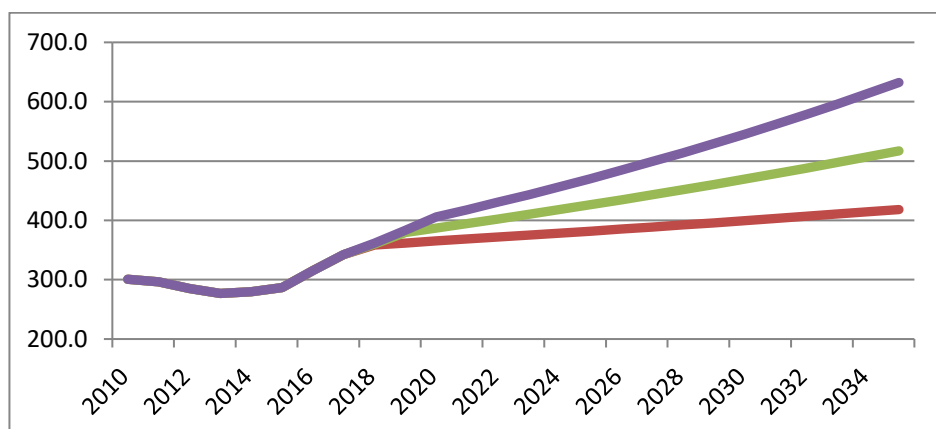
1. In 2018, the annual international passenger traffic at Ben-Gurion International Airport (TLV) was approximately 22.36 million passengers in comparison to annual international passenger traffic of 12.2 million in 2011. These figures represent a cumulative increase in annual international passenger traffic of 83.3% and an average annual increase of 11.9%. The overall passenger traffic at TLV in 2018 (including domestic flights) was almost 23 million passengers. TLV airport rapid growth results in congestion and in a necessity to develop a supplementary airport as early as possible. The annual revenue for airlines deriving from flights to and from Israel is roughly estimated at 6 billion USD in 2017.
2. Predicted international passenger traffic (in millions):

	2018 figures	2025	2035
Low	22.35	26.6	33.5
Intermediate		31.9	46.3
High		37.5	63.8

3. Passenger Forecast for the Airport

During its first year of operation, foreseen at 2028, the Supplementary Airport is foreseen to provide a solution for approximately 4 million passengers. The airport will be competing with two other International airports operated by the Israel Airports Authority (“IAA”). Ben Gurion Airport, Israel’s main airport, is foreseen to be serving at 2028 approximately 85% of the international traffic to and from Israel (with a maximum capacity of 36 million in 2028) and Eilat-Ramon Airport which will mainly serve traffic to the city of Eilat (approximately 3% of the international traffic to and from Israel with a maximum capacity of 4 million in 2028). The assumption for the average annual increase in passenger traffic at the supplementary airport is 5% per year from a base case of 4 million passengers during the first year of its operation. The assumption for the average annual increase in aircraft movements at the airport is 4% per year from a base line of approximately 30,000 aircraft movements during the first year of operation.

4. Three scenarios for predicted air-cargo movement to and from Israel until 2035 (in thousands of tons):



POLICY GUIDELINES

5. The Project is an International airport that functions mainly as a regional airport attracting demand for flights to and from Europe and the Mediterranean Basin, up to 6-hour flight (Helsinki, Dublin). The Airport is intended to specialize in low-cost flights and narrow body aircrafts, in terms of infrastructures, facilities and all other aspects.
6. The airport is intended to accommodate the following types of activities, ranked in the order of importance:
- 6.1. Scheduled international flights;
 - 6.2. Charter flights and non-scheduled international flights;
 - 6.3. Domestic flights;
 - 6.4. Optional: Full-Cargo flights, cargo activity in passenger aircraft (combination);
 - 6.5. Aircraft maintenance for relevant type of activities;
 - 6.6. General Aviation flights including executive jets, small aircrafts, helicopters, flight training etc.
7. Critical (reference) Aircraft and Potential Airlines

The airport should be used mostly to service Low Cost Carrier airlines (the “LCC”). The airport should be designed in a manner which will allow airlines a quick turnaround time per aircraft. In the conceptual design of the airport’s ground and aerial infrastructures (including terminals), The consultant should put emphasis on functionality as well as reduction of construction and operational costs. The Critical (reference) aircraft for the operation of the airport shall be a narrow-bodied airplane with a capacity of 170 seats, such as Boeing 737 and its various models (including MAX) or the Airbus A320 and its various models (including the NEO model), as these

aircrafts are the most prevalent aircrafts in use by the potential airlines (including LCC's) and the potential destinations to be used from this airport.

8. Design Standards

The design and operation of the airport shall be in accordance with the SARPS of Annex 14 Volume I of the 1944 Convention on International Civil Aviation (Chicago Convention) and the ancillary documents of the International Civil Aviation Organization (ICAO). The airport shall comply mainly with 4C aerodrome reference code for infrastructure planning. The airport will be fully instrumental including 3D approach systems.

9. Tradeoffs

The Operational-Financial Model shall analyze the various tradeoffs in the different possibilities detailed and specified in the Operational-Financial Model with regard to the design, operational and financial aspects of the Airport.

10. Combined Civil and Airforce activities

The Operational-Financial Model should consider an airport built next to an existing active military Airforce base, assuming dual civil and military runway operation. The consultant should analyze similar situation case studies and present their approach for this specific situation.

11. Environmental Aspects

The Operational-Financial Model and methodology should consider environmental aspects such as noise and pollution reduction, bird movements, effect on nearby water reservoirs, nature reserves etc.

CONTENT OF SUBMISSION

The Operational-Financial Model shall include all the contents and requirements hereunder:

DESIGN REQUIREMENTS

12. Methodology and initial program

The Consultant shall present the methodology and overview for the complete airport and its components as listed below, by disciplines, responsibilities and timetable, in text and conceptual diagrams.

The Consultant shall be provided with initial materials from the IST and shall relate to it and provide feedback and advice regarding the compatibility of the draft statutory plan and specifications to the design and content included in the Operational-Financial Model.

The Operational-Financial Model shall include comments to the references of recommended components of the airport provided by the IST and complementary references, including various tradeoffs, such as the following:

Airside / non-terminal:

- 12.1. Runways – number, orientation, length, width;
- 12.2. Taxiways – number, length, width;
- 12.3. Runway exits;
- 12.4. Apron – aircraft stands – number, types, sizes, considerations and calculation methods;
- 12.5. ATC tower – location, height;
- 12.6. Rescue and firefighting facilities (RFF);
- 12.7. Aircraft Maintenance areas/structures;
- 12.8. Cargo facilities;
- 12.9. Energy Center;
- 12.10. GSE areas, employee parking and support areas;
- 12.11. CNS facilities;
- 12.12. Fuel supply and storage;
- 12.13. Other operational facilities;

Terminal

The Consultant will present a conceptual layout of the main passenger terminal, with emphasis as for the intention to serve mainly Low-Cost operation - showing its main components and processes, such as (the “Terminal Conceptual Layout”):

- 12.14. International and Domestic activities
- 12.15. Security and control points
- 12.16. Baggage handling
- 12.17. Allocation and zoning of departures, arrivals and transit traffic
- 12.18. Passport Control
- 12.19. Customs
- 12.20. Services, Commercial activities, Duty-Free, food services etc.
- 12.21. Passenger boarding facilities
- 12.22. Ground Transportation - private and public transportation interface;

The provisions of section 29 notwithstanding, the scale for the Terminal Conceptual Layout shall be at no less than 1:1000 scale (with enlargements at 1:500).

13. Flexible and Modular Development

The Consultant will propose a modular and flexible concept allowing for growth in aircraft and passenger movement in accordance with work assumptions regarding traffic that will be determined by the State. The consultant shall advise on a cost-effective

strategy for a modular development of the airport and the number of stages of development.

14. Civil-Military Integration

The Consultant will propose a methodology and operational document for the integration of civil and military airfields, based on similar precedents. For the purpose of the Document, it can be assumed that certain areas, buildings and infrastructure of the military base will be evacuated and relocated due to the needs of the civil area.

15. Cargo

The consultant should recommend whether to include all cargo activities in the airport, based on a financial, operational analysis and a cost-benefit analysis, and if such activities are recommended, The consultant should include appropriate all-cargo facilities in their design scheme.

16. International and Domestic Aviation

The Operational-Financial Model will include the methodology, solutions and all elements and processes incorporating both activities. The Operational-Financial Model shall strive to provide the most efficient and cost-effective solution for the incorporation of the various operation types.

17. Ground Transportation Infrastructure

The consultant shall be provided with an initial supporting ground transportation plan and shall relate to it and provide feedback and advice regarding the plan. The reference shall provide a financial, operational and cost-benefit analysis of the suggested supporting ground transportation infrastructure .

OPERATIONAL REQUIREMENTS

18. Operational Methodology

The Consultant shall outline, in text, tables and flow diagrams, the required processes for the main operational activities in the airport, such as aircraft process, passenger (international, domestic) arrival and departure process, luggage and hand baggage handling, GSE process, Security Process (according to international standards) etc.

The Consultant will identify which activities will be performed by the concessionaire and which by the airlines or outsourcing (e.g., operation of additional facilities near the airport, Air Navigation Service Provider (“ANSP”), meteorological services firefighting and rescue services, ground handling services, etc.). Operational activities will be developed by stages corresponding with the development stages of the airport.

19. Turnaround time

The Operational-Financial Model shall include an operational process including all activities supporting a turnaround time per aircraft, based on all the criteria above. The Consultant will be required to define the relevant turnaround time, recommended by it has it sees fit, while maximizing Airport efficiency with an emphasis on Low-Cost flights. The consultant shall prepare a Gant Chart detailing the procedures resulting in the recommended turnaround time.

20. Technological Systems

The consultant should present different types of technological systems which will be considered for all operation processes of the airport including but not limited to: GSE, ATC tower, fuel system, air navigation system, fire and rescue services, ground handling services, security and commercial activities.

21. Services Parameters and KPI's

The consultant shall analyze and recommend on the proposed service parameters required for both passengers and airlines, as well as the different inputs which will be required from the concessionaire based on such parameters.

22. Operation Hours and Noise abatement

The Operational-Financial Model shall include recommendations for reduction of environmental noise at the airport and its surroundings.

Special attention shall be given to relevant experience from similar projects.

FINANCIAL REQUIREMENTS

23. Costs Evaluation

The Operational-Financial Model shall include an initial cost estimate and evaluation for the construction, operation, maintenance and transfer of the airport during the recommended concession period.

24. Charging Mechanism

The consultant shall suggest the preferred charging mechanism for the airport and the role of the relevant regulator with respect thereto (i.e., will the fees & charges be determined by the regulator, by the operator under the supervision of the regulator or through a different mechanism). Special attention shall be given to relevant experience from similar projects.

25. Revenues from Additional Services

The consultant shall propose methods to increase the revenues of the concessioner from additional services (other than charges), as well as the methods for collection thereof.

Special attention shall be given to relevant experience from similar projects.

26. Other Commercial Revenues

The consultant shall suggest methods for quantification and analysis of commercial revenues throughout the operational phase (other than tolls charges and additional operational services).

Special attention shall be given to maximization of revenues from aviation and non-aviation services.

27. Competition with other Airports in Israel

The consultant shall advise on the means and methods through which the airport can compete with other airports operated by the IAA (i.e., Ben-Gurion Airport and Eilat-Ramon Airport). Such shall include an analysis of the competitiveness advantages and disadvantages of the airport vis-à-vis other IAA airports as well as recommendations for

enhancing the competitiveness of the airport. Special attention shall be given to relevant experience from similar projects.

28. Supervision

The Operational-Financial Model shall include recommended supervision and enforcement mechanisms of the applicable authority vis-à-vis the concessionaire.

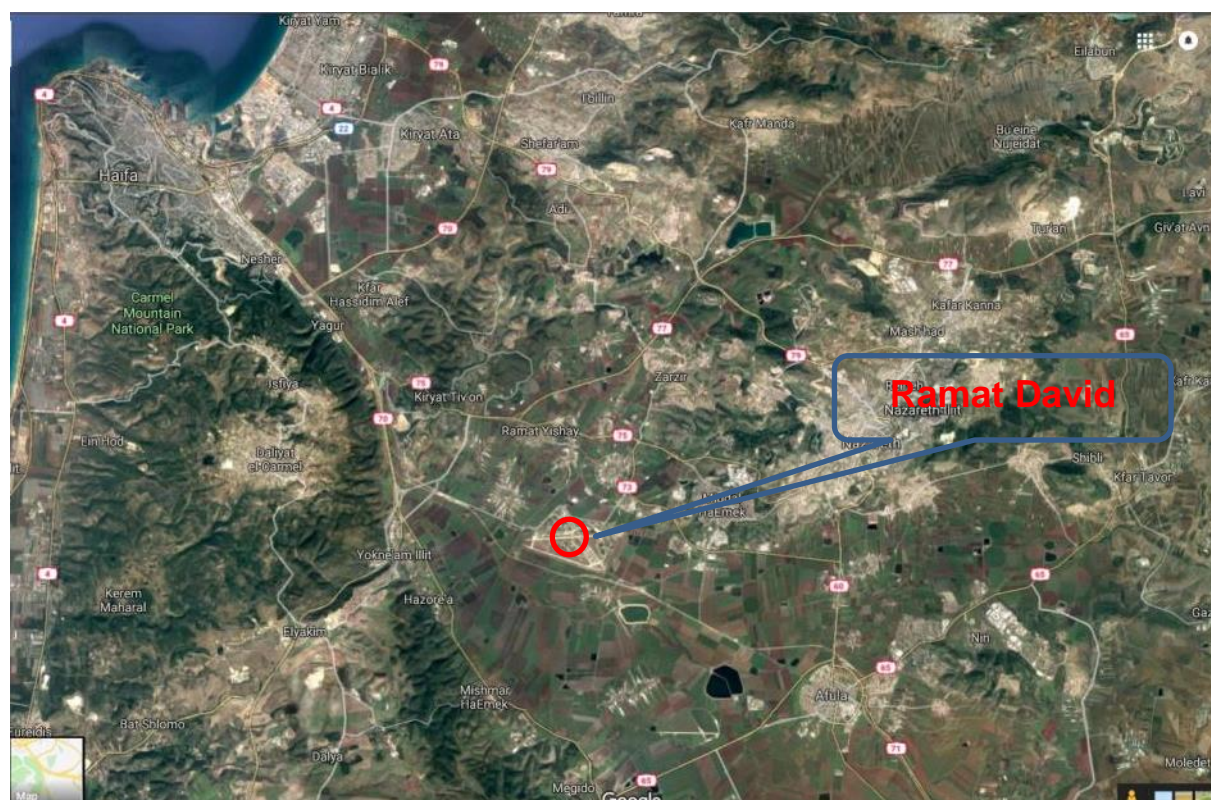
29. Schemes will be at 1:5000 scale, with enlargements at 1:2500 scale or more as necessary, excluding as set forth in Section 12 with respect to the Terminal Conceptual Layout.

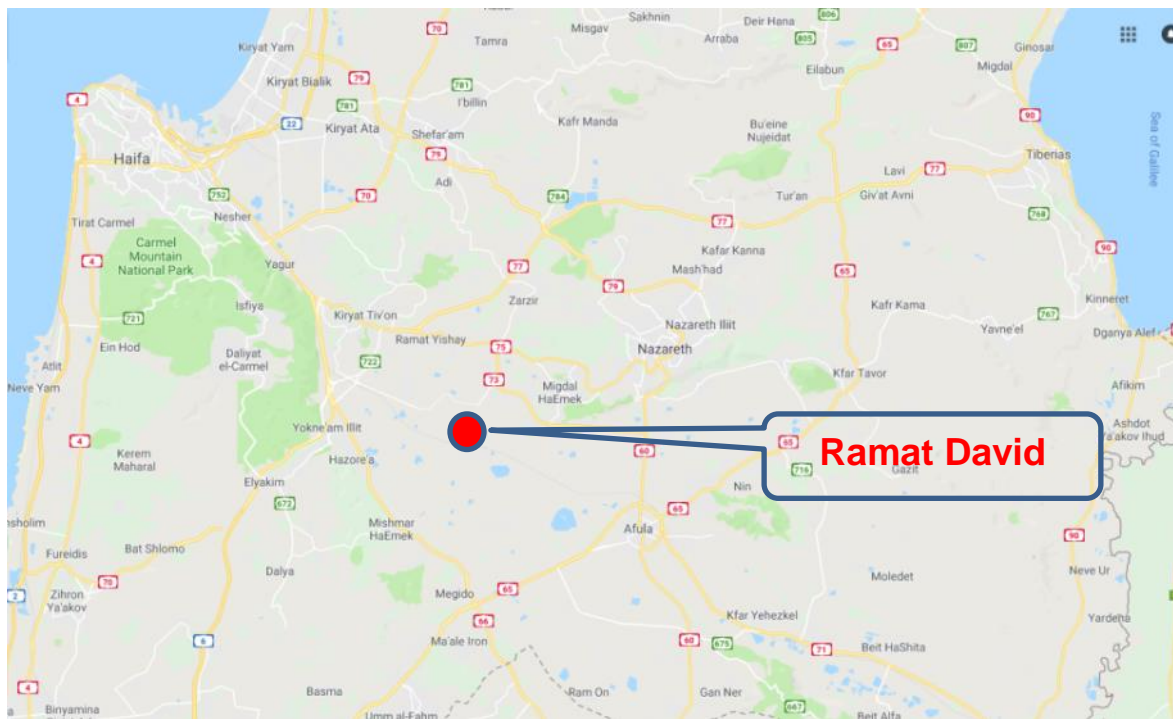
Attachment E – Maps of the Sites

Site Location

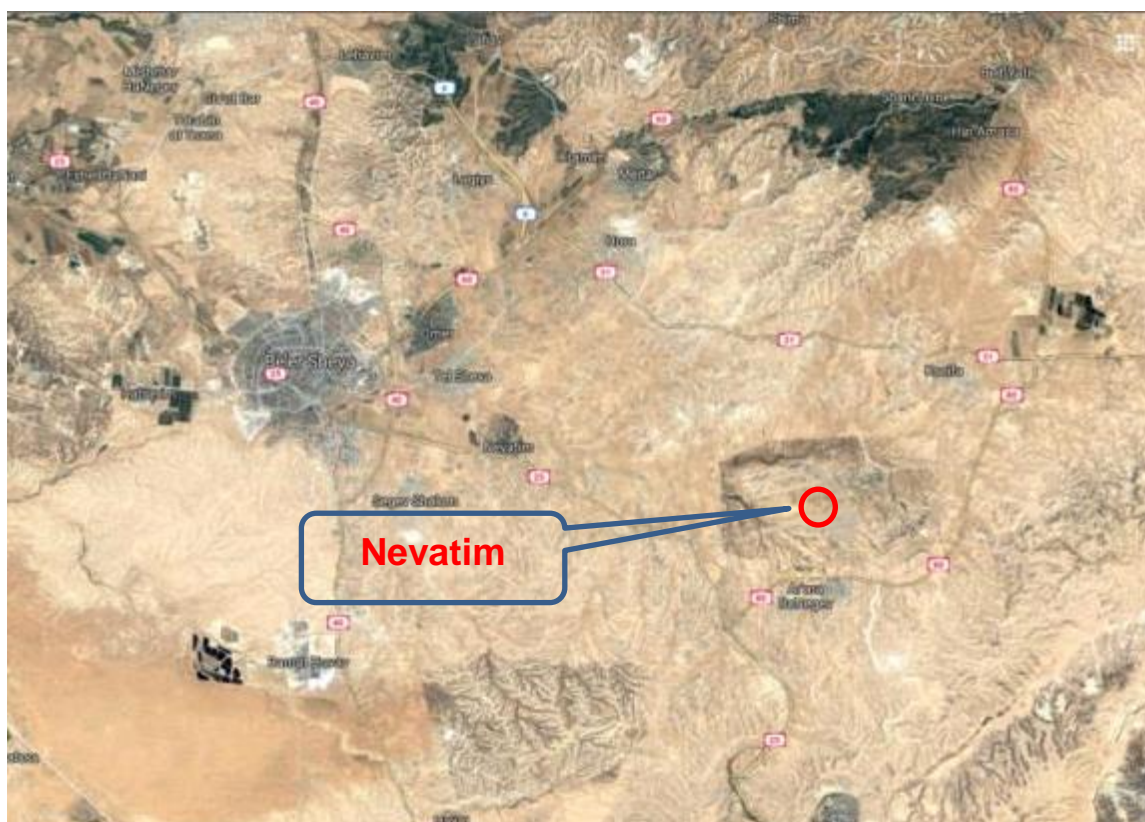


Ramat David Site





Nevatim Site





Attachment F - Balance Reports

Attachment F is available on the Website and is attached hereto by reference.

Appendix C – the Consideration

1. Payments to the Management Venture

- 1.1. In consideration for the fulfillment of its obligations pursuant to the Agreement to the satisfaction of the Client, the Management Venture will be entitled to receive consideration in the amount of _____ [a consideration in the amount of NIS 103,000,000 (one hundred and three million), in addition or discount of the rate offered by the Management Venture as part of the submission of Form "13" (the Price Proposal) at the Tender stage, marked as variable X]. The Client will pay to the Management Venture the Basic Services Consideration in installments, each part for executing and completing each Project Stage, as set forth in **Table A (the Project Stages and the Monthly Payment)** herein below (the "**Partial Payment**")
- 1.2. During the entire period commencing upon the commencement date of a Project Stage and terminating upon the date in which the Management Venture is required to complete such Project Stage, as set forth in **Table A (the Project Stages and the Monthly Payment)**, the Client will pay to the Management Venture an amount equal to X out of the Partial Consideration attributed to such Project Stage, divided into equal monthly installments, pursuant to the calculation formula, as set forth in section 2.1 of this appendix (the "**Monthly Payment**"). Upon the completion date of a Project Stage, pursuant to the provisions set forth in **Table A (the Project Stages and the Monthly Payment)** herein below and in relation to Project **Stage "2"** (Balance Report) - also pursuant to the provisions of **Table B (Secondary Project Stages)**, the Client will pay the partial consideration balance in an amount equal to 100%-X (one hundred points minus X) of the Partial Consideration attributed to such Project Stage (the "**Partial Consideration Balance**")

<u>Table A - the Project Stages and the Monthly Payment ("Preliminary Timetable")</u>				
Project Stage name and number	Rate of payment for completion of the Project Stage out of the Basic Services Consideration MS(pi)	Commencement date of execution of the Project Stage and entitlement to receive the Monthly Payment	Duration of time planned for completion of the main Project Stage (in months) DU(i)	The last date for Project Stage completion (in months commencing from the Signing Date)
<u>Stage no. 1</u> Preparation of the Operational-Financial Model	3.2%	Signing Date	3	3

<u>Project Stage “2”</u> Balance Report	4.2%	Completion of Project Stage “1”	3	6
<u>Project Stage “3”</u> Preparation of tender documents	21.7%	Completion of Project Stage “2”	16	23
<u>Project Stage “4”</u> Clarification questions	16.2%	Completion of Project Stage “3”	10	40
<u>Project Stage “5”</u> Inspection of the proposals			8	
<u>Project Stage “6”</u> Financial Closing	11%	Completion of Project Stage “5”	15	55
<u>Project Stage “7”</u> Advice to construction works	43.7%	Completion of Project Stage “6”	44	99

2. Monthly Payments

2.1. The formula of calculation of the Monthly Payment is set forth herein below:

$$MP(i) = [(X\% * CP * MS(pi) / DU(i)]$$

Where:

MP(i) = Monthly Payment

Stage no. 1X= 30%

Stage no. 2X= 0

Stage no. 3X= 70%

Stage no. 4X= 80%

Stage no. 5X= 80%

Stage no. 6X= 80%

Stage no. 7X= 90%

CP = the Basic Services Consideration

MS(pi)= rate of payment for the relevant Project Stage

DU(i) = the period of time (in months) planned for completion of the relevant Project Stage

2.2. It is clarified hereby that if the duration of execution of the Project Stage in fact is longer than the duration for completion of such Project Stage set forth in the table set forth herein above (hereinafter: the “**Additional Time to Complete the Project Stage**” or the “**Delay**”),

2.2.1. not by approval of the Client will not entitle the Management Venture to any payment whatsoever during the additional time to complete the project stage; Whereas -

2.2.2. With approval of the Client pursuant to the provisions of the Agreement, the provisions of **Addendum 3** (Compensation Mechanism in the Event that the Timetables are Extended) to this addendum will apply.

2.3. It is further clarified, that if the Management Venture completes the Project Stage prior to the date set forth in the table herein above (that is to say, the period between the completion date in fact and the completion date set forth in **Table A (the Project Stages and the Monthly Payment)**, herein above (the “**Saved Period**”), the Management Venture will be entitled to receive to full Partial Consideration for completing the Project Stage, including the Monthly Payments for the Saved Period.

2.4. It is clarified hereby that the consideration that will be paid to the Management Venture for the stay in Israel of the Management Team Members that do not stay in Israel on a permanent basis, pursuant to the table attached hereto as Attachment C (Presence of the Core Team Members in Israel) to Appendix B to the Agreement, and who are not residents of the State of Israel (in this section: the “**Foreign Experts**”), will be carried out pursuant to the calculation of costs as set forth in Table no. 2 of Addendum no. 2 to this Appendix. The Management Venture will submit to the Client, not later than the second week of each calendar month, a forecast of expenses for flights and accommodation of Foreign Experts in relation to the following month. The Management Venture will be required to obtain the approval of the Client in advance for the stay in Israel of the Foreign Experts that are not Core Team Members. For the removal of doubt, it is clarified hereby that for such stay, no consideration will be paid for the Foreign Experts pursuant to Table no. 1 in Addendum no. 2 (except during the period of the first two years of operation of the Supplementary Airport, in which consideration will be paid for the foreign experts according to Table no. 1 and Table no. 2 in Addendum no. 2 of the consideration appendix.

3. Payments for completing a Secondary Project Stage

3.1. The payment calculation formula for completing a Secondary Project Stage is set forth below:

$$\text{SMS}(i) = (100\% - X) * \text{SMS}(pi) * CP$$

Where:

SMS(i) = Payments for completing a Secondary Project Stage

SMS(pi) = Rate of payments for completing a Secondary Project Stage

CP = the Basic Services Consideration

Table B - Secondary Project Stages				
number	Main Project Stage MS(i)	Main Project Stage rate MS(pi)	Secondary Project Stage SMS(i)	Secondary Project Stage rate SMS(pi)
1	<u>Project Stage “2”</u> Balance Report	4.2%	Approval of outline of Balance Report	0.84%
2			Obtaining final approval of the company for the Balance Report	3.36%
3	<u>Project Stage “3”</u> preparing the tender documents	21.7%	pre-qualification proceeding	4.34%
4			Preparation of tender documents	17.36%

4. Lien

To ensure the fulfillment of all the obligations of the Management Venture pursuant to the provisions of this agreement the Client will deduct an amount at a rate of five points (5%) of any payment due to the Management Venture pursuant to the provisions of this Appendix, all as set forth in Section 12.3 (lien) of the Agreement.

5. Linkage of payments

5.1. In this section:

“**Index**” shall mean the index comprises of the following indices basket, at the rates set forth below, pursuant to the price proposal set forth in Tender Form “13” (price proposal) submitted by the Management Venture in the framework of the Tender [to

be completed according to the Price Proposal in the Tender and delete the unnecessary]

___ points of the index will be comprised of the Consumer Price Index,

___ points of the index will be comprised of the Euro (European Monetary Union) rate of exchange,

___ points of the index will be comprised of the US dollar rate of exchange.

“Basic Index” shall mean the index known upon the Stage A Submission Date.

“Index Fluctuations” shall mean the difference between the Basic Index and the Effective Index.

“Effective Index” (1) For linkage of the Monthly Payment - the known index on the 15th of the calendar month in which the works paid in the bill were performed; (2) For the purpose of payment of the Partial Consideration Balance - the known index on the 15th of the calendar month in which all the work included in the relevant Project Stage was completed.

The Consideration under the Agreement shall be linked to the Index (as defined in this Section herein) and the payments amounts due to the Management Venture shall be updated accordingly, as detailed in this section below.

- 5.2. If it transpires on the date of payment to the Management Venture that the Base Index is different from the Effective Index, the amount of the payment to the Management Venture will be updated according to the rate of change in the Base Index.
- 5.3. The payment will be updated by multiplying the amount payable by the ratio between the Effective Index and the New Index.
- 5.4. It is hereby clarified that the amounts payable shall not be updated due to a period that exceeds the last date of completion of the Project Stage.

6. Consideration for Changes in the Scope and Contents of the Services

- 6.1. Under circumstances in which the Management Venture is entitled to receive payment from the Client for additional contents as set forth in section 9 (Additional Contents) of the Agreement, these will be determined based upon the inputs in fact that will be required to the Management Venture due to the change in scope and contents of the Services whereby in the calculation of such addition reductions in the contents of the services will also be taken into account.
- 6.2. These inputs will be determined according to the price lists for manpower work hours attached as Table no. 1 of **Addendum no. 2** to this appendix and pursuant to the following calculation:
 - 6.2.1. The relevant rate in relation to each relevant position holder multiplied by the working hours that were carried out by such relevant position holder.
 - 6.2.2. Notwithstanding the foregoing, payment for work that was carried out during one day will not exceed, in any event, the maximum daily rate set forth in the table in Addendum no. 2 and payment for work that was carried out within a month will not exceed, in any event, the maximum monthly rate set forth in the table in Addendum no. 2.

- 6.2.3. The consideration in relation to additional contents set forth in section 9.1.2 (Repeated Performance of Balance Reports and/or Sensitivity Analysis) to the Agreement, if the Client orders the execution of such contents, will not exceed in any event fifty point (50%) of the Partial Consideration payment for Project Stage “1” or Project Stage “2” (as the case may be).
- 6.3. Notwithstanding the provisions of this section 6.2 herein above, the consideration for management of availability promotion projects will be determined pursuant to the provisions of **Addendum no. 4** of this Appendix for contractor projects with an assessed scope of up to 25,000,000 NIS and according to **Addendum no. 5** for contractor projects with an assessed scope of 25,000,000 NIS or more (“**Nati’s Price List for Availability Promotion**”) deducted by ____% *[to be completed pursuant to the rate of discount offered by the Management Venture as part of the submission of Tender Form “13” (price proposal) at the Tender stage, for a total of NIS 8,500,000 (eight million and five hundred thousand), marked as variable Z]*.
- 6.4. Notwithstanding the aforesaid, the consideration to be paid to the Management Venture with respect to the Engineering Design Contents to be executed in accordance with the provisions of section 17.3 of the Agreement shall be determined as a percentage from the estimated value of the works to be designed, as follows:
- 6.4.1. **Initial Design** – one point eight percent (1.8%);
- 6.4.2. **Preliminary design** - one point five percent (1.5%);
- 6.4.3. **Detailed design** – two point seven percent (2.7%).
- 6.5. Notwithstanding the provisions of Section 6.2 above, the consideration for the management of the expropriations shall be paid in accordance with the provisions of **Addendum no. 6** of this Appendix.

7. Relocation Fee

To the extent that a foreign Project Manager shall be presented to the Company for approval, the foreign Project Manager shall be entitled to a one-time relocation fee in the sum of hundred thousand New Israeli Shekels (NIS 100,000) (“Relocation Fees”). It is hereby clarified that the Relocation Fee will be payable to the foreign Project Manager to the extent that it relocates to Israel during the Services Period, subject to the Company’s prior approval of the said relocation.

**Addendum no. 1 to the Consideration Appendix - Terms of Payment and General
Terms and Conditions**

1. Bill inspection and payment dates

Upon receipt the bill will be delivered to the inspection of the Client. The payment to the Management Venture will be carried out within forty five (45) days from the end of the month in which the bill was submitted provided that the bill was approved by the Company. If the Client discovers during the inspection of the bill that a material detail is missing or that a material condition for making the payment by virtue of the agreement was not fulfilled, it will return the bill to the Management Venture, will specify the deficiency that was found, and such bill will be deemed not to have been submitted to the Client and the amended bill, when submitted, will be re-inspected as set forth above. Any consideration unpaid until the last date for the payment of the bill (as detailed above) shall be paid to the Management Venture, if 30 days have elapsed from the said date plus Accountant General's arrears interest, provided that the delay is due to the sole responsibility of the Company and that the Management Venture submitted a written request for the payment of arrears interest. The Management Venture shall provide the Client a detailed bill that includes an explanation for the invoice, and the Management Venture shall indicate on the invoice as aforesaid the period of performance to which it relates and the number of this Agreement.

2. Providing the bill and the invoice to the Client

The consideration will be paid to the Management Venture in New Israeli Shekels. VAT will be added to each part of the Consideration. The payment of the consideration (including the VAT) will be made against tax invoice or invoice (if the billing date for VAT purposes is upon receipt of the consideration by the Management Venture). For the avoidance of doubt as long as the payment was made not on the basis of a tax invoice, the Management Venture undertakes to provide the Company with a tax invoice immediately after the payment. For the avoidance of doubt, it is clarified that a bill for a monthly payment for a calendar month shall be transferred to the Company during the following calendar month.

3. General

- 3.1. Without derogating from the general nature of the aforesaid, the Management Venture declares that the Consideration constitutes the comprehensive and full consideration for completion of the Services, for all the expenses of the Management Venture and that the Client will not be liable and will not pay to the Management Venture any additional consideration or reimbursement for carrying out the Services, all subject to the provisions of the Agreement.
- 3.2. The Management Venture will deliver to the Client a certificate as to management of books of accounts pursuant to applicable law and a certificate of exemption from withholding in the source. If the Management Venture does not provide a certificate of exemption from withholding in the source the Client will deduct from the consideration paid to a certificate of exemption from withholding in the source tax in the source at the rates obligatory pursuant to applicable law.
- 3.3. Without derogating from the aforesaid, the Management Venture undertakes to cause that every tax, charge and compulsory payment of any kind or nature whatsoever that apply to the Services will apply to the Management Venture and will be paid by it regularly and continuously and on time. For every demand submitted to the Client in

this context by any authority, the Client will be entitled to set off at any time pursuant to its absolute discretion such demand amount from any amount due to the Management Venture pursuant to the Agreement.

- 3.4. Pursuant to the demand of the Client, the Management Venture will provide to the Client or to anyone on its behalf, all the books, the bills and the other documents related to and pertaining the execution of the Services, including the registration of working hours and bookkeeping and in addition will provide any information and any explanation verbally or in writing, as may be required by the Client in connection with the records in such documents.
- 3.5. For the avoidance of doubt, it is clarified hereby that if the Management Venture does not comply with the dates set forth in the Preliminary Timetable, such delay may be deemed a breach of the provisions of the Agreement as set forth in section 14 (Breaches) of the Agreement.

Addendum no. 2 to the Consideration Appendix - Manpower Rates for Position Holders in the Management Venture

Table no. 1 - Price List for the Purpose of Additional Services

The amounts do not include VAT

<u>Israeli/foreign</u>	<u>Description</u>	<u>Hourly rate</u>	<u>Maximum daily rate</u>	<u>Maximum monthly rate</u>
Israeli	An engineer with over 15 years of experience	282 NIS	2,400 NIS	52,800 NIS
	An engineer with over 10 years of experience	247 NIS	2,100 NIS	46,200 NIS
	An engineer of a person with a relevant academic degree up to 10 years of experience	171 NIS	1,450 NIS	31,900 NIS
Foreign	An engineer with over 15 years of experience	€ 102	€ 867	€ 19,074
	An engineer with over 10 years of experience	€ 77	€ 655	€ 14,410
	An engineer of a person with a relevant academic degree up to -10 years of experience	€ 51	€ 433	€ 9,526

Table no. 2 - Stay Costs of Experts who do not Permanently Stay in Israel
The amounts do not include VAT

Round trip flight	\$ 855
Stay per day	\$ 170
hours monthly	\$ 2,550

Addendum no. 3 to the Consideration Appendix - Compensation Mechanism in the Event of Extended Timetable Pursuant to the Provisions of Section 7.5.2 of the Agreement

Project Stage name and number	Compensation mechanism	Payment of the Partial Consideration Balance upon completion of the project stage
<u>Project Stage “1”</u> Preparation of the Operational-Financial Model	No compensation	
<u>Project Stage “2”</u> Balance Report	No compensation	
<u>Project Stage “3”</u> Preparation of tender documents	No compensation	
<u>Project Stage “4”</u> Clarification questions	Commencing from the fourth (4) month of delay in completion of <u>Project Stage “5”</u> half (50%) of the Monthly Payment attributed to the stages of the project will be paid.	There is no change in the payment of the Partial Consideration Balance upon completion of <u>Project Stage “5”</u> .
<u>Project Stage “5”</u> Inspection of the proposals		
<u>Project Stage “6”</u> Financial Closing	Commencing from the fourth (4) month of delay - thirty points (30%) of the Monthly Payment will be paid.	There is no change in the payment of the Partial Consideration Balance upon completion of <u>Project Stage “6”</u> .
<u>Project Stage “7”</u> Advice to construction works	Commencing from the first (1) month of delay - forty points (40%) of the Monthly Payment will be paid during the first six months (months 1-6 of the delay), thirty-five points (35%) of the Monthly Payment during the second six months' period (months 7-12 to the delay), and thirty points (30%) of the Monthly Payment commencing from month thirteen (13) of the	There is no change in the payment of the Partial Consideration Balance upon completion of <u>Project Stage “7”</u> .

	delay until the termination of the Services.	
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Addendum no. 4 - The rates and milestones for payment for contractor projects with an assessed scope of up to 25,000,000 NIS

Fees for a project with a contracting scope pursuant to assessment of 0-15,381,000 NIS

Pre-planning management

<u>Milestone</u>	<u>%</u>	<u>Amount</u>
Completion of preliminary promotion of infrastructure and authorities	40	30,000
Completion of pre-planning - approval of the traffic engineer + approval of the professional agent to proceed with the detailed planning / closing the project	60	45,000
In total fees for pre-planning management 100%		75,000

Detailed planning management

<u>Milestone</u>	<u>%</u>	<u>Amount</u>
Completion of the final coordination of the planning components, the traffic arrangements, the permissions for road structures, completion of probes, drilling, coordination of infrastructure and authorities.	40	64,800
Completion certificate adjudication 3	40	64,800
Closing of all the contracts and engagements with	20	32,400

suppliers for the stage and opening of the top supervision stage (if necessary)		
In total fees for detailed planning management 100%		162,000

General: Regarding management planning 50% of each milestone the execution of which was repeated will be paid pursuant to the procedures of the Company

Execution management

- 47 thousand NIS per month.
- The timetable for execution will be determined upon the date of the adjudication committee and will be approved by the Designated Projects Wing Manager or anyone on its behalf

<u>Milestone</u>	<u>Rate in points</u>
Execution period	80%
Completion of final billing with the execution contractor and all the suppliers and granting a full completion certificate for the project	15%
Completion of the warranty period	5%

Updates in the effective execution duration If the timetable to carry out the project for the Contractor is updated by a decision made by the tender committee of Netivei Israel - National Transport Infrastructure Company Ltd. (be it an extension of the timetable or cutting it short), the Effective Execution Duration for the Project Manager will be updated, deducted by 15% of the timetable that was updated for which the project manager was not paid any fees (for example: For a project with an original duration of 10 months, if an extension of the execution duration is approved of more than 15% of such 10 months (that is to say more than 1.5 months), such 1.5 months will be on account of the project manager and without consideration, compensation or indemnification and only for the time period thereafter it will be entitled to monthly payment. If the Effective Execution duration is extended by 10% only the project manager will provide the full services during such month without any additional consideration, compensation or indemnification).

Extension of the execution duration If the duration of execution of the project is extended in fact beyond the planning and the tenders committee of Netivei Israel - National Transport Infrastructure Company Ltd. did not update or approve an update of the timetable for execution for the contractor - then, the project manager may request to bring the matter of update of the Effective Execution Duration to discussion in the engagements committee of

Netivei Israel - National Transport Infrastructure Company Ltd. It is clarified and emphasized that the Effective Execution Duration will not be modified even if the duration of execution of the Project in fact was extended, unless it is otherwise decided by the engagements committee of Netivei Israel - National Transport Infrastructure Company Ltd., pursuant to its exclusive discretion.

Fees for a project with a contracting scope pursuant to assessment of 15,381,001 through 25,000,000 NIS

Pre-planning management

<u>Milestone</u>	<u>%</u>	<u>Amount</u>
Completion of preliminary promotion of infrastructure and authorities	40	45,200
Completion of pre-planning - approval of the traffic engineer + approval of the professional agent to proceed with the detailed planning / closing the project	60	67,800
In total fees for detailed planning management 100%		113,000

Detailed planning management

<u>Milestone</u>	<u>%</u>	<u>Amount</u>
Completion of the final coordination of the planning components, the traffic arrangements, the permissions for road structures, completion of probes, drilling, coordination of infrastructure and authorities.	40	86,400
Completion certificate adjudication 3	40	86,400
Closing of all the contracts and engagements with suppliers for the stage and opening of the top supervision stage (if necessary)	20	43,200

In total fees for detailed planning management 100%	216,000
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General: Regarding management planning 50% of each milestone the execution of which was repeated will be paid pursuant to the procedures of the Company

Execution management

- 66 thousand NIS per month.
- The timetable for execution will be determined upon the date of the adjudication committee and will be approved by the Designated Projects Wing Manager

<u>Milestone</u>	<u>Rate in points</u>
Execution period	80%
Completion of final billing with the execution contractor and all the suppliers and granting a full completion certificate for the project	15%
Completion of the warranty period	5%

Updates in the effective execution duration If the timetable to carry out the project for the Contractor is updated by a decision made by the tender committee of Netivei Israel - National Transport Infrastructure Company Ltd. (be it an extension of the timetable or cutting it short), the Effective Execution Duration for the Project Manager will be updated, deducted by 15% of the timetable that was updated for which the project manager was not paid any fees (for example: For a project with an original duration of 10 months, if an extension of the execution duration is approved of more than 15% of such 10 months (that is to say more than 1.5 months), such 1.5 months will be on account of the project manager and without consideration, compensation or indemnification and only for the time period thereafter it will be entitled to monthly payment. If the Effective Execution duration is extended by 10% only the project manager will provide the full services during such month without any additional consideration, compensation or indemnification).

Extension of the execution duration If the duration of execution of the project is extended in fact beyond the planning and the tenders committee of Netivei Israel - National Transport Infrastructure Company Ltd. did not update or approve an update of the timetable for execution for the contractor - then, the project manager may request to bring the matter of update of the Effective Execution Duration to discussion in the engagements committee of Netivei Israel - National Transport Infrastructure Company Ltd. It is clarified and emphasized that the Effective Execution Duration will not be modified even if the duration of execution of the Project in fact was extended, unless it is otherwise decided by the engagements committee of Netivei Israel - National Transport Infrastructure Company Ltd., pursuant to its exclusive discretion.

Blueprints copying pursuant to stages

The fees of the project manager include production of sets as set forth below:

Blueprints copying for the pre-planning stage:

1. Three sets to the engineering and environment wing (out of which one set as products of the Project planning team - at the expense of the planners).
2. One set forth the safety survey - safety wing
3. One set for pre-planning control.
4. One approved final set.

It is hereby clarified that in projects that include statutory handling at the various committees, additional sets will be taken into consideration for such committees as set forth below:

1. Statutory approval of the local committee.
2. Statutory approval of the district committee.
3. Statutory approval of the district committee + National Outline Scheme.
4. Statutory approval of the National Infrastructure Committee (NIC).
5. Statutory approval of the National Council.

Blueprints copying for the detailed planning stage and for the tender:

1. Three sets to the engineering and environment wing (out of which one set as products of the Project planning team - at the expense of the planners).
2. One set forth the safety survey - safety wing
3. One set for detailed planning control.
4. One set for the maintenance wing.
5. One approved final set.
6. A project with a consultant team.
7. A project with a consultant team of the National Infrastructure Committee
8. One set for the control company.
9. About 15 sets per tender (this is an assessment only - pursuant to the number of sets that will be required for a specific tender).
10. Four sets for signing with the contractor and for delivery for execution.

It is hereby clarified that the addition to the consideration that will be paid to the project manager for blueprints copying in concession projects as set forth in subsections 1 through 10 herein above will be at a rate of 45% of the added consideration as set forth in the consideration appendix and its sub-appendices.

Blueprints copying for execution:

1. One set for quality control.
2. One set for control after execution.
3. Update of the planning during the execution stage.

General:

- **Partial billing** Notwithstanding the above, the project manager may submit partial billing for payment of part of the consideration for each milestone prior to the completion of such milestone, pursuant to the progress of the planning in fact, provided, however, that the approval of such partial billing will be subject to the discretion of the authorized agent in this matter in Netivei Israel - National Transport Infrastructure Company Ltd.
- **Incentive mechanism for early completion** - it is expressly clarified hereby that the Company may revoke the services order, for convenience, at the end of each stage in the project pursuant to the provisions of section 16.6 of the contract or alternatively, condition the contents of the services order for the following stage in the project by various conditions. In the framework, and as part of the provisions set forth herein above, the Company may, pursuant to its exclusive discretion, upon the issuance of each services order as well as upon the commencement date of each stage in the project, condition the provision of the services in such stage by the supplier by the application of mechanisms and provisions to cut short the timetables in the project, including corresponding mechanisms for liquidated damages (for any delay in the timetables by the supplier) and/or mechanisms that provide monetary incentives to the supplier (if the timetable is cut short), all pursuant to the discretion of the Company.

Addendum no. 5 - the rates and milestones for payment for contractor projects with an assessed scope of 25,000,001 NIS or more

In consideration for carrying out all the Services, in full and on time, the Supplier will be entitled to consideration, at the rates, upon the dates and pursuant to the other terms and conditions set forth in this appendix below:

The consideration for planning stage management - the consideration amount

- The consideration for planning management services will be determined for each stage of planning, and according to the characteristics of the planning and the scopes and of the contractor assessment of the Project (as known upon the date of issuance of each service purchase order), pursuant to the table set forth herein below (hereinafter, for each planning stage: the “**Consideration for Planning**”):

Project assessment in million NIS	Preliminary Planning	Preliminary planning excluding statutory provisions	District committee	the National Infrastructure Committee	Detailed planning	Detailed planning DB	DB contractor planning control
25 -50	102,746	244,255	537,815	Not applicable	460,447	Not applicable	Not applicable
50 -100	134,155	248,704	723,922	781,494	594,078	306,638	268,150
100 -150	187,817	348,186	1,013,491	1,094,092	831,709	429,293	400,609
150 -200	230,988	463,581	1,117,323	1,376,074	1,038,769	497,990	415,703
200 -300	296,984	596,033	1,436,558	1,769,238	1,335,560	640,272	534,475
300 -400	406,327	863,822	1,797,101	2,169,437	1,708,159	881,667	664,413
400 -500	474,048	1,007,792	2,096,617	2,531,010	1,992,852	1,028,611	775,148
500 -700	609,775	1,106,902	2,527,913	2,908,544	2,395,261	1,144,393	686,534
700-B1	711,404	1,291,385	2,949,232	3,393,302	2,794,471	1,335,126	800,956

* The contractor assessment in relation to the planning management is an assessment of contractor works that will be determined by the Company upon the initiation date of the Project and that will be updated from time to time pursuant to the decision of the various adjudication committees and does not include VAT.

* It is hereby clarified that the update of the assessment during the various adjudication committees will update the relevant fees for that particular stage only for which such assessment has been updated

* The consideration set forth for each planning stage does not include VAT

* The contractor assessment will be determined without including the handling component of “relocating infrastructure and nuisances” in the Project that were planned by way of third parties, that are not the Company.

* For providing management services during the planning stage for coordination and management of infrastructure and nuisances, for each infrastructure body, and for the detailed planning stage only, the Project Manager will be entitled to payment in the amount of 10,000 NIS, added by VAT, it is clarified hereby for the avoidance of any doubt, that under circumstances in which the Company is managing the planning works by itself, the Project Manager will not be entitled to payment for infrastructure and nuisances management. It is further clarified that no consideration will be paid for coordination and management services of infrastructure and nuisances at the preliminary planning and/or pre-planning stage.

* For management services during the execution stage, for construction, relocation and coordination of infrastructure (promotion of availability) the Project Manager will be entitled to payment in the total amount of 100,000 NIS. It is clarified hereby that the above-mentioned amount is for all the management works regardless of the number of infrastructure items and/or the bodies carrying out construction / relocation.

* For management of works of acoustic protection for an apartment the Project Manager will be entitled to payment as will be determined by the Company and updated going forward, and in any event the consideration will be paid during the detailed planning stage only (hereinafter: the “Consideration for Acoustic Protection”).

2. The consideration for planning - milestones for payment

The consideration for planning will be paid for each one of the planning stages pursuant to the milestones set forth below:

2.1. Preliminary planning milestones

- 2.1.1. 30% of the consideration for the planning - at the end of the first milestone (completion of the procedure to collect information and preliminary coordination with planning agents and competent authorities);

- 2.1.2. 25% of the consideration for the planning - at the end of the second milestone (completion of the procedure to plan preliminary alternatives for the route and approval of the preliminary planning report);
 - 2.1.3. 35% of the consideration for the planning - at the end of the third milestone (selecting the alternative for further planning - approval of adjudication committee no. 1);
 - 2.1.4. 10% of the consideration for the planning - at the end of the fourth milestone - closing of all the engagements and contracts with suppliers, consultants and contractors in the Project, including making and payment of final bills, providing reference in writing and supporting documents for any objection and claim by suppliers, if any, including production of a claims analysis document, as well as completion of all the obligations of the Project Manager for the purpose of obtaining a completion certificate for the planning stage.
- 2.2. Preliminary planning milestones
- 2.2.1. **Milestones for payment of consideration during the preliminary planning stage without management of statutory proceeding**
 - 2.2.1.1. 25% of the consideration for the planning - at the end of the first milestone (completion of the promotion and pre-coordination process of infrastructure and authorities);
 - 2.2.1.2. 35% of the consideration for the planning - at the end of the second milestone (approval of preliminary planning report for approval of the Company);
 - 2.2.1.3. 30% of the consideration for the planning - at the end of the third milestone (approval of adjudication committee no. 2 for the preliminary planning);
 - 2.2.1.4. 10% of the consideration for the planning - at the end of the fourth milestone - closing of all the engagements and contracts with suppliers, consultants and contractors in the Project, including making and payment of final bills, providing reference in writing and supporting documents for any objection and claim by suppliers, if any, including production of a claims analysis document, as well as completion of all the obligations of the

Project Manager for the purpose of obtaining a completion certificate for the planning stage.

2.2.2. **Milestones for payment of the consideration during the preliminary planning stage including management of ordinary statutory proceeding (not at the National Infrastructure Committee)**

- 2.2.2.1. 5% of the consideration for the planning - at the end of the first milestone (completion of the promotion and pre-coordination process of infrastructure and authorities and approval of geometry);
- 2.2.2.2. 10% of the consideration for the planning - at the end of the second milestone (submission of the preliminary planning report to the approval of Netivei Israel - National Transport Infrastructure Company Ltd.);
- 2.2.2.3. 10% of the consideration for the planning - at the end of the third milestone (approval of road drawing);
- 2.2.2.4. 10% of the consideration for the planning - at the end of the fourth milestone (approval of environmental survey);
- 2.2.2.5. 5% of the consideration for the planning - at the end of the fifth milestone (after the submission of the plan documents to the committee and the approval of compliance with the threshold requirements);
- 2.2.2.6. 17.5% of the consideration for the planning - at the end of the sixth milestone (publication of the plan for deposit);
- 2.2.2.7. 15% of the consideration for the planning - at the end of the seventh milestone (publication of the plan in the Official Gazette for validation);
- 2.2.2.8. 7.5% of the consideration for the planning - at the end of the eighth milestone (approval of preliminary planning report);
- 2.2.2.9. 10% of the consideration for the planning - at the end of the ninth milestone (approval of adjudication committee no. 2 for the preliminary planning);

- 2.2.2.10. 10% of the consideration for the planning - at the end of the tenth milestone - closing of all the engagements and contracts with suppliers, consultants and contractors in the Project, including making and payment of final bills, providing reference in writing and supporting documents for any objection and claim by suppliers, if any, including production of a claims analysis document, as well as completion of all the obligations of the Project Manager for the purpose of obtaining a completion certificate for the planning stage.

2.2.3. **Milestones for payment of the consideration during the preliminary planning stage including management of the statutory proceeding at the National Infrastructure Committee:**

- 2.2.3.1. 5% of the consideration for the planning - at the end of the first milestone (completion of the promotion and pre-coordination process of infrastructure and authorities);
- 2.2.3.2. 10% of the consideration for the planning - at the end of the second milestone (after submission of the preliminary planning report to the approval of the Company);
- 2.2.3.3. 5% of the consideration for the planning - at the end of the third milestone (congress);
- 2.2.3.4. 15% of the consideration for the planning - at the end of the fourth milestone (after submission of the plan documents to the National Infrastructure Committee);
- 2.2.3.5. 20% of the consideration for the planning - at the end of the fifth milestone (publication of the plan for deposit);
- 2.2.3.6. 10% of the consideration for the planning - at the end of the sixth milestone (plenum decision after discussion of objections);
- 2.2.3.7. 15% of the consideration for the planning - at the end of the seventh milestone (publication of the plan in the Official Gazette for validation);

- 2.2.3.8. 5% of the consideration for the planning - at the end of the eighth milestone (approval of the preliminary planning);
- 2.2.3.9. 5% of the consideration for the planning - at the end of the ninth milestone (approval of adjudication committee no. 2 for the preliminary planning);
- 2.2.3.10. 10% of the consideration for the planning - at the end of the tenth milestone - closing of all the engagements and contracts with suppliers, consultants and contractors in the Project, including making and payment of final bills, providing reference in writing and supporting documents for any objection and claim by suppliers, if any, including production of a claims analysis document, as well as completion of all the obligations of the Project Manager for the purpose of obtaining a completion certificate for the planning stage.

2.3. **Milestones for detailed planning / DB planning**

- 2.3.1. 25% of the consideration for the planning - at the end of the first milestone (completion of the final planning proceeding of the planning components, final traffic arrangements, authorizations for road structures, completion of probing, drilling, coordination of infrastructure and authorities, including undertakings for execution);
- 2.3.2. 20% of the consideration for the planning at the end of the second milestone - (completion of the detailed planning proceeding, approval of the planning of the execution stages, temporary traffic arrangements [in the detailed DB planning - traffic arrangements in principle]);
- 2.3.3. 10% of the consideration for the planning - at the end of the third milestone (completion of preparation of the material for the tender and transferring the material to the control of the Company);
- 2.3.4. 10% of the consideration for the planning - at the end of the fourth milestone (approval of adjudication committee no. 3, obtaining a completion certificate as well as completion of the regulation of availability of the land, including completion of relocation of infrastructure);
- 2.3.5. 10% of the consideration for the planning - at the end of the fifth milestone (approval of the control company and obtaining RFT);

- 2.3.6. 5% of the consideration for the planning - at the end of the sixth milestone (decision to publish a tender);
- 2.3.7. 10% of the consideration for the planning - at the end of the seventh milestone (after completion of the tender proceeding, participation in a contractor's tour, analysis of the proposals and a decision on selecting execution contractors and issuance of an order to commence works [in the DB specifications planning - the issuance of notice of the winning bidder]);
- 2.3.8. 10% of the consideration for the planning - at the end of the eighth milestone - completion of the final bill for the execution contractor in relation to the works to relocate infrastructure and additional contractor works that have begun prior to and/or during the detailed planning stage as set forth in section 8.2.18.2.1 herein below, as well as closing of all the engagements and contracts with suppliers, consultants and contractors in the Project, including making and payment of final bills, providing reference in writing and supporting documents for any objection and claim by suppliers, if any, including production of a claims analysis document, as well as completion of all the obligations of the Project Manager for the purpose of obtaining a completion certificate for the planning stage.

2.4. **Detailed planning control**

- 2.4.1. 10% of the consideration for the planning - at the end of the first milestone - approval of the planning in principle of the contractor;
- 2.4.2. 20% of the consideration for the planning - at the end of the second milestone - approval of preliminary planning for approval of the contractor;
- 2.4.3. 20% of the consideration for the planning - at the end of the third milestone - obtaining approval to carry out preliminary works;
- 2.4.4. 20% of the consideration for the planning - at the end of the fourth milestone - approval of the detailed planning of the contractor;
- 2.4.5. 20% of the consideration for the planning - at the end of the fifth milestone - obtaining permission for execution in the Project;
- 2.4.6. 10% of the consideration for the planning - at the end of the sixth milestone - closing of all the engagements and contracts of the contractor planning controllers.

3. **The consideration for planning - general provisions**

- 3.1. **Partial billing** Notwithstanding the provisions set forth in section 2 herein above, the Supplier may submit partial bills for payment of part of the

consideration for planning for each milestone, immediately prior to its completion, pursuant to the progress of the planning in fact. Approval of such partial bills, will be subject in any event to the approval of the Company in writing, that may, but in any event is not under obligation, approve payment of such partial bills (all of them or any part of them).

- 3.2. **Partial billing pursuant to road segments / secondary stages** The Company may, pursuant to its exclusive and absolute discretion, order as to the circumstances in which a planning stage in the project will be divided into a number of road segments / separate secondary stages, so that the planning services for each such road segment / secondary stage will be granted separately and at a different time period (including under circumstances of change in the program for the entire project or for any part of the Project).

Under such circumstances, and subject to the approval of the Company for that purpose, the Supplier may submit bills for each milestone, pursuant to the segment / secondary section for which it provided services, pro rata the financial scope of the consideration for the planning relevant for such segment / secondary stage, out of the total consideration for the planning of such planning stage (hereinafter: the “**Partial Consideration Rate**”).

The Company only, will defined under the circumstances set forth above the relevant Partial Consideration Rate for each segment / secondary stage in the Project as well as the timetable for completing the planning services for each such segment / secondary stage in the Project.

- 3.3. **Changes during the planning stage** - the Company may order changes and/or additions to the contents of the Services at any stage of the planning stages of the Project. If the Company orders such changes and/or additions, the Project Manager will be entitled to update the consideration in the manner and subject to the terms and conditions set forth below:

3.3.1. If the contractor assessment for the Project is increased or decreased as a result of such change or addition to the planning, for which the Project Manager provided management services (for making such changes and/or additions), the update of the consideration will apply to such milestones only, in the amounts set forth below:

3.3.1.1. For milestones following the date of such changes and/or additions the known contractor assessment will be updated after making such changes and/or additions.

3.3.1.2. The total consideration that will be paid to the Project Manager for such milestone in which the change / additions were made will be determined by the Company and pursuant to its exclusive discretion

based upon the scope of the services which the Project Manager was required to provide, the stages in such milestone for which the Project Manager was required to provide them and subject to the provisions set forth in section 3.4.1.

- 3.4. **“Repeated management services due to re-planning”** - if the Project Manager is required to provide management services again due to re-planning, the Project Manager will be entitled to an update in the consideration in an amount that will not exceed 50% of the consideration specified for such milestone for which such re-planning was carried out. If the assessment is updated pursuant to such re-planning the consideration for the following milestones will be paid pursuant to the updated contractor assessment. A decision in this matter will be subject to the approval of the relevant wing director and the engineering wing director / engineering and development vice president. It is hereby clarified that for management of re-planning the Supplier will be entitled to payment of consideration only if the planner was paid additional consideration for re-planning and pursuant to the planning stages / the milestones for which it was paid.

- 3.4.1. It is expressly clarified hereby that notwithstanding the provisions of section 3.3.13.3.1 herein above, the Project Manager will not be entitled in any event to any additions to the consideration and/or to any consideration for changes and additions upon the occurrence of any of the following circumstances:

3.4.1.1. The Project Manager was not required to provide management services for the changes and/or additions made in the milestones for the planning;

3.4.1.2. The inspection of alternatives to any of the planning stages and/or changes and/or additions made in the framework of and/or as part of inspection of such alternatives;

3.4.1.3. Changes and/or additions made in any of the following milestones:

3.4.1.3.1. **Preliminary Planning.** During milestone 1 or milestone 2 and until the completion of milestone 3 of the preliminary planning stage (sections 2.1.1-2.1.3 herein above);

3.4.1.3.2. **Preliminary planning without a statutory proceeding** During and until the completion of

milestone 1 in the preliminary planning stage without management of the statutory proceeding (section 2.2.2.12.2.2.1 herein above);

3.4.1.3.3. **Preliminary planning including management of the statutory proceeding (excluding the National Infrastructure Committee)** During milestones 1, 2, 3, 4 and until the completion of milestone 5 of the preliminary planning stage including the statutory proceeding - not at the National Infrastructure Committee (sections 2.2.2.1-2.2.2.5 herein above);

3.4.1.3.4. **Preliminary planning including management of the statutory proceeding at the National Infrastructure Committee** During milestones 1, 2, 3 and until the completion of milestone 4 of the preliminary planning stage including the statutory proceeding including at the National Infrastructure Committee (sections 2.2.3.1-2.2.3.4 herein above);

3.4.1.3.5. **Detailed planning / detailed planning DB** During and until the completion of milestone 1 (section 2.3.1 herein above);

3.4.1.3.6. **Detailed planning control** The Project Manager will be entitled to receive additions to the consideration, only if the Company approved to the Project planning controllers to carry out re-planning.

3.4.1.4. If the changes and/or additions pertain to a required update in the contents of the planning then the Project Manager will be entitled to update the consideration, only if the Company paid to the planner additional consideration for the planning updates that it made and according to the planning stages / the milestones for the such additional consideration was paid. For the removal of any doubt it is expressly clarified hereby that the payment of additional consideration to the planner for updates of planning that it carried out, *per se*,

will not award the Project Manager a consideration update.

- 3.5. **Finality of consideration for the planning** The consideration amount for the planning for each one of the planning stages as set forth in the table in section 0 herein above will be the full, only and final amount for the full execution of the planning management services during the relevant stage of the Project and it will include all the costs and inputs of the Supplier for such services, direct and indirect, including providing all the office services that may be required to the Supplier and to anyone on its behalf, living expenses, field car, cellular telephone for each position holder of the Supplier, night work, working in dies non, as well as working during uncustomary hours and working in shifts, producing various reports and documents, participation in periodic training pursuant to the requirements of the Company, expenses for management of advice to claims as set forth in section 8.2.1 herein below, and in addition any other expense that may be required for providing the management services the subject of this agreement, all except for management of infrastructure and nuisances and for acoustic protection as set forth in section 1 herein above as well as for any blueprinting as set forth in section 3 herein below and for all other circumstances set forth in this section 6 only, for which it was expressly set forth that the Supplier will be entitled to update of the consideration for the planning stage, and pursuant to the terms and conditions set forth in the framework of such sections only.

It is hereby expressly clarified that the Supplier will not be entitled in any event to any payment, compensation or indemnification of any type or nature whatsoever for any delay / extension of the duration of any of the planning stages in the Project, for any reason whatsoever, regardless of whether it was approved by the Company or not, and without derogating from the entitlement of the Company to liquidated damages under circumstances in which the delay was caused due to an act and/or omission of the Supplier.

4. **The consideration for execution stage management - the consideration amount**

- 4.1. The consideration amount for the execution stage (including for the DB project), will constitute the multiplication of the rate of the execution value by the average value, as set forth in the consideration table herein below (hereinafter, respectively: the “**Consideration for the Execution Stage**” and the “**Consideration Table**”):
- 4.2.

The average value in million NIS	Execution
0.2	8.111%
0.4	7.436%
0.6	6.707%
0.8	6.010%
1	5.435%
2	4.969%
3	4.053%
4	3.642%
5	3.253%
6	2.949%
7	2.684%
8	2.577%
9	2.093%
10	2.071%
11	2.050%
12	2.030%
13	2.010%
14	1.992%
15	1.974%
16	1.956%
17	1.938%
18	1.922%
19	1.906%
20	1.892%
21	1.878%
22	1.874%
23	1.862%
24	1.850%
25	1.838%
26	1.826%

27	1.814%
28	1.801%
29	1.789%
30	1.777%
31	1.764%
32	1.752%
33	1.739%
34	1.726%
35	1.713%
36	1.701%
37	1.688%
38	1.675%
39	1.662%
40	1.648%
41	1.635%
42	1.622%
43	1.608%
44	1.595%
45	1.581%
46	1.568%
47	1.557%
48	1.547%
49	1.538%
50	1.530%

- 4.3. For the purpose of determining the consideration for the management services, pursuant to the table set forth in section 4.1 herein above, the following definitions will apply:

“Project Execution Value” - the monetary amount that will be determined in the works commencement order for the execution contractor in the Project revalued according to the road construction inputs index at a rate of 80% and to the construction inputs index at a rate of 20%, as of the month of September 2017 (in this appendix: the **“Work Commencement Order”**), whereby such amount does not include VAT.

Finality of the Project execution value It is expressly clarified hereby that even though the final amount that is paid in fact to the execution contractor for the Project may be higher or lower than the original engagement value with it, for various reasons (for example for payment of increased prices, increase or decrease or quantities, approval of deviations and such other monetary additions), the “Project Execution Value” for the purpose of determining the “Average Value” and the consideration rate to the Project Manager for the execution stage will not change, and will not be affected by the payment of increased prices to the execution contractor and/or any increase in any rate whatsoever in the scope of execution of the Project, be it in particular sections or be it in its entire scope (except its update due to adding or detracting structures, as set forth in section 5.3 herein below, and pursuant to the terms and conditions set forth in its framework).

- 4.4. The “**Effective Execution Duration**” the duration of time (in months) that is allotted to the execution of the Project, as set forth in the Work Commencement Order.
- 4.5. The “**Average Value**” - the revalued Project Execution Value divided by the number of execution months of the Project, pursuant to the Effective Execution Duration (as defined below).

5. **General provisions - the Project execution value, the effective execution duration and the average value**

- 5.1. **Update in the effective execution duration** If the timetable for execution of the Project is updated by a decision taken by the tenders committee of the Company, for a period of more than six months - then the Effective Execution Duration will be updated accordingly, and according to it the Average Value will be recalculated, and in if necessary, the consideration rate for the execution stage will be updated according to the updated Average Value.

Any payment on account of the updated consideration for each execution stage will commence in any event for the seventh month and going forward so that for an extension period of the Effective Execution Duration for a period of 6 months, the Supplier will not be entitled to any payment, compensation and indemnification (including an update of the consideration for execution management).

- 5.2. **Extended duration of execution (without an update by the tenders committee)** If the duration of execution of the Project in fact is extended beyond the Effective Execution Duration, but the tenders committee of the Company did not update or did not approve an update to the timetable for

execution by the Contractor - the Supplier may request the tenders committee to update the Effective Execution Duration for the Project management.

- 5.3. **Update of the Project execution value due to adding structures and detracting structure** Only under circumstances in which the Company decided, by way of the tenders committee only, to add additional structures to the Project (structures that were not included in the original scope of engagement, that are called herein above and below: the “**Additional Structures**”) or by detracting certain structures that were included in the original scope of engagement with the Contractor (hereinafter: the “**Detracted Structures**”), the Project Execution Value will be updated pursuant to the decision, and if necessary the total consideration rate for the Project Manager for the execution stage will be updated according to the updated Average Value. For the removal of any doubt it is hereby clarified, that the mere increase of quantities will not be deemed in any way as an additional structure for the purpose of this section. Inspection of an update of the Execution Value will be carried out by way of the relevant wing manager while making reference to the decision of the committee for engineering changes. The recommendations of the wing manager will be brought for discussion and determination before the tenders committee.
- 5.4. **The finality of the consideration for an execution stage and qualifications for such update of the consideration** The consideration amount for the execution stage will be the full, only and final amount for the full execution of the execution management services and it will include all the costs and inputs of the Supplier for such services, direct and indirect, including providing all the office services that may be required to the Supplier and to anyone on its behalf, living expenses, field car, cellular telephone for each position holder of the Supplier, night work, working in dies non, as well as working during uncustomary hours and working in shifts, producing various reports and documents, participation in periodic training pursuant to the requirements of the Company, expenses for management of advice to claims as set forth in section 8.2.1 herein below, and in addition any other expense that may be required for providing the management services the subject of this agreement, all except for blueprinting as set forth in section 66 herein above as well as for all additional payment as set forth in section [-] an any other circumstances as set forth in this section 55 only, for which it was expressly set forth that the Supplier will be entitled to update of the consideration for the execution stage, and pursuant to the terms and conditions set forth in the framework of such sections only.

Without derogating from the general nature of the above, it is hereby expressly clarified that the Supplier will not be entitled in any event to any payment, compensation, indemnification and/or update of the consideration for the

execution stage under circumstances in which the execution duration is extended for a period of time not exceeding 6 months and/or that the extension of the timetable or the construction of additional structures arise from an act and/or omission of the Supplier, this without derogating from the entitlement of the Company to receive liquidated damages for the above.

- 5.5. **Several contractors / several stages of execution** The Company may decide, by way of the vice president for engineering in the Company or any other authorized agent on its behalf, during adjudication committee no. 3, whether the Project will be considered as one that is being carried out by way of several contractors (“**Several Contractors**”) and/or under a format of several execution stages (“**Several Execution Stages**”) and accordingly may decide to bifurcate or not to bifurcate the consideration for management of the execution stage.

5.5.1. If the Company decides to bifurcate the Project to Several Contractors or Several Execution Stages as set forth above the consideration will be paid to the Project Manager as set forth below:

5.5.1.1. For planning management - an addition at a rate of 10% will be paid for the detailed planning stage only.

5.5.1.2. For the planning control stage (in DB projects only), an amount of 400,000 NIS will be paid for each bifurcated stage (contractor). It is clarified hereby that no consideration will be paid for the bifurcation of execution stages.

5.5.1.3. For execution management - the consideration will be paid for each stage / each execution contractor, separately as if each stage / contractor is a separate project, deducted by a discount of 20%, all in addition to any other discount that was granted by the Project Manager.

5.5.2. It is hereby clarified that carrying out works to relocate infrastructure and/or promote availability will not be considered as Several Contractors / Several Execution Stages even if these are executed by a number of contractors and during different times one from the other and from the main project.

- 5.6. Under circumstances where it was decided that the Project is not managed by way of Several Contractors / Several Execution Stages, one Average Value will be calculated or all the contractors / execution stages, as follows:

- 5.6.1. The Project **Execution Value** will be calculated as the sum total of the Project Execution Values of all the relevant contractors / execution stages combined.
- 5.6.2. **The Effective Execution Duration** will be determined as follows:
- 5.6.2.1. When the execution timetables of the contractors / the execution stages overlap (fully or partially), then the Effective Execution Duration will be the chronological period of time commencing from the work commencement date by the contractor / the first execution stage, until the work completion date by the contractor / the last execution stage (it is emphasized: The overlapping periods of time in the work of contractors / stages of execution will not be counted twice).
- For example: A work commencement order to contractor A / stage A orders the commencement of work on January 1 and an execution period of 4 months, and a work commencement order to contractor B / stage B orders the commencement of work on March 1 and an execution period of 3 months. The Effective Execution Duration will be 5 months.
- 5.6.2.2. When the timetable for execution of different contractors / execution stages represents a gap in execution periods not exceeding six (6) consecutive months, then the Effective Execution Duration will be the sum total of the timetable of each contractor / execution stage separately, without calculating the gap period.
- For example: A work commencement order to contractor A / stage A orders the commencement of work on January 1 and an execution period of 4 months, and a work commencement order to contractor B / stage B orders the commencement of work on August 1 and an execution period of 7 months. The Effective Execution Duration will be 11 months.
- 5.6.3. When the timetable for execution of different contractors / execution stages represents a gap in execution times exceeding six (6) consecutive months, then the Average Value will be calculated

for each contractor / execution stage separately, and the work of each contractor / execution stage will be deemed a separate “project segment” for the purpose of billing calculations with the Project Manager (including the submission of separate bills by the Project Manager for each “project segment”) and the provisions of section 5.5.1.3 herein above will apply.

- 5.7. **Temporary discontinuation of the works** If the works of the execution contractor are discontinued, for any reason whatsoever (including for reasons under the control of the Company), the parties will act as follows:

5.7.1. If the work discontinuation period does not exceed six (6) consecutive months - the rule set forth in section 5.6.2.1 herein above will apply, mutatis mutandis (without calculating the discontinuation period);

5.7.2. If the work discontinuation period exceeds six (6) consecutive months, then the Average Value will be calculated for each execution stage separately (without calculating the discontinuation period), and the work of the contractor in each execution stage will be deemed a separate “project segment” for the purpose of billing calculations with the Project Manager (including the submission of separate bills by the Project Manager for each “project segment”) and the provisions of section 5.5.1.3 herein above will apply.

In this context it is clarified that the “Project Execution Value” of the works prior to their discontinuation will be determined by the Company taking into consideration the execution items contained in the partial billing that will be approved to the contractor as of the date of discontinuation of works, whereas the Effective Execution Duration of the works prior to their discontinuation will be determined by the Company according to the execution duration in fact or pursuant to the decision of the tenders committee, according to the circumstances and pursuant to the discretion of the Company. The Average Value for the works that will be re-commenced after the discontinuation will be determined pursuant to the data set forth in the work commencement order to the execution contractor upon the re-commencement of the works.

- 5.8. **Removal of an execution contractor** If the work of the execution contractor in the Project is permanently discontinued, the Company may act according to one of the alternatives set forth below, pursuant to its discretion:

Alternative A - the Company may determine that the work of the Project Manager pursuant to this agreement will be restricted to the “project” as carried out until the removal of the relevant contractor. The total

consideration of the Project Manager for the execution stage will be updated pursuant to the Average Value that will be calculated according to the “Project Execution Value” and the “Effective Execution Duration” that will be determined by the tenders committee of the Company for the Project part that was carried out by the contractor until its removal.

Alternative B - the Company may determine that the work of the Project Manager pursuant to this agreement will apply also in relation to the work of an alternative execution contractor as it may select, and in such event the consideration for the execution stage will be calculated for the Project Manager according to the rules set forth in section 5.6 herein above.

- 5.9. **The appointment of a project manager during the Project** If the Supplier is appointed during one of the Project stages (preliminary planning / pre-planning / detailed planning / execution) (not at the beginning of the stage), then the necessary adjustments as regards the calculation of fees of the Supplier due to the date of commencement of its services will be as set forth in writing by the competent agents in this matter in the Company and the services order issued to it will note such details. It is hereby clarified that under the cases set forth in this chapter the consideration as well for Blueprints copying will be updated, mutatis mutandis.

Subject to any other provision that will be set forth in this matter in the agreement, the consideration for the Project Manager will be calculated in such case according to the following principles:

- 5.9.1. **Calculation of partial consideration for the planning stages** If the Supplier is appointed during one of the planning stages in the Project (preliminary planning, pre-planning or detailed planning), the authorized agent for that purpose in the Company will determine what are the milestones that were completed until the appointment date (and the Project Manager will not be entitled to the partial part that will be paid for them) and in relation to the milestones not yet completed - the authorized agent will determine what is the relative part of the milestone that was not yet completed, and the Project Manager will be entitled to the relative share of the consideration set forth in this appendix for such milestone.
- 5.9.2. **Calculation of partial consideration for the execution stage** If the Project Manager is appointed during the execution stage of the Project, the “Project Execution Value” will be calculated according to the value of the execution of the works that remained to be executed as of the appointment date. The “Effective Execution Duration” will be calculated as the original effective execution duration deducted by the number of work months that passed until the appointment date. The “Average Value” (the average monthly project execution value) will be determined according to these

values, and the consideration for the execution stage will be determined according to it.

- 5.10. **Terms of payment of the consideration for the execution stage:** The consideration for the execution stage will be paid in the manner, stages, and according to the rates set forth below:

- 5.10.1. A total of 85% of the consideration for the execution stage will be paid to the Supplier as a monthly payment, during the execution period of the Project (as defined in the work commencement order or as may be updated from time to time by the tenders committee, subject to the qualifications set forth in this section 5 herein above), whereby the monthly amount set forth above reflects the quotient obtained from the consideration for an execution stage by the number of execution months that constitute the “Effective Execution Duration”.

It is clarified hereby that the Supplier will not be entitled to payment for months in which it did not provide services, including under circumstances in which work were carried out in different stages, and there is a gap in the execution dates of each stage as well as in circumstances where the works were discontinued / suspended for any reason whatsoever.

- 5.10.2. Notwithstanding the provisions set forth in section 5.10.1 herein above it is clarified and emphasized hereby that the approval of the monthly payments will be subject to the discretion of the Company, and it may delay the rate of progress in the Project in fact, and in addition may delay the approval of the monthly bills of the Project Manager if there is a delay in the progress of the Project.
- 5.10.3. If the rate of the Project Execution Value is updated (due to an update of the Average Value) the Supplier will submit an updated **cumulative** monthly bill, and will attach to it references attesting to the updated values that constitute the basis for calculating the updated Average Value. The cumulative bill will set forth the total consideration due to the Supplier for the stage of execution until such date (according to the updated values), deducted by the total consideration that was paid to the Supplier until such date for such execution stage (according to the Average Value and the consideration rate prior to their update).
- 5.10.4. If the cumulative interim billing result is positive (that is to say - the Supplier is due additional payment) - such additional payment will be paid pursuant to the provisions of section 9.2 herein below.

- 5.10.5. If the cumulative interim billing result is negative (that is to say - the Project Manager was paid in excess) - then the Company may act in one of the following two alternatives, pursuant to its discretion:
- 5.10.5.1. Determine that the Project Manager will reimburse the Company the amount paid in excess within 30 days;
 - 5.10.5.2. Determine that the amount that was paid in excess will be full set off from the amounts that will be approved for payment to the Project Manager on account of the consideration in the upcoming months.
- 5.10.6. An amount of 7.5% of the consideration for the execution stage will be paid after the completion of the final billing with the execution contractor and issuance of a full completion certificate for the Project, without qualifications. Special provisions and additional conditions for payment of this milestone will be as set forth in the agreement.
- 5.10.7. An amount of 2.5% of the consideration for the execution stage will be paid after the issuance of a claims analysis document including supporting documents as set forth in section 8.2.1 herein below, the closing of all the engagements and contracts with suppliers, consultants and contractors in the Project, including making and paying the final bills as well as completion for the obligations of the Project Manager for the purpose of obtaining a completion certificate for the Project.
- 5.10.8. An amount of 5% of the consideration for the execution stage will be paid after the completion the longest warranty period in the Project including, completion of all the other obligation of the Project Manager (as set forth in sections 5.10.7 - 5.10.6), and four minutes with the contractor at the end of the warranty period and the release of the guarantees. Special provisions and additional conditions for payment of this milestone will be as set forth in the agreement.

Notwithstanding the provisions set forth in this section herein above, under circumstances that it was determined for the Project that different warranty periods will apply to different structures or different components, the total consideration set forth in this section will be divided into the relative part of the years of each

one of the warranty periods by the total amount of years of the warranty period in the Project. Such relative part of the consideration will be paid at the end of each relevant warranty year.

- 5.11. **Partial billing** Notwithstanding the provisions set forth in this section 55 herein above, the Supplier may submit partial bills for payment of part of the consideration for the execution stage for each milestone, immediately prior to its completion, pursuant to the progress of the execution in fact. Approval of such partial bills, will be subject in any event to the approval of the Company in writing, that may, but in any event is not under obligation, approve payment of such partial bills (all of them or any part of them).

6. **Blueprints copying**

- 6.1. The Supplier will be responsible for providing blueprints copying as an integral part of the execution of the services, and pursuant to the contents set forth below:

6.1.1. **Blueprints copying for the preliminary planning stage**

- 6.1.1.1. Three sets to the planning wing (out of which one set as products of the Project planning team - at the expense of the planners).
- 6.1.1.2. One set for the safety survey - chief traffic engineer.
- 6.1.1.3. One set for preliminary planning control.
- 6.1.1.4. One approved final set.

6.1.2. **Blueprints copying for the pre-planning stage**

- 6.1.2.1. Three sets to the engineering and environment wing (out of which one set as products of the Project planning team - at the expense of the planners).
- 6.1.2.2. One set forth the safety survey - safety wing
- 6.1.2.3. One set for pre-planning control.
- 6.1.2.4. One approved final set.
- 6.1.2.5. In projects that include statutory handling with the various planning committees, additional sets will be provided, as follows:
 - 6.1.2.5.1. Statutory approval of the local committee.
 - 6.1.2.5.2. Statutory approval of the district committee.

- 6.1.2.5.3. Statutory approval of the district committee + National Outline Scheme.
- 6.1.2.5.4. Statutory approval of the National Infrastructure Committee (NIC).
- 6.1.2.5.5. Statutory approval of the National Council.
- 6.1.2.5.6. If necessary, blueprints copying for environmental impact surveys.

6.1.3. Blueprints copying for the detailed planning stage and for the contractors' tender

- 6.1.3.1. Three sets to the engineering and environment wing (out of which one set as products of the Project planning team - at the expense of the planners).
- 6.1.3.2. One set forth the safety survey - safety wing
- 6.1.3.3. One set for detailed planning control.
- 6.1.3.4. One set for the maintenance wing.
- 6.1.3.5. One approved final set.
- 6.1.3.6. Additional sets as may be required for a project with a consulting team.
- 6.1.3.7. Additional sets as may be required for a project with a National Infrastructure Committee consulting team.
- 6.1.3.8. One set for the control company.
- 6.1.3.9. About 15 sets for the tender (assessment only - the final amount will be determined in each specific tender).
- 6.1.3.10. Four sets for signing with the execution contractor and for delivery for execution.

6.1.4. Blueprints copying for the execution stage

- 6.1.4.1. One set for quality control.
- 6.1.4.2. One set for control after execution.
- 6.1.4.3. Update of the planning during the execution stage.

6.1.5. Blueprints copying - the DB project

- 6.1.5.1. The preliminary planning stage - pursuant to the provisions of section 6.1.16.1.1 herein above.
- 6.1.5.2. The pre-planning stage including the preparation of the DB tender
 - 6.1.5.2.1. Three sets to the engineering and environment wing for adjudication 2 (out of which one set as products of the Project planning team - at the expense of the planners).
 - 6.1.5.2.2. One set forth the safety survey - safety wing
 - 6.1.5.2.3. One set for pre-planning control.
 - 6.1.5.2.4. One approved final set.
 - 6.1.5.2.5. Three sets to the engineering and environment wing for pre-tender adjudication (out of which one set as products of the Project planning team - at the expense of the planners).
 - 6.1.5.2.6. One set forth the safety survey - safety wing
 - 6.1.5.2.7. One set for detailed planning control.
 - 6.1.5.2.8. One set for the maintenance wing.
 - 6.1.5.2.9. One approved final set.
 - 6.1.5.2.10. One set for the control company.
 - 6.1.5.2.11. About 15 sets for the tender (assessment only - the final amount will be determined in each specific tender, without added payment).
 - 6.1.5.2.12. Four sets for signing with the contractor and for delivery for execution.

6.1.5.3. The detailed planning stage - under the responsibility and at the expense of the execution contractor under supervision of the Supplier.

6.2. The Supplier will be responsible to obtain the blueprints copying services only from blueprinting service providers that are approved by the Company and according to the price list binding upon such service providers in the framework of the engagement between them and the Company.

6.3. The consideration for blueprints copying

For copying blueprints, during all the planning and execution stages of the Project and in any method of execution of the Project, including the direct and/or indirect contacts with the blueprints copying service providers, and in addition any input and cost that are involved in this, directly or indirectly, the Supplier will be entitled to the full, final and only consideration, as set forth in the table below

Contractor assessment in million NIS (without infrastructure)	Preliminary Design in thousand NIS	Pre-planning in thousand NIS	Pre-planning including proceeding at		Detailed planning	Detailed planning DB	DB contractor planning control	Execution
			the district committee	the National Infrastructure Committee				
25 -50	5,000	10,000			20,000			25 -50
50 -150	20,000	50,000	100,000	150,000	50,000			50 -150
150 and up	50,000	100,000	150,000	200,000	50,000			150 and up

6.4. No addition will be paid for blueprints copying in the DB project

6.5. The payment for blueprints copying will be carried out together with the payment for the milestones.

6.6. If additional copies are required, they will be provided by the Project Manager without an additional consideration, unless under circumstances in which their copying is required due to changes and/or additions in the contents of the services for which an update of the consideration was carried out pursuant to the provisions of this appendix.

7. Linkage

Any payment carried out on account of the consideration to a supplier pursuant to this appendix (payment of the consideration for planning, payment of the consideration for the execution stage, except for payment for blueprints copying), will bear linkage differentials in relation to the consumer price index as published monthly by the General Bureau of Statistics or if such body discontinues such publication, an index identical in nature that will be published by another body (hereinafter: the “**Consumer Price Index**”), pursuant to the rate of change between the Effective Consumer Price Index and the Basic Consumer Price Index.

the “Basic Consumer Price Index” - will be determined as follows:

- A. For payment of the consideration for the planning - the Consumer Price Index known upon the last date to submit proposals in the individual request.
- B. For payment of the consideration for the execution stage - the Consumer Price Index known at the date of issuance of the works commencement order to the contractor]

the “**Effective Consumer Price Index**” - the last consumer Price Index known upon the effective date to submit the bills by the Supplier (as set forth in section 9.2 herein above).

8. Additional payments

8.1. Extraordinary works not included in the contents of the services

Notwithstanding anything to the contrary in the agreement and in this appendix, the Company is entitled to order the Supplier to carry out additional tasks that were unforeseen and that are not included in the tasks assigned to it pursuant to the services appendix. Under such circumstances only, the Company will be entitled to decide by way of the tenders committee to pay additional payments to the Supplier for carrying out such tasks, all pursuant to amounts, rates and dates as it may determine.

8.2. Payment for management and advice to claims

8.2.1. For advice to claims that will be filed by the Company and/or against the Company during the period of execution of the Project and until a no claims document (qualified or otherwise) is obtained from the execution contractor and/or suppliers and/or consultants employed in the Project, the Project Manager will not be entitled to additional payment except the one set forth in section 8.2.2. It is expressly clarified that as an integral part of the obligations set forth herein above in this section and without the Supplier being entitled for that to any additional consideration, the Supplier will be responsible for filing on behalf of the Company, at the end of each planning stage (if so required by the Company), as well as at the end of the execution of the works (prior to the commencement of the warranty period), a detailed report that reflects and analyzes the total claims and demands of the suppliers, the contractors and consultants in the Project, which includes reference and

recommendations as to each claim as well (hereinafter: the “**Claims Analysis**”). It is clarified that the Claims Analysis document, after approval of the Company, will constitute a condition for payment of the last milestone at each stage of the planning and/or execution.

- 8.2.2. For advice to actions after receipt of the no claims document (final or otherwise) on behalf of the execution contractor, the Project Manager will be paid a fee according to working hours that will be invested by it in fact, pursuant to the rate of consultants’ fee that will be relevant in Netivei Israel - National Transport Infrastructure Company Ltd. at that time.
- 8.2.3. In this context it is agreed that if in a judicial or a quasi-judicial proceeding it is determined that there were deficiencies in the functioning of the Project Manager under the relevant circumstances of a particular action, the Project Manager will reimburse the Company the payments that it received for management and advice to such action as set forth in section herein above, added by linkage differentials and interest (the interest of the Accountant General that is determined by the Accountant General of the Ministry of Finance). The provisions set forth herein above do not derogate for any relief or right of the Company under such circumstances, by virtue of applicable law or the agreement.

9. **Procedures for submitting bills, terms and conditions and dates of payment**

9.1. **Submission and approval of “wages analysis”**

- 9.1.1. A condition precedent to the submission of bills by the Supplier for each stage in the Project, is a “wage analysis” for such stage by the Company. Immediately after the first inception meeting in which the Supplier will attend (closely after its appointment), in each stage of the Project, the Supplier will submit an application for a wages analysis certificate, pursuant to the data that it has available at that time (including pursuant to the data defined at the inception meeting).
- 9.1.2. Until the submission date of the application for a wages analysis certificate the Company will not be under any duty to pay the Supplier pursuant to the agreement and the Supplier will not have any claim and/or demand against the Company, monetary or otherwise, in connection with this agreement in general and in connection with the payment of the consideration pursuant to this agreement in particular (including in the event that the Supplier

took action in connection with the Project and provided management services in fact until such date).

- 9.1.3. The Supplier will submit an application for a wages analysis certificate, in the framework of which it will provide all the relevant data for the purpose of calculating the wages for the relevant stage, the approved timetable or the timetable forecast, the relevant Average Value, the relevant milestones and their approved scope for the purpose of carrying out tasks by the Supplier and such other details as may be required to calculate the consideration due to the Supplier for each stage. All the data mentioned herein above will be submitted with the appropriate references (such as, and without derogating from: printouts, detailed assessments at the chapter level, minutes of adjudication committees or tender committees and so forth) approved in writing by the authorized agent in the Company.

In the framework of an application for a wages analysis certificate, the Supplier will provide details of the consideration analysis referring to the relevant stage in the Project (planning / execution) as well as the wages analysis referring to the payment for blueprints copying, in separate sections.

- 9.1.4. The application for a wages analysis certificate will be inspected by the Company pursuant to the provisions set forth in this appendix and the other provisions of the agreement. An “**Approved Wages Analysis**” signed by the authorized agents in the Company is a condition precedent to the submission of billing by the Supplier.

9.2. Terms and dates of payment

- 9.2.1. The Supplier will submit for the approval of the Company a bill in connection with the milestones for payment and/or for the monthly payment, as the case may be, pursuant to the instructions of the Client as may be provided from time to time (hereinafter: the “Billing Submission Procedure”), for all the works and services that it carried out during the period for which the bill is being submitted. Each bill will set forth the details set forth in the Billing Submission Procedure, including the agreement number, the stage for which the bill is being submitted and the relevant milestone (if any). If such details are not noted on the bill the Client may pursuant to its absolute discretion return the bill to the Supplier.
- 9.2.2. The Company may approve a bill, in whole or in part, or to approve it with qualifications.

- 9.2.3. It is clarified hereby that approval of a bill will not be evidence to the correctness of the items set forth therein, to the work noted in it having been carried out in fact pursuant to the agreement or to the calculation of the consideration pursuant to it.
- 9.2.4. Out of the amount approved for payment the Client may deduct any amount the deduction of which is expressly allowed in this agreement, if allowed, and the difference will be paid to the Supplier.
- 9.2.5. If a bill is submitted, the payment for it will be carried out within 45 days of the end of the month in which the bill was submitted, provided that it was approved by the Company. Any consideration not paid until the last date for payment of the bill (as set forth herein above) will be paid to the Supplier added by linkage differentials and interest, and if 30 days passed from such date - added by arrears interest, provided that the delay is caused by the exclusive liability of the Company and in addition that the Supplier submitted a written application for payment of the arrears interest.
- 9.2.6. Any payment paid to the Supplier will be deemed advance payment on account of the consideration only.
- 9.2.7. Upon termination of the services order, for any reason whatsoever, the parties will have a summary billing proceeding as follows:
- 9.2.7.1. The Supplier will submit a final bill for the consideration no later than 60 days of the date wherein the Client notified of the termination of the services order.
- 9.2.7.2. Payment of consideration that was approved will not be subject to any condition and/or qualification whatsoever. The Supplier undertakes to provide details of its monetary claims to the Client without such details restricting it in any way whatsoever in the event of a judicial proceeding.
- 9.2.7.3. It is clarified the from the payment of any part of the consideration the Company will be entitled to withhold and set off any relief, damage, compensation or indemnification that was caused to the Company as a result of an act or omission of the planner.

10. Value Added Tax

Each part of the consideration will be added value added tax pursuant to applicable law. The payment of the consideration (including the value added) will be carried out against a tax invoice or an invoice (if the charging date for the purposes of value added tax is upon receipt of the consideration) by the Supplier. For the removal of doubt, if the payment was carried out not based upon a tax invoice, the Supplier undertakes to provide to the Company a tax invoice immediately after payment.

11. **Contents**

For the removal of doubt, the provisions of this appendix are not relevant and will not apply to suppliers in projects that are a collaboration with the private sector (projects of the type PPP, BOT, PFI).

The consideration table for blueprints copying addition - appendix B2

The basic index for the above-mentioned consideration table: May 2007.

the "Average Value" (in million NIS)	Preliminary Planning	Pre-planning	Detailed planning	Execution
0.2	0.0433%	0.2167%	0.8669%	0.0650%
0.4	0.0397%	0.1987%	0.7948%	0.0596%
0.6	0.0358%	0.1792%	0.7169%	0.0314%
0.8	0.0321%	0.1606%	0.5620%	0.0281%
1	0.0290%	0.1380%	0.4792%	0.0254%
2	0.0266%	0.0996%	0.4381%	0.0166%
3	0.0243%	0.0910%	0.4003%	0.0152%
4	0.0174%	0.0599%	0.3597%	0.0136%
5	0.0156%	0.0535%	0.2434%	0.0122%
6	0.0141%	0.0397%	0.2206%	0.0088%
7	0.0129%	0.0361%	0.2008%	0.0080%
8	0.0123%	0.0270%	0.1928%	0.0077%
9	0.0122%	0.0267%	0.1373%	0.0076%
10	0.0121%	0.0226%	0.1358%	0.0057%
11	0.0120%	0.0224%	0.1344%	0.0056%
12	0.0089%	0.0222%	0.0961%	0.0055%
13	0.0088%	0.0147%	0.0952%	0.0055%

the “Average Value” (in million NIS)	Preliminary Planning	Pre-planning	Detailed planning	Execution
14	0.0087%	0.0145%	0.0944%	0.0054%
15	0.0086%	0.0144%	0.0719%	0.0054%
16	0.0086%	0.0143%	0.0713%	0.0053%
17	0.0085%	0.0106%	0.0706%	0.0053%
18	0.0056%	0.0105%	0.0700%	0.0053%
19	0.0056%	0.0104%	0.0590%	0.0052%
20	0.0055%	0.0103%	0.0586%	0.0034%
21	0.0055%	0.0068%	0.0582%	0.0034%
22	0.0055%	0.0068%	0.0580%	0.0034%
23	0.0054%	0.0068%	0.0577%	0.0034%
24	0.0054%	0.0067%	0.0573%	0.0034%
25	0.0040%	0.0067%	0.0569%	0.0033%
26	0.0040%	0.0067%	0.0432%	0.0033%
27	0.0040%	0.0033%	0.0430%	0.0033%
28	0.0039%	0.0033%	0.0427%	0.0033%
29	0.0039%	0.0033%	0.0424%	0.0033%
30	0.0039%	0.0032%	0.0421%	0.0032%
31	0.0039%	0.0032%	0.0418%	0.0032%
32	0.0026%	0.0032%	0.0415%	0.0032%
33	0.0025%	0.0032%	0.0412%	0.0032%
34	0.0025%	0.0031%	0.0409%	0.0031%
35	0.0025%	0.0016%	0.0406%	0.0031%
36	0.0025%	0.0015%	0.0310%	0.0015%
37	0.0025%	0.0015%	0.0307%	0.0015%
38	0.0024%	0.0015%	0.0305%	0.0015%
39	0.0024%	0.0015%	0.0303%	0.0015%
40	0.0024%	0.0015%	0.0300%	0.0015%
41	0.0012%	0.0015%	0.0298%	0.0015%
42	0.0012%	0.0015%	0.0296%	0.0015%
43	0.0012%	0.0015%	0.0293%	0.0015%

the “Average Value” (in million NIS)	Preliminary Planning	Pre-planning	Detailed planning	Execution
44	0.0012%	0.0015%	0.0291%	0.0015%
45	0.0012%	0.0014%	0.0288%	0.0014%
46	0.0011%	0.0014%	0.0286%	0.0014%
47	0.0011%	0.0014%	0.0284%	0.0014%
48	0.0011%	0.0014%	0.0282%	0.0014%
49	0.0011%	0.0014%	0.0280%	0.0014%
50	0.0011%	0.0014%	0.0279%	0.0014%

Addendum no. 6 - Service Fees for Handling Expropriations

1. Introduction

- 1.1. The tariff refers to all aspects of the real-estate in the Project stages – from the Project Development Stage and until the completion of payments for the expropriations, including advising on legal claims, managing the budget throughout the process and registering the title in expropriated real-estate to the State's name.

For the foregoing, the Project Manager shall receive consideration to be calculated as detailed below (the “**Service Fees for Handling Expropriations**”).

- 1.2. The Project Manager's Service Fees for Handling Expropriations shall be determined according to this tariff, based on the number of units acquired, with increments added to the Handling Fees for difficulty coefficients associated with further actions.

“**Unit of Acquisition**” means a parcel (or portion of a parcel) or block or plot (as divided by the ILA (Israel Lands Authority)) and/or division “in kind,” as applicable, according to the decision reached in this regard by the authorized agency.

- 1.3. In this chapter, the “**Authorized Agency**” means the agency authorized for the purposes of this chapter, as determined from time to time by Nitvei Israel – the National Transportation Infrastructure Company Ltd. (the “**Company**”). Until determined otherwise, the Authorized Agency is the Real-Estate Division Manager at Nitvei Israel.

- 1.4. The tariff is comprised of two parts:

- Base Service Fees;
- Increments to Service Fees for difficulty coefficients associated with further actions.

2. The Tariff

2.1. The base sum:

The base sum will be determined based on the type of Units of Acquisition included in the Project contents, in accordance with the following:

- Ordinary Units of Acquisition - ILS 3,600 (ILS three thousand six hundred)

- Units of Acquisition owned by the State - ILS 1,800 (ILS one thousand eight hundred)
- Units of Acquisition: Subterranean expropriations - ILS 1,800 (ILS one thousand eight hundred)

2.2. Increments

2.2.1. **Evacuating a business.** For parcels containing businesses (which are not agricultural processing) an additional ILS 7,000 shall be given x the share of the evacuation represented by the business, in percentages – for the business.

2.2.2. **Evacuating a residence.** For parcels containing residential structures, an additional ILS 10,000 shall be given x the share of the evacuation represented by the structure, in percentages – for each structure. With respect to a large complex containing many residential units/households/families, this may be calculated based on the number of households, subject to the approval of the Real-Estate Division Manager.

2.2.3. **Multiple owners.** In cases wherein there are multiple owners, an increment shall be granted based on the following formula: $ILS\ 201 \times A = (S - B \times 3)$

A – Multiple owner increment

B – Number of Units of Acquisition in the Project

S – Number of owners in the Project

2.2.4. **Handling expropriations among minority communities**

For **this** work, an increment shall be granted of 10% of the base sum for each Unit of Acquisition, residential home or business (as applicable) owned by minority communities.

2.3. Minimum Service Fees

In any event, it is clarified that the Increment for Handling Expropriations (in projects wherein the Project Manager is required to perform actions relating to expropriation) shall not be less than a sum of ILS 5,000 (the “**Minimum Service Fees**”).

3. Expropriations in Judea and Samaria

Notwithstanding the foregoing, it is clarified and emphasized that, as a rule, the expropriation of real-estate in Judea and Samaria will earn the Project Manager an

Increment for Handling Expropriations at a fixed and final rate, to be determined in advance by the Authorized Agency, and which in any event shall not exceed a sum of ILS 10,000 (ILS ten thousand) for each project. To avoid any doubt, the increments detailed above in Section 2 shall not apply to expropriations in Judea and Samaria.

In addition to the provisions of this Appendix, it is clarified that the payment of an Increment for Handling Expropriations for expropriations in Judea Samaria shall be paid subject to the Project Manager presenting the Authorized Agency with the relevant expropriation order, signed and approved by the authorized parties.

4. **Analysis of Fees**

4.1. A condition of payment of the Service Fees for Handling Expropriations to the Project Manager is the submission of a separate “Request to Approve Fee Analysis” for the handling of expropriations, for the Company’s approval. The Project Manager shall attach to the Request to Approve Fee Analysis, *inter alia*:

A. An approved Project content map.

B. A list of block and parcels, signed by a surveyor and an expropriations consultant.

4.2. The Project Manager shall file the Request to Approve Fee Analysis, as detailed above, which will be based on the existing figures and estimates with respect to expropriations in the Project at that time. The Fee Analysis approved based on said request shall be an estimated Fee Analysis. The final Increment for Handling Expropriations will be approved by the Company according to the precise figures concerning expropriations that will be available upon the conclusion of the expropriations process, and in accordance to a Request to Approve Final Fee Analysis that the Project Manager will submit, as a condition to transfer of the final payment, for Milestone 6, as mentioned in Section 5 below.

5. **Milestones for Payment of Service Fees for Handling Expropriations**

5.1. Service Fees for Handling Expropriations shall be paid to the Project Manager in several installments, in accordance with the following milestones:

1	Following the preparatory works stage (as stated in the expropriations procedure)	10%
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2	After preparing a detailed estimate, and its approval by the Compensation Board	10%
3	After the stage of seizure in fact	20%
4	After the completion of payment of compensation and claims, including budgetary arrangements (in the event that the payment/claims process is prolonged unreasonably, the professional agency may approve payment of this milestone)	35%
5	After completion of the registration process	20%
6	After completion of the entire process	5%
Total		100%

- 5.2. **Partial bills:** Notwithstanding the forgoing, the Project Manager will be permitted to submit partial bills for payment of a share of the consideration for any milestone, in accordance with the progression of the expropriation proceedings in fact; however, the approval of any such partial bills shall be at the sole discretion of the Authorized Agency.
- 5.3. To avoid any doubt, it is clarified that even if the entire Increment for Handling Expropriations is paid to the Project Manager after completing the registration process, it is emphasized that this does not excuse the Project Manager of its remaining tasks associated with the expropriations that are due to be performed following the registration (including, without limitation, tasks associated with investigation rightsholders' claims in connection with expropriation compensation and so forth).

APPENDIX D – DECLARATION AND UNDERTAKING LETTERS FORMS

(this letter will be filled out and submitted by each of the Management Team Members)

To

Netivei Israel - National Transport Infrastructure Company Ltd. (the “**Company**”)

3 Ariel Sharon Street

Or Yehuda, 6050001

Re: Tender 160/18 – for Consultant and Management Services - Construction of an International Airport Project- Letter of Declaration and Undertaking

I, the undersigned, _____ *[first name and last name]* holding identity card number _____ *[identity card number]* / holding a passport of _____ *[state of issuance of the passport]* number _____ *[passport number]*, undertake and declare hereby in addition to the duties and prohibitions applicable by virtue of applicable law, including the Penal Code, 1977, as follows:

A. Confidentiality

1. I am aware that for the purpose of my position in the framework of providing the services pursuant to the Consulting and Management Services Agreement (hereinafter: the “**Services**” and the “**Agreement**” respectively), I will be exposed to and will obtain information of the Company and I am aware that such information is one of the main and essential assets of the assets of the Company.
2. In this letter, the term “**Information**” means - any information and any data on the Company or in connection with the Company or the Project that is located in its offices or that is related to it or to its clients, employees or third parties with which the Company has a business relationship or other relationship, including any information in connection with the business of the Company, including and without derogating from the general nature of the above, documents and databases, computer programs, formulas, ideas, business plans or reports, on any media whatsoever, in writing or verbal, on magnetic or optic media or in any other form.
3. I undertake to maintain absolute confidentiality and will not disclose or transfer, directly or indirectly, to anyone and/or any body, including the employees of the Company to whom such information is not necessary in the course of their work, any information that I obtained and/or will obtain orally, in writing and/or in any other way and/or on any other media, in the framework of my service and the provision of the Services, be it directly or indirectly, including information created by me and/or information I obtained from others directly or indirectly related to the Company.
4. I undertake not to deliver or transfer, directly or indirectly, to any person or body whatsoever, any material, document, diskette and Information, as defined herein above, and not to make any use, directly or indirectly of the Information, in whole or in part, including reproduction, manufacturing, sake, transfer, distribution, modification, copying and emulation, except for the use required for the purpose of carrying out my duties and providing the Services, with consent of the Company, and for its benefit only.

5. I undertake to deliver to the Company any material and information that will be in my possession or under my control, related to the performance of my duties and to providing the Services, immediately upon the first demand of the Company, and in addition in any event of termination of my service, and regardless of the reason of termination of my service, immediately upon giving notice as to the termination of my service. I undertake to return to the Company also any other copy or, pursuant to the instructions of the Company, destroy / shred all the copies in my possession immediately upon the first demand of the Company.
6. I am aware that the breach of my obligations pursuant to this letter, in whole or in part, may cause the Company and bodies related to it very grave and irreversible damage for which financial compensation will not be an appropriate remedy and relief, and therefore I agree that the Company will be entitled, in the event of breach of any of my obligations pursuant to this letter, request the competent court to issue a temporary injunction and other orders against me in order to attempt and discontinue the breach.
7. Without derogating from the aforesaid, I undertake to compensate and indemnify the Company for any damage that will be caused to it or to companies related to it, including any loss or impairment to goodwill as a result of a breach of any of my obligations pursuant to this letter, this in addition to the entitlement of the Company to take legal action against me pursuant to applicable law.
8. I am aware that the Information and any part thereof constitutes information that is protected in the framework of the Protection of Privacy Law, 1981, and that the breach of any of the obligations pursuant to this letter may constitute a breach of the provisions of the above-mentioned law.
9. If I am required by virtue of a legal duty to present the Information to any third party whatsoever, I undertake to claim to privilege, and further undertake to notify the Company of receiving such demand immediately upon receipt to the extent possible by law in order for it to be able to claim against the delivery of such information.

B. No Conflicts of Interest

10. After having inspected and investigated to the best of my abilities, I declare and undertake that I or any of my family members do not have any personal interest or financial interest or any other interest that may be in conflict of interests or in apprehension of a conflict of interests with the interests of the Company or its activity, or to create an apprehension for such conflict of interests.
11. I declare and undertake that at all times when the engagement is in force as well as in any matter pertaining to the engagement, even if it is expired as the case may be as follows:
 - 11.1. I will notify to the Company immediately of any family ties or business ties with any of the employees of the Company or any other agent that may affect my engagement with the Company in the framework of tender no. 160/18 to provide consulting and management services in connection with the construction of the international airport (the “Tender”).
 - 11.2. In any event of apprehension of conflict of interests as set forth above I will notify the Company immediately while presenting the reasons for such apprehension. Only after obtaining the approval of the Company, if obtained, I may proceed with the engagement with the Company in the framework of the Tender.

12. If I am in a situation that may put me in apprehension of conflict of interests, I will notify to the Company of this without delay, and will deliver to it the relevant information in writing and will act pursuant to its instructions.
13. I undertake to refrain from any action that is or may contain apprehension of conflict of interests, directly or indirectly, and including refrain from providing services to any person or body that may put me in a position of conflict of interests or apprehension of conflict of interests with the Company. I undertake to notify immediately of any data or condition for which I may be in such conflict of interests, immediately upon learning of them, this in any stage of the stages of engagement with the Company.
14. The decision as to the existence of a conflict of interests in the event of affinity or connection with the agents set forth in this section will be inspected by the legal counsel of the Company and I undertake to accept its decision in this matter.
15. The provisions of this section do not derogate from my duty to refrain from any conflict of interests or apprehension of conflict of interests and from my duty to refrain from having any affinity or connection to such agents as may put me in a position of conflict of interests.
16. I am aware that the legal counsel of the Company will decide in the matter of existence or absence of conflict of interests or apprehension of conflict of interests and I undertake to accept its decision in this matter and including any decision to discontinue the engagement of the Company with me or to discontinue to ties (including business ties) that I may have with any such bodies.
17. Without derogating from the general nature of the above, I undertake not to be in a conflict of interests during the entire period of the Services and during any extension of this period.
18. I am aware that I am prohibited for as long as this agreement is in force to carry out any work whatsoever, directly or indirectly for anyone involved in the project other than the Company.

C. Moral code of conduct

19. I did not propose and will not propose, did not give and will not give, did not receive and will not receive, directly or indirectly, any benefit or money or any item of value with the purpose to influence, directly or indirectly, any decision, act or omission of the Company or of any office holder of the Company or employee of the Company or anyone on its behalf or any other agent, in connection with the engagement process between the Management Venture and the Company or in connection with the agreement or the Services in the framework of the agreement.
20. I did not solicit and will not solicit, did not cooperate and will not cooperate, directly or indirectly, with office holders in the Company or an employee of the Company or anyone on behalf of the Company or with any other agent: (1) in order to obtain confidential Information related to the Tender or to any agreement or order arising from it; or (2) with the purpose to determine prices or payments artificially or in a manner that is uncompetitive.
21. I hereby confirm and agree that in the event that reasonable apprehension arises that the Management Venture or anyone on its behalf acted in violation of the provisions set forth above, the Company may, pursuant to its exclusive discretion and at any stage

whatsoever, disallow the participation of the Management Venture in the Tender proceedings as to which apprehension arises of such violation (in this section: the “**Engagement Process**”) or in any other proceeding (including proceedings later to the Engagement Process) or not to accept its proposal in the Engagement Process or to revoke at any time whatsoever its winning in the Engagement Process or to revoke at any time whatsoever the agreement or the order arising from the Engagement Process, and the consultant waives any claim or demand, directly or indirectly, in connection the decision to revoke the winning, the agreement or the order of services or in connection with any other decision that will be determined by the Company.

22. I undertake to notify my employees, subcontractors, representatives, agents and anyone on my behalf involved in any way whatsoever in the Project, the Services or the agreement, of the contents of this section.

D. Providing the Services

23. I have read the Agreement and its appendices and I agree to all its provisions. Without derogating from the provisions of the Agreement, I undertake that during the Services period I will provide the Services which I am required to provide pursuant to the provisions of the Agreement.
24. I undertake to be available to the Company during working hours of the Company and in special cases in which this is required as a result of the nature of the Services even beyond working hours of the Company.
25. I know and I agree that in the event of rescission of the Agreement the Company may enter in the shoes of the Management Venture vis-à-vis the Management Team Members and continue to obtain the Services from the Management Team Members, without me having any claim in connection with the aforesaid.

E. General

26. My representations and declarations herein above are made out of my own good and free will.
27. I know that my obligations pursuant to this letter do not derogate from the provisions of applicable law and do not exclude them and they are irrevocable and not limited by time, and they will remain in force at all times from the signing date of this letter going forward, including even after the termination of my service for any reason whatsoever.
28. Without derogating from the aforesaid, I know that my obligations as set forth in this letter are material to the engagement between the Management Venture and the Company and that a breach of an obligation or a declaration pursuant to this obligation letter will be deemed a material breach of the Agreement.
29. The jurisdiction in relation to this obligation letter will be pursuant to the provisions of the Agreement.
30. The terms not expressly defined in this letter will have the meaning ascribed to them in the Agreement.

This is my name, this is my signature and the content of my affidavit is true.

First and Last Name

Signature

Date

Attorney certificate

I hereby certify by my signature:

That the undersigned was warned to declare the truth and that he / she will be subject to penalties pursuant to applicable law if he / she does not do so;

First and last name

Seal & Signature

Advocate license no.

Date

APPENDIX E – INSURANCE

1. The Management Venture undertakes that commencing from the Signing Date and throughout the Services Period, if the insurance certificate is about to expire or if the insurance period of one or more of the insurance policies included in the insurance certificate (the “**Insurance Policies**”) is about to terminate for any reason whatsoever, the Management Venture will deliver to the Company a good and valid insurance certificate signed by its insurers that will replace the previous insurance certificate no later than seven (7) days prior to the expiry of the previous insurance certificate and/or the validity of one or more in the Insurance Policies, without any need to receive any demand whatsoever from the Company. The delivery on time and the validity of the good and valid insurance certificate, signed by the insurers of the Management Venture for the entire Services Period constitutes a material condition of the Agreement.
2. For the removal of doubt it is clarified hereby that if the insurance certificate is not provided until the date set forth herein above, this will not impair the obligations of the Management Venture pursuant to the Agreement, including and without derogating from the general nature of the foregoing, any duty to pay any payment that applies to the Management Venture, and the Management Venture undertakes to fulfill all its obligations pursuant to the Agreement even if it is prevented from providing the Services for not presenting the insurance certificate on time.
3. The Company may, but is not under obligation, inspect the insurance certificate that will be provided by the Management Venture, and the Management Venture undertakes to carry out any change and/or Amendment that will be required to adjust the insurances the subject of the insurance certificate to its obligations pursuant to the Agreement. The Management Venture represents and warrants that the entitlement to review of the Company as regards the insurance certificate and its entitlement to order its amendment as set forth above, does not impose upon the Company and/or anyone on its behalf any duty and/or any liability whatsoever in connection with the Insurance Policies, their nature, scope and validity or the lack thereof, and does not derogate from any duty and/or liability whatsoever imposed on the Management Venture and anyone on its behalf pursuant to this Agreement and/or pursuant to applicable Law, regardless of whether it demanded the changes as set forth herein above or not, and whether it inspected the insurance certificate or not.
4. The Management Venture undertakes to fulfill all the terms and conditions of the insurances issued by it as obligatory under this Appendix, to pay the insurance fees in full and on time, to ensure and verify that the insurances of the Management Venture are renewed from time to time as necessary and will remain valid as long as it is under duty to issue the insurances as set forth in section 1 herein above, and in addition not to act to diminish and/or invalidate the insurance policies and to provide at the request of the Company certificates as to the payment of the premiums.
5. Upon making the final billing with the Management Venture for the Services and as a

- condition to it - the Management Venture will deliver to the Company a good and valid insurance certificate signed by its insurers that will remain in force for twelve (12) months after the execution date of such final billing between the parties and will include inter alia a discovery and reporting period of twelve (12) months.
6. Upon the occurrence of an event covered by any of the insurance policies, the Management Venture undertakes to notify of this immediately to the insurer and to the Company and undertakes to cooperate with them as may be required in order to realize such insurance policies including maintaining and realizing the rights of the Company pursuant to such insurances.
 7. The Management Venture undertakes to pay the insurance fees for the insurance policies in good order and fulfill all the terms and conditions of the insurance policies. For the removal of doubt, the Management Venture is exclusively liable to bear the payment of the insurance fees and the deductible amounts set forth in the insurances of the Management Venture.
 8. The Management Venture will bear, in any event, the deductible amount that applies pursuant to the insurance policies and in addition will bear any loss and/or damage and/or liability that are not covered under the Insurance Policies that will be caused due to any act and/or omission and/or error or omission of the Management Venture and/or the Management Team Members and/or anyone on their behalf. The Management Venture will be liable for uninsured damage that is under its liability pursuant to the Agreement and/or pursuant to applicable Law including damage that is below the deductible amount set forth in the Insurance Policies.
 9. The Insurance policies will be extended to cover the liability of the Company, of the State of Israel, of the Ministry of Transport and Road-Safety and their employees pursuant to this agreement and/or pursuant to any act or omission or error on behalf of the Management Venture and/or anyone acting on its behalf.
 10. The Management Venture undertakes to maintain and fulfill all the provisions of the insurance policies verbatim, and without derogating from the general nature of the foregoing, to comply with all the provisions of safety, caution and the terms and conditions to mitigate risk that are included in the insurance policies.
 11. Making such insurances as set forth herein above does not derogate from any right and/or relief and/or remedy that are vested in the Company against the Management Venture pursuant to the Agreement and/or pursuant to applicable Law, and does not release the Management Venture from its obligations pursuant to the Agreement, including its liability for uninsured damage the liability for which is imposed upon it by virtue of the provisions of the Agreement and/or pursuant to applicable Law, including damages in an amount below the deductible set forth in the Insurance Policies.
 12. If the Management Venture violates any of the provisions set forth in the insurance policies in a manner that impairs its rights and/or the rights of the Company pursuant to the Insurance Policies, the Management Venture will be personally fully and exclusively

liable for the uninsured damage that was caused to the Company and it will not have any claim and/or demand, monetary or otherwise, against the Company and it will be prevented from raising any such claim against the Company.

13. The Management Venture undertakes that the Insurance Policies will include a condition that any act or omission of any individual of the individuals of the insured that may impair its rights pursuant to the Insurance Policies will not derogate from the rights of the other insured for indemnification pursuant to the Insurance Policies.
14. Without derogating from any provision of the provisions of the Agreement in the matter of its assignment and in the event that the Services and/or any part thereof are provided by third parties and/or planners and/or consultants and/or subcontractors, including planners and/or consultants and/or subcontractors from abroad on behalf of the Management Venture, the Management Venture undertakes that in its engagement with such agents in the framework of and/or in connection with providing the Services it will be liable to include in the engagement agreements with them a provisions pursuant to which such subcontractors will undertake to make and maintain the insurance requirements set forth in this Appendix “back to back” for the entire duration of the periods set forth in this Appendix. For the removal of doubt, the Management Venture undertakes to apply the provisions of the Insurance Appendix to the subcontractors. Alternatively, the Management Venture undertakes to expand the name of the insured set forth in the insurances of the Management Venture to include the subcontractors acting on its behalf and/or in its name as additional insured for their direct and vicarious liability.

It is clarified hereby that the Management Venture has the full and exclusive duty towards the Company, the State of Israel, the Ministry of Transport and Road-Safety and their employees in connection with the Services the subject of the Agreement, including services that will be provided by subcontractors including the full and exclusive liability for maintaining and/or the lack of insurance coverage for the subcontractors as set forth herein above pursuant to the undertakings of the Management Venture in the Agreement, and the Management Venture undertakes to indemnify and/or compensate the Company and/or the State of Israel and/or the Ministry of Transport and Road-Safety and/or their employees, as the case may be, for any damage that will be caused to them, directly or indirectly, due to the Services that will be provided by subcontractors and/or due to a subcontractor not being covered by insurances for any reason whatsoever.

15. The Management Venture undertakes to maintain and meticulously fulfill all the Laws, regulations, orders, guidelines and standards relating to the Services the subject of the Agreement. Without derogating from the general nature of the foregoing, the Management Venture undertakes to fulfill the provisions set forth in the National Insurance Law (consolidated version), 1995, the orders and regulations promulgated thereunder and/or that will be promulgated thereunder, and mainly, but without derogating from the general nature of the above, so that the Management Venture, all its

employees and/or agents and/or subcontractors and/or anyone acting on its behalf and their employees that will be employed in providing the Services, including those that will be employed on an accidental and/or temporary basis, will be at any time and throughout the Services Period, entitled to all the rights arising from the above mentioned Law and its regulations.

16. Without derogating from the provisions set forth in section 14 of this Appendix herein above, the Management Venture undertakes to inspect and verify that all the Management Team Members and/or the subcontractors employed by the Management Venture in connection with providing the Services and that are not employees of the Management Venture have and will have professional liability insurance in force for as long as it is one of the Management Team Members and for as long as it has liability pursuant to applicable Law within the limitation of liability and scope of coverage that are appropriate in view of the nature of the Services, provided that they will not be lower than 1,000,000 NIS per claim, event and for the insurance period.
17. The Management Venture releases hereby on its behalf and on behalf of anyone acting on its behalf, the Company and/or the State of Israel and/or the Ministry of Transport and Road-Safety and/or their employees, from any liability for any loss and/or damage that may be caused for any reason whatsoever to any property and/or equipment whatsoever owned by it and/or owned by others that is under its supervision and/or under the liability of the Management Venture, including any property and/or equipment that is brought by the Management Venture and/or anyone on its behalf and/or for it and/or that is being used in the framework of providing the Services, regardless of whether insurance was made for such property and/or equipment or not. This release, however, will not apply to the benefit of a person who caused the damage maliciously.
18. It is agreed hereby that the scope of insurance coverage, including the amounts of limitation of liability as set forth in the insurance certificate are a minimum requirement imposed upon the Management Venture. The Management Venture represents and confirms hereby that it is under estoppel from raising any claim and/or demand against the Company and/or the State of Israel and/or the Ministry of Transport and Road-Safety and/or their employees in anything relating to such limitations of liability and/or any other claim as to the amount and/or the scope of the insurance coverage made by it.
19. The Management Venture undertakes to indemnify the Company and/or the State of Israel and/or the Ministry of Transport and Road-Safety and/or their employees for any amount that will be imposed upon any of them due to a violation of the terms and conditions of the Insurance Policies by the Management Venture and/or anyone acting on its behalf including the agents set forth in section 13 herein above.
20. The Management Venture waives, on its behalf and/or on behalf of anyone on its behalf, the subrogation right against the Company and/or the State of Israel and/or the Ministry of Transport and Road-Safety and/or their employees. Such waiver will not apply to anyone that caused damage maliciously.

21. The provisions of this Appendix including its subsections do not derogate from any liability and/or obligation of the Management Venture pursuant to the Agreement and/or pursuant to applicable Law and do not release the Management Venture from any liability whatsoever in connection with damage and/or loss of any kind whatsoever that is covered or that is not covered in the framework of the insurances of the Management Venture.
22. A breach of the provisions of this Insurance Appendix will be a material breach of the Agreement.

Form of Insurance Certificate

6. To

7. Netivei Israel – the National Transport Infrastructure Company Ltd.

3 Ariel Sharon Street, Or Yehuda

Re: Certificate of Insurances of [-] (hereinafter: the “Management Venture”) for management, design and consulting services in connection with the construction of an International Airport in the framework of Tender 160/18 (hereinafter: the “Services”)

We the undersigned _____ insurance company ltd. certify hereby as follows:

1. We have issued to the Management Venture an insurance policy for the Services and/or we have included the Services in existing insurance policies of the Management Venture, as set forth below:

a. <u>Legal liability towards the public insurance (“third party insurance”)</u>	To cover the legal liability of the Management Venture and/or its employees and/or anyone on its behalf for any loss and/or bodily harm and/or property damage that will be caused to any third party whatsoever including to Netivei Israel, the State of Israel, the Ministry of Transport and Road-Safety and to their employees and to anyone on their behalf for and/or in connection with the execution of the Services.
Insurance policy number _____	
Limitation of liability:	An amount of 4,000,000 NIS per event and for the insurance period.
Special terms and conditions:	1. The insurance covers the liability of Netivei Israel, the State of Israel, the Ministry of Transport and Road-Safety and their employees for any act or omission of the Management Venture and anyone on its behalf in

	<p>carrying out the Services.</p> <p>2. The insurance policy includes a cross liability clause.</p> <p>3. The insurance covers subrogation claims by the National Insurance Institute.</p>
<p>b. <u>Employers' Liability policy</u></p> <p>Insurance policy number _____</p> <p>Limitation of liability:</p> <p>Special terms and conditions:</p>	<p>To cover the liability of the Management Venture pursuant to the Torts Ordinance [new version] and/or the Defective Products Liability Law, 5940 - 1980 for bodily harm and/or professional illnesses that will be caused to the employees employed by it in carrying out the Services.</p> <p>An amount of 20,000,000 NIS per event and for the insurance period.</p> <p>The insurance is extended to cover the liability of Netivei Israel, the State of Israel, the Ministry of Transport and Road-Safety and their employees, if any of them is deemed to be the employer of any of the employees of the Management Venture.</p>
<p>c. <u>Professional liability insurance</u></p> <p>Insurance policy number _____</p> <p>Limitation of liability:</p> <p>Special terms and</p>	<p>To cover the legal liability of the Management Venture and/or its employees and/or anyone on its behalf for any loss and/or bodily harm and/or property damage and/or pure monetary damage that will be caused to any third party whatsoever including to Netivei Israel, the State of Israel, the Ministry of Transport and Road-Safety and to their employees and to anyone on their behalf for an act or omission or error that constitute a violation of a professional duty during and/or in connection with the execution of the Services, including a delay or laches due to a covered insurance event.</p> <p>An amount of 20,000,000 NIS per event and for the insurance period.</p> <p>1. The insurance is extended to cover or does not include</p>

conditions:	<p>an exclusion for:</p> <p>(a) dishonesty of employees, (b) good faith action in ultra vires (c) loss of documents and information</p> <p>2. The insurance policy includes / includes an option to purchase an extended discovery and reporting period of 12 months in the event that the insurance is not renewed other than due to nonpayment of the premium or fraud.</p> <p>3. The insurance is extended to cover the liability of Netivei Israel, the State of Israel, the Ministry of Transport and Road-Safety and their employees for breach of professional duty of the Management Venture and anyone on its behalf in carrying out the Services.</p> <p>4. The retroactive date is: _____ and is not later than the commencement date of providing the professional Services to Netivei Israel</p>
Deductible:	Will not exceed 100,000 NIS per event

2. The insurance period commences on _____ through _____.
3. The “Insured” in the above-mentioned insurance policies: The Management Venture, the Company, the State of Israel, the Ministry of Transport and Road-Safety (as set forth in sections 1a., 1b., 1c. herein above).
 “Netivei Israel” and/or the “Company” in the matter of this certificate: Netivei Israel - National Transport Infrastructure Company Ltd. and/or subsidiaries and associated companies and their employees, executives and directors, and the coverage for them is pursuant to the provisions set forth in section a. b. and c. herein above.
4. In all of the insurance policies mentioned herein above the following provisions are included:
 - a. Revocation of rights of claim, recourse, subrogation and/or recovery against Netivei Israel, against the State of Israel and against the Ministry of Transport and Road-Safety and their employees except against a person that caused damage maliciously.
 - b. The insurances may not be revoked by initiative of the Management Venture

and/or by our initiative and/or their provisions may not be changed so that they are adversely affected, unless the Management Venture and Netivei Israel were sent written notice by registered mail, 60 days prior to the date of such revocation and/or such requested change.

- c. The exclusion of gross negligence if exists is revoked.
5. The Management Venture will be exclusively liable for payment of the insurance fees for all the insurance policies and for the payment of the deductible set forth in them.
 6. The insurance policies include an express clause pursuant to which an act or omission of any individual of the individuals of the Insured, that may derogate from its rights pursuant to the insurance policies will not derogate from the rights of the other Insured and from their entitlement to receive indemnification pursuant to the insurance policies.
 7. Revocation of a “participation clause” or a “double insurance” clause - any clause in such insurance policies (if any) that revokes or reduces or restricts in any way whatsoever our liability if another insurance policy exists will not be activated against Netivei Israel, against the State of Israel and against the Ministry of Transport and Road-Safety and against their insurers, and as to Netivei Israel, the State of Israel and the Ministry of Transport and Road-Safety the insurance pursuant to the insurance policies set forth herein above is “first insurance” which awards it the full indemnification that is due to it pursuant to its terms and conditions, without a right of participation in their insurances and without us having a right of claim against the insurers of Netivei Israel, the State of Israel and the Ministry of Transport and Road-Safety to participate in the liability for such charge as set forth in section 59 of the Insurance Contract Law, 1981, and for the removal of doubt we hereby waive any claim of double insurance against the above mentioned.
 8. The insurances specified in this certificate are subject to the terms and qualifications of the original policies insofar as such policies have not been expressly amended by this certificate, and provided, however that such amendment does not diminish the scope of the original policies.

_____	_____	_____
Date	Names of signatories	Signature of the insurance company

Details of the insurance agent:

Name _____ Address _____ Telephone _____

APPENDIX F – DECLARATIONS AS TO OBTAINING APPROVALS AND PERMITS FORM

To

Netivei Israel - National Transport Infrastructure Company Ltd.
3 Ariel Sharon Street
Or Yehuda, 6050001

Re: Consulting and Management Services Tender - the International Airport Project - Tender no. 160/18 - Declaration as to Obtaining Approvals and Permits

_____ (hereinafter: The “**Management Venture**” hereby represents and warrants as follows:

1. The Management Venture will be fully and exclusively responsible that during the Services Period, it and all the Management Team Members and all the other agents acting on its behalf pursuant to the Agreement will have all the approvals, permits, licenses, consents, standards and certificates of any kind or nature whatsoever, including work and stay permits in Israel, that may be required pursuant to the Agreement and pursuant to the provisions of applicable law, including any competent authority, in order to carry out the Services by the Management Venture pursuant to the Agreement.
2. Non-fulfillment of the liability imposed upon the Management Venture in the framework of section 1 herein above will constitute a material breach of the terms and conditions of the Agreement.

This is my name, this is my signature and the content of my affidavit is true.

First and last name	Position with the Management Venture Member	Signature	Date
Signature and stamp of the Management Venture			

Attorney certificate

I hereby certify by my signature:

1. That the undersigned was warned to declare the truth and that he / she will be subject to penalties pursuant to applicable law if he / she does not do so;
2. That the undersigned on behalf of the above mentioned proposer is an authorized signatory on behalf of the Management Venture Member and may bind the Management Team Member for the purposes of this declaration.

First and last name	Stamp & Signature
Advocate license number	Date

APPENDIX G – POSITIONS OF THE MANAGEMENT TEAM MEMBERS**1. GENERAL**

- 1.1 This Appendix defines and describes the Management Team Members that will be employed by the Management Venture along the Project Stages and the compulsory requirements that they have to comply with.
 - 1.2 The Management Venture will not employ any person in a position in the Management Team without the approval of the Client in advance. The Client may not approve the employment of candidates for a position of Management Team Member for any reason whatsoever and in particular due to noncompliance with the Threshold Requirements set forth in **Appendices E1-E9** to the invitation to Bid.
 - 1.3 The Management Venture will employ Management Team Members as set forth in this Appendix, at least, in order to provide for all the Services, as required throughout the Project Stages as set forth in the Tender Documents and in particular in **Appendix B (the Services)**.
 - 1.4 For the removal of doubt, it is clarified hereby that this Appendix does not contain the full description or the exhaustive description of the number of position holders in the Management Venture, their positions and their duties. In addition, the requirements from the position holders in the Management Team as set forth in this Appendix may not be seen as a representation pursuant to which this manpower is sufficient for the purpose of fulfillment of the obligations of the Management Venture.
 - 1.5 It is hereby clarified that each one of the positions described in this Appendix below will be carried out by a separate Management Team Member. Notwithstanding the aforesaid, the Management Venture may submit to the Company for approval a Consulting Services Company that meets the requirements of the Team Members specified in Sections 3.2 (SCADA Consultant) and 3.3 (Cyber Consultant), provided that such company meets all the requirements specified in each of the said Sections.
 - 1.6 The Management Team Members in the Management Venture will be employed by the Management Venture - so that in relation to them one of the following alternatives will be fulfilled: (1) The position holders in the Management Venture are part of the employee roster of any of the members of the Management Venture and are employed by it on a permanent basis; (2) The position holders in the Management Venture are employed by any of the members in the Management Venture by way of an engagement agreement to provide services and are receiving consideration for their work against the issuance of a duly issued tax invoice.
 - 1.7 All the position holders in the Management Venture are required to have a high proficiency in the English language for the purpose of planning and execution management in English.
2. The position holders in the Management Venture that will be employed by the Management Venture for the Services Period will be as set forth below:
 - 2.1 **Project Manager**

The Management Venture will employ the Project Manager that was presented by it on behalf of the Management Venture, in the framework of its Bid submission in the Tender and that was approved by the Client. The Project Manager will be responsible for the management of all the works and the services in the Project and will supervise the execution of the Project in the best way.

2.2 Airborne Aviation Infrastructure Designer

The Management Venture will employ the Airborne Aviation Infrastructure Designer that was presented by it on behalf of the Management Venture, in the framework of its Bid submission in the Tender and that was approved by the Client.

2.3 Ground Aviation Infrastructure Designer

The Management Venture will employ the Ground Aviation Infrastructure Designer that was presented by it on behalf of the Management Venture, in the framework of its Bid submission in the Tender and that was approved by the Client.

2.3A Infrastructure Management Know-How Provider

The Management Venture will employ the Infrastructure Management Know-How Provider that was presented by it on behalf of the Management Venture, in the framework of its Bid submission in the Tender and that was approved by the Client

2.4 Architect

The Management Venture will employ the Architect that was presented by it on behalf of the Management Venture, in the framework of its Bid submission in the Tender and that was approved by the Client.

2.5 Commercial Operation Consultant

The Management Venture will employ the Commercial Operation Consultant that was presented by it on behalf of the Management Venture, in the framework of its Bid submission in the Tender and that was approved by the Client.

2.6 Aviation Operation Consultant

The Management Venture will employ the Aviation Operation Consultant that was presented by it on behalf of the Management Venture, in the framework of its Bid submission in the Tender and that was approved by the Client.

2.7 Transportation Consultant

The Management Venture will employ the Transportation Consultant that was presented by it on behalf of the Management Venture, in the framework of Bid submission in the Tender and that was approved by the Client.

2.8 It is clarified hereby that in addition to the tasks set forth in Appendix B (the Services) to the Agreement, the position holders set forth in Sections 2.1-2.7 will be the agents that will prepare (with assistance from additional agents on behalf of the Management Venture) the products required during Project Stage “1” and during Project Stage “2”.

3. The Management Venture will submit to the approval of the Client all the position holders in the Management Venture as set forth below, not later than seven (7) days of the date of declaration of the Management Venture as the Successful Bidder in the Tender:

3.1 Economist

- 3.1.1 Has a bachelor's degree in economics or accounting from a recognized academic institution; and
- 3.1.2 Prepared an economic-financial model for a PPP Tender Scheme project for a public authority, a body under governmental ownership or a concessionaire, which includes commercial activity in the framework of which construction works at a scope of at least one billion NIS were carried out.

3.2 SCADA Consultant

- 3.2.1 Has a bachelor's degree in the technological field from a recognized academic institution;
- 3.2.2 Has international certification of the type ISA Certified Automation Professional (CAP);
- 3.2.3 During the last seven (7) years planned for a public authority or a body owned by the government or a concessionaire:
 - 3.2.3.1 At least one project pursuant to 62443 ISA Secure standard; and
- 3.2.4 A citizen of the state of Israel or a NATO country (North Atlantic Treaty Organization).
- 3.2.5 Performed control in a multi-system project of systems.

3.3 Cyber Consultant

- 3.3.1 Has a bachelor's degree from a recognized academic institution.
- 3.3.2 Has at least ten (10) years' experience in communication infrastructure and controller (as a technology consultant in a company engaged in building systems and consulting information security in the field of communications networks and information security and / or communication data and RADAR).
- 3.3.3 Certified in CISSP / CISM or Certified in CISO for at least two hundred fifty (250) hours.

3.4 Information and Computerization Systems Consultant

- 3.4.1 Has a bachelor's degree from a recognized academic institution;
- 3.4.2 Has ten (10) years of experience at least in the relevant field;
- 3.4.3 Was a member of an airport planning team whereby the scope of work that he / she carried out exceeded four hundred (400) working hours during two (2) consecutive years, in a project for a public authority, a body owned by the government or a concessionaire, that was approved by the Client during the last seven (7) years;
- 3.4.4 A citizen of a NATO country (North Atlantic Treaty Organization).

3.5 Maintenance Consultant

- 3.5.1 Has a bachelor's degree from a recognized academic institution;
- 3.5.2 Has ten (10) years of experience at least in the relevant field;
- 3.5.3 Was a member of an airport planning team whereby the scope of work that he / she carried out exceeded four hundred (400) working hours during two (2) consecutive years, in a project for a public authority, a body owned by the government or a concessionaire, that was approved by the Client during the last seven (7) years;

3.6 Security Consultant

- 3.6.1 Has a bachelor's degree from a recognized academic institution;
- 3.6.2 Has ten (10) years of experience at least in the relevant field;
- 3.6.3 Was a member of an airport planning team whereby the scope of work that he / she carried out exceeded four hundred (400) working hours during two (2) consecutive years, in a project for a public authority, a body owned by the government or a concessionaire, that was approved by the Client during the last ten (10) years;
- 3.6.4 A citizen of a NATO country (North Atlantic Treaty Organization).

3.7 Safety Consultant

- 3.7.1 Has a bachelor's degree from a recognized academic institution;
- 3.7.2 Has ten (10) years of experience at least in the relevant field;
- 3.7.3 Was a member of an airport planning team whereby the scope of work that he / she carried out exceeded four hundred (400) working hours during two (2) consecutive years, in a project for a public authority, a body owned by the government or a concessionaire, that was approved by the Client during the last ten (10) years;

3.8 Fuel and Energy Consultant

- 3.8.1 Has a bachelor's degree from a recognized academic institution;
- 3.8.2 Has ten (10) years of experience at least in the relevant field;
- 3.8.3 Was a member of an airport planning team whereby the scope of work that he / she carried out exceeded four hundred (400) working hours during two (2) consecutive years, in a project for a public authority, a body owned by the government or a concessionaire, that was approved by the Client during the last ten (10) years;

3.9 Communications Consultant

- 3.9.1 Has a bachelor's degree from a recognized academic institution;
- 3.9.2 Has ten (10) years of experience at least in the relevant field;
- 3.9.3 Was a member of an airport planning team whereby the scope of work that he / she carried out exceeded four hundred (400) working hours during two (2) consecutive years, in a project for a public authority, a body owned by the government or a concessionaire, that was approved by the Client during

the last ten (10) years;

3.10 Program Consultant

3.10.1 Has a bachelor's degree from a recognized academic institution;

3.10.2 Has ten (10) years of experience at least in the relevant field;

3.10.3 Was a member of an airport planning team whereby the scope of work that he / she carried out exceeded four hundred (400) working hours during two (2) consecutive years, in a project for a public authority, a body owned by the government or a concessionaire, whereby the tender for its construction was published or the agreement to construct it was signed during the last ten (10) years;

3.11 Control Systems Consultant

3.11.1 Has a bachelor's degree from a recognized academic institution in computer engineering, electrical engineering, electronic engineering or computer science;

3.11.2 Registered as engineer in the Israel Engineers Registry ;

3.11.3 Has ten (10) years of experience at least in the relevant field;

3.11.4 Experience as a member of a planning team to construct or expand airport infrastructure, in a project for a public authority, a body owned by the government or a concessionaire that was approved by the Client during the last seven (7) years.

3.12 Fire Safety Consultant

3.12.1 Has a bachelor's degree from a recognized academic institution;

3.12.2 Registered as an engineer in the Registry of Engineers in Israel;

3.12.3 Has ten (10) years of experience at least in the relevant field;

3.12.4 Experience as a member of a planning team to construct or expand airport infrastructure, in a project that was carried out in Israel for a public authority, a body owned by the government or a concessionaire that was approved by the Client during the last ten (10) years.

3.13 Air-Conditioning Consultant

3.13.1 Has a bachelor's degree from a recognized academic institution;

3.13.2 Registered as an engineer;

3.13.3 Has ten (10) years of experience at least in the relevant field;

3.14 Green Construction Consultant

3.14.1 Has a bachelor's degree from a recognized academic institution;

3.14.2 Registered as an engineer;

3.14.3 Has ten (10) years of experience at least in the relevant field;

3.15 BIM Consultant

3.15.1 Has a bachelor's degree from a recognized academic institution;

3.15.2 Registered as an engineer or as an Architect;

3.15.3 Has ten (10) years of experience at least in the relevant field;

3.16 Electro-mechanical Systems Consultant

3.16.1 Has a bachelor's degree in engineering from a recognized academic institution;

3.16.2 Registered as an engineer;

3.16.3 Has ten (10) years of experience at least in the relevant field;

3.17 Acoustics Consultant

3.17.1 Has prepared an acoustics report for a public authority or a body owned by the government for two (2) projects to construct an airport of class category C, in one (1) of which at least the planned annual number of passengers exceeds four (4) million passengers per year. In such projects, during the last fifteen (15) years:

3.17.1.1 The planning was approved by the Client; or

3.17.1.2 the statutory plan in connection with it was approved.

“**Category C**” shall mean Category C according to the classification in Annex 14 of the Convention on International Civil Aviation (ICAO). Wherever there is such requirement, an airport may be displayed in a higher category.

3.18 Head Designer

Prepared as a head of a design team, for a public authority, a body owned by the government or a concessionaire: design of the type set forth in Section 3.18.1 or Section 3.18.2, and actually managed a design team of design of the type set forth in Section 3.18.1 or Section 3.18.2.

3.18.1 Preliminary design or detailed design for construction of an airport of class category C, at least; or

3.18.2 design of an upgrade of an existing airport of class category C that included at least the following elements: takeoff and landing stripes, a terminal and infrastructure for ground services;

Provided that the design aforementioned in Sections 3.18.1-3.18.2 was approved by the Client during the last fifteen (15) years.

“**Category C**” shall mean as such term is defined in Section 3.17 above.

3.19 Soil Consultant

3.19.1 Registered as an engineer in the Registry of Engineers in Israel;

3.19.2 Has ten (10) years of experience at least in the relevant field;

3.19.3 Experience as team member in a planning team of an airport in Israel or as a team member to expand the infrastructure of an airport in Israel including expansion of takeoff and landing runways. Such experience was acquired during execution of work in Israel, for a public authority, a body owned by

the government or a concessionaire in the framework of a project that was approved by the Client during the last fifteen (15) years.

3.20 Drainage Consultant

- 3.20.1 Registered as an engineer in the Registry of Engineers in Israel;
- 3.20.2 Has ten (10) years of experience at least in the relevant field;
- 3.20.3 Experience as team member in a planning team to construct or expand airport infrastructure. Such experience was acquired during execution of work in Israel, for a public authority, a body owned by the government or a concessionaire in the framework of a project that was approved by the Client during the last fifteen (15) years.

3.21 Traffic Planner

- 3.21.1 Registered as an engineer in the Registry of Engineers in Israel;
- 3.21.2 Has ten (10) years of experience at least in the relevant field;
- 3.21.3 Experience as team member in a planning team to construct or expand airport infrastructure. Such experience was acquired during execution of work, for a public authority, a body owned by the government or a concessionaire in the framework of a project that was approved by the Client during the last ten (10) years.

3.22 Construction Consultant

- 3.22.1 Registered as an engineer in the Registry of Engineers in Israel;
- 3.22.2 Has ten (10) years of experience at least in the relevant field;

3.23 Roads and Roadways Consultant

- 3.23.1 Registered as an engineer in the Registry of Engineers in Israel;
- 3.23.2 Has ten (10) years of experience at least in the relevant field;
- 3.23.3 Experience as a member of a planning team to construct or expand airport infrastructure, such experience was acquired through work carried out in Israel for a public authority, a body owned by the government or a concessionaire in the framework of a project that was approved by the Client during the last ten (10) years.

3.24 Environmental Consultant

- 3.24.1 Has a bachelor's degree in environmental engineering or environmental studies from a recognized academic institution;
- 3.24.2 deleted;
- 3.24.3 Has ten (10) years of experience at least in the relevant field;
- 3.24.4 Experience as a member of a planning team to construct or expand airport infrastructure, such experience was acquired through work carried out in Israel for a public authority, a body owned by the government or a concessionaire in the framework of a project that was approved by the Client during the last ten (10) years.

3.25 Landscaping Consultant

- 3.25.1 Has a bachelor's degree in landscape architecture from a recognized academic institution;
- 3.25.2 Registered as an engineer;
- 3.25.3 Has ten (10) years of experience at least in the relevant field;

3.26 Power and Energy Consultant

- 3.26.1 Has a bachelor's degree in engineering from a recognized academic institution;
- 3.26.2 Registered as an engineer in the Registry of Engineers in Israel;
- 3.26.3 Has ten (10) years of experience at least in the relevant field;

3.27 Water and Sewage Consultant

- 3.27.1 Has a bachelor's degree in engineering from a recognized academic institution;
- 3.27.2 Registered as an engineer in the Registry of Engineers in Israel;
- 3.27.3 Has ten (10) years of experience at least in the relevant field;

3.28 Lighting consultant

- 3.28.1 Has a bachelor's degree in engineering from a recognized academic institution;
- 3.28.2 Registered as an engineer in the Registry of Engineers in Israel;
- 3.28.3 Has ten (10) years of experience at least in the relevant field;

- 4. In relation to each one of the position holders in the Management Venture it is required that such position holder has not been convicted in an offense including an offense that in the opinion of the Client may materially impact the conduct of such position holder, including an offense involving moral turpitude or an offense of the type deceit and breach of fiduciary duty or any other offense that in the opinion of the Client may have implications as to the integrity or the reliability of such position holder, and there are no pending proceedings against such office holder in connection with such offense.
- 5. The terms in the compulsory requirements not defined herein will have the meaning ascribed to them in **Appendices F1-F9** of the invitation to submit proposals.

APPENDIX G – FORM OF PERFORMANCE BOND

Date: _____

To

Netivei Israel – National Transport Infrastructure Company Ltd.

3 Ariel Sharon St.

Or-Yehuda 6050001

Dear Madam or Sir,

Re: Letter of Guarantee No. _____

1. At the request of the _____ [*Management Venture*] (the “**Debtor**”), we hereby guarantee that you will be paid any amount at your request up to a total amount of NIS 2,000,000 (2 million), Linked to the Index in accordance with the linkage terms set forth in section 4 below (the “**Guarantee Sum**”), with respect to Debtor's compliance with its obligations under the Agreement for the provision of Consulting and Management Services within the framework of the Project for the Construction of an International Airport in Israel.
2. We undertake to pay you, at your first written request, any amount that will be noted on that demand, immediately and in any event no later than seven (7) days from the date of receipt of your demand in our office, at the address appearing at the beginning of this Letter of Guarantee.
3. For the avoidance of doubt, it is hereby clarified that your demand for payment by this Letter of Guarantee may be in installments and that the payment will be made in accordance with your demand as aforesaid, provided that the total payments by virtue of this Letter of Guarantee shall not exceed the amount of the guarantee.
4. Any amount required under this guarantee shall be paid with the addition of linkage differentials according to the following conditions:
“**Index**” - the “Consumer Price Index (including fruits and vegetables)”, as published monthly by the Central Bureau of Statistics, or if publication by such body ceases or is replaced by another index, the same index or index published by another entity.
“**Linked to the Index**” - the amount payable, bearing the difference between the Index of the month of _____ that was published on _____ [*the last date on which the Index was published*] (_____ points) and the Index last published before the date of payment.
5. Our undertaking under this Letter of Guarantee is autonomous and unconditional, and you will not be required to explain, reason, detail, establish or prove your demand or require the payment from the Management Venture first.
6. This Letter of Guarantee shall not be assigned.

This Letter of Guarantee shall enter into force on the date specified at the beginning thereof and shall remain in effect until _____.

Attachment 1 - The Performance Bond

Attachment 2 - Declaration and undertaking Letters

Attachment 3 - Insurance Certificates

Attachment 4 - Insurance Policies

Attachment 5 - Affidavit as to obtaining all approvals and permits

**Attachment 6 - Certificate of Incorporation of the Infrastructure Management
Company**

Attachment 7 - Certificate of Incorporation of the Aviation Consulting Company