

April 12th 2020

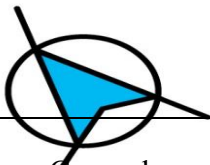
To: the Participants

Re: Request for Information (RFI) and Request for Demonstration (RFD) Subject: Urban Mobility in the Aerial Dimension

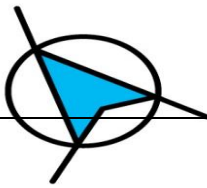
Clarification number 5 - Response to Questions and Requests for Clarifications of the Tender Documents

Ayalon Highways co. Ltd (the: “company”) is hereby publishing a response to questions and requests for clarifications of the RFI/RFD documents submitted by the participating suppliers:

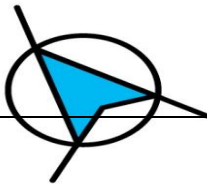
#	Section/subject	Question/ answer
1.	General	Question: Given the company is based abroad (not is Israel); will the supplier will have to register his company’s presence as a company in Israel? Answer: Yes.
2.	General	Question: Dose the supplier needs to have a full-time team based in Israel during the 24 months period? Answer: Yes.
3.	General	Question: Will the costs involved in this project be subsidized? And what exactly that will cover? Answer: No. it is possible that subject to the supplier’s response, the partnership will make an effort to propose a path where it will be possible to apply for funding / subsidy for the demo stage.
4.	General	Question: CAAI Approvals: We are starting the application and approvals process now with CAAI directly, independent of this RFI/RFD. Is it possible to proceed with both work streams in parallel? Answer: Yes.
		Question: In the RFI/RFD Definition 6.8 “Operating Company” states that as the default option, this will also be the Supplier. Will incorporation of a local operating entity, which is a subsidiary of



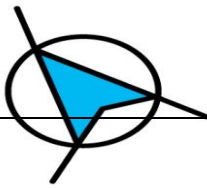
5.	General	<p>our company, be permitted (or required) in order to respond to, or to participate in the RFI/RFD demonstration?</p> <p>Answer: Yes.</p>
6.	General	<p>Question: Given that demonstration funding is being proposed to qualified participants, what sort of agreement will the participants need to enter into? What would be the terms and requirements? And will such agreement be with Ayalon Highways?</p> <p>Answer: in this stage, funding is not available in the frame of the RFI.</p>
7.	General	<p>Question: Will Ayalon Highway provide support with respect to importing the drone's equipment into Israel, including customs clearance and permits?</p> <p>Answer: Ayalon Highway will provide only operational support and approvals with respect to documents it received.</p>
8.	General	<p>Question: We understand from the document that it is up to the Supplier to specify total number of landing sites to carry out the operating scenario. Is this accurate or does it specify somewhere the suggested scope in terms of locations to be connected during the first 24-month feasibility demonstration?</p> <p>Answer: The requirement is minimum 1 landing "port" and 2 parcel delivery spots.</p>
9.	General	<p>Question:</p> <p>1) What are the types of "Shipment" companies who will be involved in the project(s)? Are there industry (end user) partners who have been named or a distribution of the types of Shipment companies by vertical (e.g. logistics, healthcare, etc.)?</p> <p>2) In addition to the above, please specify the process for facilitating interactions (5.1.4).</p> <p>Answer: 1) It is up to the supplier's choice.</p> <p>2) There is a "Cloud Information Sharing" service (https://www.dropbox.com/sh/qh78ci7deza8gx6/AADA4fnH4Jy_uz_vA4u7GDica?dl=0) the supplier can use the shared library, opened for the benefit of the project, and look for partners through it.</p>



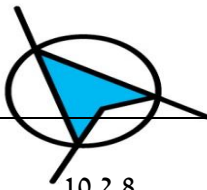
10	General	Question: Will the feasibility demonstration period shall last 24 months?
		Answer: Yes, starting August 2020, and according to the new timeline of the RFI set forth in clarification No.6
11	general	Question: Who will own the IP formed during the experiment? Also, who owns the technology and development performed during the trial period?
		Answer: The company and the supplier will co-own the Intellectual Proper regarding the operation of the experiment, The supplier will retain exclusive interest in and ownership of its Intellectual Property developed during the trial period
12	4	Question: Can you please clarify what you mean by “profitability”? Will it be a sufficient demonstration of profitability to provide a signed commercial “Service Level Agreement” with a customer in Israel that is buying our service to deliver products using drones?
		Answer: Yes, providing signed agreements will suffice.
13	5.1.2	Question: Will this concept of flying from the Distribution Center of our company, only along approved Routes, to such “bubbles” be acceptable for this program?
		Answer: Under Current RFI – Ayalon Highway intends to clear bubbles only, according to the CAAI approval. ”National Level Routs – i.e. for more than 3KM radius -e applicant to directly apply CAAI
14	5.1.5	Question: Please elaborate on the statement regarding financial support for pilots.
		Answer: please see answer to question number 4.
15	6	question: Please clarify the term “small UAV”



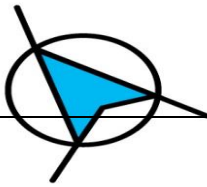
		<p>תשובה: a UAV with a takeoff mass, including any payload and attachments is larger than 250 grams and smaller than 25 kilograms.</p> <p>It should be emphasizes that in any case of contradiction between the Hebrew-language version and the English version, the Hebrew language is the binding version on the Company.</p>
16	6	<p>Question: Is there any limitations regarding the size or weight of the light cargo set forth in section 6.2?</p> <p>Answer: There is no limitation on the size or weight, given the maximum takeoff mass, including any payload and attachments is under 25KG.</p>
17	6.8	<p>Question: Does the “Operating Company” also have to be the Supplier, or is this simply the default assumption and there is flexibility?</p> <p>Answer: There is flexibility regarding this matter.</p>
18	8.2	<p>Question: Are the permits obtained only specific to the certain demonstration routes or does it provide a pathway to additional approvals (e.g. new routes under same original approval)?</p> <p>Answer: It provide a pathway to additional approvals.</p> <p>there is a pathway to additional approvals/new routes. however, the supplier will need a permit for each route.</p>
19	8.3	<p>Question: Is there a directional timeline associated with the items and stages outlined in the section?</p> <p>Answer: No, it is up-to the applicant, aiming to become profitable within the 24 months demo flights duration.</p>
20	8.3.4	<p>Question: Will user be able to select from multiple types of aircrafts for different applications?</p> <p>Answer: To the supplier’s consideration.</p>
21	8.3.7	<p>Question: please provide some directional definition at this time regarding sense and avoid.</p> <p>Answer: To the supplier’s consideration and suggestion.</p>



22	8.3.6	Question: How detailed should be the answer to these sections?
	8.3.7	Answer: As set forth in section 11.7, The Supplier should propose ways to regulate the airspace, in the most elaborate way he can under the circumstanced.
23	8.3.7	Question: Item (2) of Section 8.3.7 mentions “sense and avoid” between all the types of vehicles with cooperative capabilities - if needed. Please clarify.
		Answer: the supplier should detail the “Birdwatch” capabilities, according to which standards it was developed, and does it have a formal certification from any known certifying authority, according to the CAAI demands.
24	10	Question: please clarify what is the relevant response to the sections marked “d”, and what is the relevant response to the sections marked “i”
		Answer: please provide relevant documents or examples for the sections marked “d”. Please provide relevant information (if possible) for the section marked “I”.
25	10.1	Question: please clarify the licensing method for obtaining a permit
		Answer: The licensing process will be based on the methods used in the Specific category, based on risk assessment for a specific outline - in two main steps: Step 1: Development flights under “Special Flight Capacity Certificate for Experimental Use for Research and Development Step 2: Commercial Operation Flights under the “Flight Fitness Certificate - Fixed Special Permit for UAV.” Step 2 requires you to register as an aerial operator - as detailed in the link: https://caa.gov.il/index.php?option=com_content&view=article&id=1284&Itemid=738&lang=he



26	10.2.8	<p>Question: is this skeleton business case to be produced with an end customer in mind (one of the "Shipment") companies? If so, how is that interaction facilitated through this program? Or, can this be based on other customers in market with which we do</p> <p>Answer: Both suggestions are acceptable.</p>
27	10.3	<p>Question: please clarify what is the "operating scenario" mentioned in this section?</p> <p>Answer: the operating scenario related to the RFD stage.</p>
28	10.6.2	<p>Question: is the Euro control methodology set forth in this section is binding?</p> <p>Answer: No. this is merely a suggestion (AMC). Another methodology should get the CAAI approval.</p>
29	10.8.2.5	<p>Question: please give an example for Other cargo landing pad, which the Supplier believes will provide it a planning response</p> <p>Answer: the beach can be an example</p>
30	10.17	<p>Question: Dose the supplier needs to address insurance aspects as well as safety aspects?</p> <p>answer: Yes.</p>
31	10.27	<p>Question: Dose the supplier needs to address critical faults regarding the systems , UAV or the package?</p> <p>Answer: Yes</p>
32	11	<p>Question: can the supplier present a development plan which includes only a part of the sub-sections of this section?</p> <p>Answer: yes. The suppliers can submit another proposal, provided it covers the following data</p> <ol style="list-style-type: none"> 1. Proof of flight without GNSS system 2 .Proof of flight with no Command & Control System communication 3 .Proof of safety measures for critical failures (parachute as an example) 4. Proof of safety measures for packing 5. Proof of obstacles collision prevention 6. Proof of resistance to weather conditions 7. proof of cargo shipping mechanism 8. Demonstration of the business process



		9. Demo flight at night as needed 10. The submitted plan should cover, at a minimum, 450 flights over two years
33	11.2.13	<p>Question: please clarify what is the exact frequency needed according to this section:</p> <p>Answer: the frequency needed is once every twelve (12) seconds.</p> <p>The new wording of this section will be replaced with the following:</p> <p>(i) Dynamically mark online the locations of aircraft (drones) that it operates, so that at any given moment the Supplier can submit the aerial picture of the vehicles that it is operating to the CAAI and Air Force at a frequency that will not be less than once every twelve (12) seconds (design target – once per second).</p>
34	Appendix B – Technical specifications/technology	<p>Question: please clarify how to fill out Appendix B – Technical specifications/technology</p> <p>Answer: In the right column –the serial number of the section</p> <p>.In the second column to the right – the bidder's reference to the specific section</p> <p>.In the third column to the right - free notes and clarifications. If needed</p> <p>In the fourth column on the right - additional issues that are relevant to the bidder's offer (for example, aspects of costs and schedules)</p>