

APPENDIX A

DEFINITIONS VOLUME

1. All terms capitalized in the Contract Documents, but not defined therein, shall have the meaning set forth in this Definitions Volume.
2. Notwithstanding the above, in the event of any conflict between the definitions herein and the definitions included in any other of the Contract Documents, the definitions herein shall prevail, provided however, that in the event of doubt, the definition most favorable to the State shall apply.
3. In this Definitions Volume:
 - 3.1 All references to a company, is to any company, corporation or other body corporate wherever and however incorporated or established;
 - 3.2 All references to a document, is to that document as supplemented, otherwise amended or replaced from time to time;
 - 3.3 The masculine, feminine or neuter gender respectively includes the other genders and any reference to the singular includes the plural (*and vice versa*);
 - 3.4 The term “including” means “including without limitation” (with related words being construed accordingly), the term “in particular” means “in particular but without limitation” and other general words shall not be given a restrictive interpretation by reason of their being preceded or followed by words indicating a particular class of acts, matters or things; and
 - 3.5 A specific statute or statutory provision includes any consolidation, re-enactment, modification or replacement of the same, any statute or statutory provision of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time.
4. In the Contract Documents, unless the context requires otherwise, any reference to a term in the first column of the table below shall have the meaning set forth opposite such term.

Accompanying Team	The team consisting of representatives of the body initiating the plan, the body submitting the plan, the Ministry of Environmental Protection, the District Planner in the Ministry of Interior and the Local Councils appointed by the National Council as defined in the National Planning Scheme 31A and in accordance with the powers set forth therein.
Accountant General	Shall mean the Accountant General of the State of Israel.
Accountant General Interest	Shall mean the Accountant General interest rate (the first one), as determined from time to time by the Accountant General and calculated in accordance with its instructions.

Actual State Periodic Payment or ASPP	Shall have the meaning set forth in Section 4.7.6 (<i>Actual State Periodic Payment</i>) of the Concession Agreement.
Addenda, Amendment	Shall have the meaning set forth in Section 2.8 (<i>Addenda and Amendments</i>) of the Invitation to Bid.
Additional Commercial Activity	Any Commercial Activity performed by the Concessionaire whether directly or through a Subsidiary, from which the Concessionaire or a Subsidiary thereof derives any income or any other indirect benefits, in accordance with the provisions of Section 14 (<i>Additional Commercial Activity</i>) to the Concession Agreement, other than the collection of Tolls.
Adjusted Actual Toll Revenue or AATR	Shall have the meaning set forth in Section 3 (<i>Actual Toll Revenue</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>).
Adjusted Periodic Payment for Partial Operation Phase	Shall have the meaning set forth in Section 7 (<i>Adjusted Periodic Payment for Partial Operation Phase</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Adjusted Quarterly Actual Toll Revenue or AATRq	Shall have the meaning set forth in Section 3 (<i>Actual Toll Revenue</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>).
Adjusted Quarterly Toll Revenue Target or ATRTq	Shall have the meaning set forth in Section 2 (<i>Toll Revenue Target</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>).
Adjusted Toll Revenue Target or ATRT	Shall have the meaning set forth in Section 2 (<i>Toll Revenue Target</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>).
Alternative Component	Shall have the meaning set forth in Section 9.1 (<i>General</i>) of the Invitation to Bid.
Amended Financing Agreement	Shall have the meaning set forth Section 23.2 (<i>Refinancing</i>) of the Concession Agreement.
Anticipated Effective Date	Shall have the meaning set forth in Section 2.4.1 of the Concession Agreement.
Anticipated Holdings	The Members' holdings in the Bidder that correspond to the anticipated holdings approved by the Tender Committee pursuant to the Bidder's Pre-Qualification Submission or any update thereof.
Antiquities Law	Antiquities Law, 1978.
Applicable Long Term Interest Rate	Shall mean: <ul style="list-style-type: none"> a) the Reference Long Term CPI Interest Rate, the Reference Long Term Nominal Interest Rate, the Reference Long Term Euro Interest Rate or the Reference Long Term Euro Interest Rate, as the case may be; or b) in the event of a reset of the interest rate under the Project Financing Agreements - the Long Term CPI Interest Rate, the

	Long Term Nominal Interest Rate, the Long Term Euro Interest Rate or the Long Term USD Interest Rate, as the case may be, on the date of reset.
Applicable Margin	The blended margin due on the senior debt in accordance with Financing Agreements taking into account the hedging costs if relevant.
Appropriate Yield	Shall mean an amount which together with the paid up share capital or the principal of the Shareholders Loan, as the case may be, is required in order to give the paid up share capital or the Shareholders Loan, respectively, a rate of return for the period from the actual investment and until the Termination Date, equal to the Average Reference Long Term Interest Rate plus five percent (5%).
Approval	Consent, authorization or permit of any type given under and in accordance with the provisions of the Concession Agreement or any Laws and Regulations.
Approved Final Maintenance Plan	Shall mean the approved detailed plan for all rehabilitation works as required according to the transfer audit report in order to comply with the final transfer requirements set forth in Volume 12 (<i>Operation and Maintenance</i>).
Arbitrator(s)	Shall mean the Chairman, the economist and the engineer appointed in accordance with the provisions of Appendix K (<i>Dispute Resolution</i>)
Articles of Association	Shall mean the Articles of Association of the Concessionaire as attached to the Concession Agreement.
Associated Facilities	Works with respect to Utilities and road sections which are to be built by the Concessionaire pursuant to the Concession Agreement, but whose operation and maintenance is the responsibility of third parties.
Assumption(s)	Shall have the meaning ascribed thereto in Section 1.1 (<i>Indices Adjustments; Assumptions</i>) of Appendix G1 (<i>Examination of the Sum of Payments</i>) of the Invitation to Bid.
Assumption Book	Shall have the meaning ascribed thereto in Section 3.9 (<i>Assumption Book</i>) of Annex F (<i>The Financial Proposal</i>) of the Invitation to Tender.
Auditor	Shall mean the auditor appointed pursuant to the provisions of Section 26.1 (<i>Appointment of Auditor</i>) of the Concession Agreement.
Authorized Planning Committee	Shall mean the authorized planning committee as defined in the Planning and Building Law-1965.
Authorized Representative	Shall have the meaning ascribed thereto in Section 5.5 (<i>Authorized Representative</i>) of the Invitation to Bid and until the nomination thereof, shall mean the Entity designated to receive instructions for and on behalf of any and all the Members of the Bidder during the Tender Process, as designated by the Bidder in Pre-Qualification Form “B”, pursuant to Section 2.6.1 of the Invitation for Pre-

	Qualification Submissions after its submission.
Available Insurance Proceeds	Shall mean insurance proceeds available to the Concessionaire due to an Event of Force Majeure or the effects thereof (including, reinstatement and loss of profits), whether pursuant to insurance coverage under Law (including the Property Tax and Compensation Fund Law-1961), procured pursuant to the requirements of Appendix G (<i>Insurance</i>), or pursuant to insurance coverage actually obtained for purposes of the Project (including loss of profits and business interruption).
Average Life of Remaining Funding	<p>Shall mean, with regard to a specified date:</p> $\frac{A/B}{4}$ <p>where, solely for the purposes of this definition:</p> <p>(a) $A = \sum_{i=1}^t \frac{PMT_i * i}{(1 + r/4)^i}$</p> <p>(b) $B = \sum_{i=1}^t \frac{PMT_i}{(1 + r/4)^i}$</p> <p>(c) "PMT_i" shall mean the total amount of expected payments due under the applicable Senior Debt Financing Agreement(s) in a specific three month period "i", including all payments of principal and interest in regards of such period "i";</p> <p>(d) "i" is an index variable that numbers such three month periods commencing from the specified date until the expected date of the relevant Payment;</p> <p>(e) "t" is the upper bound of summation, and shall mean the total number of remaining periods "i" commencing from the specified date until the date of the final Payment under the applicable Senior Debt Financing Agreement(s); and</p> <p>(f) "r" shall mean the annual effective interest under the Senior Debt Financing Agreement.</p>
Average Reference Long Term Interest Rate	Shall mean, as of a specified date, the weighted average of the Reference Long Term CPI Interest Rate, the Reference Long Term Nominal Interest Rate, the Reference Long Term Euro Interest Rate and the Reference Long Term USD Interest Rate, weighted based on the Long Term Senior Debt Financing Agreements Debt Composition on the date of issuance of the Permit to Operate the Project.
AWI	Shall mean the Average Wage Index of Israeli employees published from time to time by the Israeli Central Bureau of Statistics (Table 8/87). The AWI on any applicable date shall mean the effective AWI on the morning of such date.
Balance of the Senior Debt	Shall mean the aggregate of all amounts owed by the Concessionaire under the Senior Debt Financing Agreements as of the Termination Date, in the currency or currencies specified in the Senior Debt

	<p>Financing Agreements, and including amounts payable due to letter(s) of credit which have been issued pursuant to the Senior Debt Financing Agreements, provided however that such amounts shall be calculated taking into account:</p> <ul style="list-style-type: none"> i. amounts payable, if any, pursuant to Section 27.1 (<i>Make-whole Payment</i>) or Section 27.2 (<i>Mark to Market Payment</i>) of the Concession Agreement; ii. the application of the provisions of Section 27.3 (<i>Compensation by the State following Partial Repayments by the Concessionaire to the Finance Providers</i>) of the Concession Agreement; <p>and further reduced by:</p> <ul style="list-style-type: none"> iii. any amounts received from the Senior Debt Finance Providers other than for the purposes of this Concession Agreement iv. any amounts due to the Senior Debt Finance Providers as a result of any Financing Agreement, amendment or material waiver to the Financing Agreements or Related Party Transactions, where any of the above have not been approved by the State; v. any amounts payable as a result of a failure of the Concessionaire to meet its obligations under the Financing Agreements, including default interest, penalties, prepayment fees, and any other such obligations or liabilities of the Concessionaire (other than such obligations to the extent that they are directly related to the termination of the Concession Agreement in accordance with the provisions of Section 20 (<i>Termination by the Concessionaire</i>) of the Concession Agreement or in accordance with the provisions of Section 16.3 (<i>Termination for Convenience</i>) of the Concession Agreement, as the case may be); vi. unless deducted as per the calculation of Balance of the Senior Debt, amounts outstanding to the credit of any account of the Concessionaire, including debt service reserve accounts, at the date of the Notice of Termination, unless withdrawal of amounts from any such accounts following the date of the Notice of Termination has been authorized by the State; vii. any amounts recovered or recoverable as the result of enforcement of security by Senior Debt Finance Providers and Insurance Policies (except for insurance proceeds with respect to which the State has instructed that they will be used for restoration of the Project), including any amounts claimable as of the Termination Date in respect of contingent funding liabilities of the Initial Shareholders or Shareholders toward the Senior Debt Finance Providers under the Financing Agreements, including guarantees, letters of credit in respect of deferred equity and obligations to fund reserve accounts (“Securities”), including Securities which are triggered as a result of
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	<p>termination of the Concession Agreement;</p> <p>iii. any amounts reduced pursuant to the application of the provisions of Section 27.4 (<i>Actions Following Notice of Termination</i>) of the Concession Agreement;</p> <p>ix. any amounts reduced pursuant to the application of the provisions of Section 21.2 (<i>Following Termination Notice</i>) of the Concession Agreement;</p> <p>x. any amounts payable to the Concessionaire as a result of any hedging arrangements.</p> <p>and provided that no applicable sum shall be doubly deducted.</p> <p>The deductions specified in subsections (iii)-(x) above shall be referred to as the "Senior Debt Deductions".</p>
<p>Balance of the Subordinated Debt</p>	<p>Shall mean the aggregate of all amounts owed by the Concessionaire under the Subordinated Debt Financing Agreements as of the Termination Date, in the currency or currencies specified in the Subordinated Debt Financing Agreements, provided however that such amounts shall be calculated taking into account:</p> <p>i. amounts payable, if any, pursuant to the application of the provisions of Section 27.1 (<i>Make-whole Payment</i>) of the Concession Agreement;</p> <p>ii. the application of the provisions of Section 27.3 (<i>Compensation by the State following Partial Repayments by the Concessionaire to the Finance Providers</i>) of the Concession Agreement;</p> <p>and further reduced by:</p> <p>iii. any amounts received from the Subordinated Debt Finance Providers other than for the purposes of this Agreement;</p> <p>iv. any amounts due to the Subordinated Debt Finance Providers as a result of any Subordinated Debt Financing Agreement or amendments or material waivers to Subordinated Debt Financing Agreements or Related Party Transactions, where any of the above have not been approved by the State;</p> <p>v. any amounts payable as a result of a failure of the Concessionaire to meet its obligations under the Subordinated Debt Financing Agreements, including default interest, penalties, prepayment fees, and any other such obligations or liabilities of the Concessionaire (other than such obligations to the extent that they are directly related to the termination of the Concession Agreement in accordance with the provisions of Section 20 (<i>Termination by the Concessionaire</i>) or in accordance with the provisions of Section 16.3 (<i>Termination for Convenience</i>) of the Concession Agreement, as the case may be);</p> <p>vi. amounts outstanding to the credit of any account of the</p>

	<p>Concessionaire, including debt service reserve accounts, at the date of the Notice of Termination, unless withdrawal of amounts from any such accounts following the date of the Notice of Termination has been authorized by the State; and</p> <p>vii. any amounts recovered or recoverable as the result of enforcement of security by Subordinated Debt Finance Providers and Insurance Policies, including any amounts claimable as of the Termination Date in respect of contingent funding liabilities of the Initial Shareholders or Shareholders toward the Subordinated Debt Finance Providers under the Subordinated Debt Financing Agreements, including guarantees, letters of credit in respect of deferred equity and obligations to fund reserve accounts (“Securities”), including Securities which are triggered as a result of termination of the Concession Agreement;</p> <p>viii. any amounts reduced pursuant to the application of the provisions of Section 27.4 (<i>Actions Following Notice of Termination</i>) of the Concession Agreement;</p> <p>ix. any amounts reduced pursuant to the application of the provisions of Section 19.4 (<i>Effects of Termination by the State</i>) of the Concession Agreement; and</p> <p>x. any amounts payable to the Concessionaire as a result of any hedging arrangements.</p> <p>and provided that no applicable sum shall be doubly deducted.</p> <p>The deductions specified in subsections (iii)-(x) above shall be referred to as the “Subordinated Debt Deductions”.</p>
Bank of Israel Interest Rate	Shall mean the headline interest rate (simple) published by the Bank of Israel.
Base AWI	Shall mean the AWI published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Bank of Israel Interest Rate	Shall mean the Bank of Israel Interest Rate as of the date of publication of rates by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Construction Grant	Shall mean the total sum of the Construction Grant specified in the table in Section 4.7.1 (<i>Construction Grant</i>) of the Concession Agreement.
Base CPI	Shall mean the Israeli CPI published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base EURIBOR Rate	Shall mean the EURIBOR Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.

Base Floating One-Off Payment	Shall have the meaning ascribed thereto in Section 2.2 (<i>Floating Interest Rate Adjustment of the Base Floating One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Base HICP	Shall mean the HICP published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base IPB	Shall mean the IPB published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base IRC	Shall mean the IRC published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base LIBOR USD Rate	Shall mean the LIBOR USD Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Long Term CPI Interest Rate	Shall mean the Long Term CPI Interest Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid
Base Long Term Euro Interest Rate	Shall mean the Long Term Euro Interest Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Long Term Nominal Interest Rate	Shall mean the Long Term Nominal Interest Rate published by the Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Long Term USD Interest Rate	Shall mean the Long term USD Interest Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base NPV Rate	Shall have the meaning set forth in Section 23.2.3(12) of the Concession Agreement.
Base Official Euro Exchange Rate	Shall mean the Official Euro Exchange Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Official USD Exchange Rate	Shall mean the Official USD Exchange Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base One-off Payment	Shall have the meaning set forth in Section 2.1 (<i>Short Term Interest Rate Adjustments of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Base One-Off Payment Adjustment Tables	The Short Term Base Interest Adjustment of the Base One-Off Payment (<i>table 1</i>) and the Floating Interest Rate Adjustment of the Base Floating One-Off Payment (<i>table 2</i>) in Section 2 (<i>Adjustment of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Base Periodic	Shall have the meaning set forth in Section 4.7.3 (<i>Base Periodic</i>

Payment for Partial Operation Phase	<i>Payment for Partial Operation Phase – Section of the Highway)</i> of the Concession Agreement.
Base Rates	Shall mean the interest rates and indices published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Refinance Interest Rate	Shall have the meaning set forth in Section 23.2.3(11) of the Concession Agreement.
Base Short Term CPI Interest Rate	Shall mean the Short Term CPI Interest Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Short Term Euro Interest Rate	Shall mean the Short Term Euro Interest Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Short Term Nominal NIS Interest Rate	Shall mean the Short Term Nominal NIS Interest Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Short Term USD Interest Rate	Shall mean the Short Term USD Interest Rate published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Base Toll Tariff or BTT	Shall have the meaning ascribed thereto in Section 1.1 (<i>Base Toll Tariff</i>) of Appendix E (<i>The Toll Tariffs</i>).
Base Total Target Income	Shall have the meaning set forth in Section 4.7.2 (<i>Base Total Target Income</i>) of the Concession Agreement.
Base Total Target Income Adjustment Tables	Shall mean table 3 in Section 3 (<i>Long Term Interest Rate Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Base US CPI	Shall mean the US CPI published by the Tender Committee pursuant to Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) to the Invitation to Bid.
Basic Schedule	Shall have the meaning ascribed thereto in Section 4.5 (<i>Incorporating a Basic Detailed Schedule</i>) of Appendix 11 B (<i>Schedules</i>) to Volume 11 (<i>Design, Construction and Quality Control</i>).
Betterment Tax	Shall have the meaning set forth in Section 196A (“א196”) of the Planning and Zoning Law, 1965 (“היטל השבחה”).
Bid(s)	Shall mean the complete written bid, based on the terms and conditions contained in the Contract Documents and including all the documents submitted by a Bidder to the Tender Committee in accordance with the provisions of the Tender Documents including all documents, Tender Forms, drawings, and supplemental documents, all as called for in the Tender Documents, as duly completed and signed by the Bidder, and as accepted by the Tender Committee

	pursuant to the Tender Process.
Bid Bond	The bank guarantee submitted by the Bidder in the form of Tender Form A (<i>The Bid Bond</i>).
Bid Documents	Shall mean all documents contained within the Bid.
Bid Letter	The Bid Letter attached as Tender Form B (<i>the Bid Letter</i>).
Bid Submission Date	Shall have the meaning set forth in Section 1.2 (<i>Anticipated Schedule</i>) of the Invitation to Bid.
Bidder	Shall have the meaning set forth in Section 5.1 (<i>The Bidder</i>) of the Invitation to Bid.
Blue Line	The boundary of the Statutory Plans as will be in force from time to time, the relevant parts of which as of the date hereof are attached as an Annex to Volume 4 (<i>Statutory Information and Instructions</i>).
Bond	Shall mean the Performance Bond, Early Works Bond, the Construction Performance Bond, the Operation and Maintenance Bond and the Final Maintenance Bond, as applicable.
Building Permit	Shall have the meaning set forth under the Planning and Building Law-1965.
Business Plan	Shall have the meaning ascribed in Section 2 (<i>Business Plan</i>) of Annex F (<i>The Financial Proposal</i>) to the Invitation to Bid.
Capital Expenditure	Any expenditure, which is to be treated as capital expenditure in accordance with the generally accepted accounting principals in Israel, as updated from time to time.
Change	<p>Shall mean any alteration, deviation, modification, supplement, addition or deletion from the scope of the Project, including to the Design of the Project, to the Project's Design Documents and specifications and to the Operation and Maintenance of the Project.</p> <p>Without derogating from the generality of the foregoing, and for the avoidance of doubt it is hereby emphasized that under no circumstances will the following be deemed to constitute a Change:</p> <ol style="list-style-type: none"> 1) Alterations, deviations, additions or deletions from the Design which are required in order to comply with the requirements of the Contract Documents. 2) Alterations, deviations, additions, revisions or deletions from the Design which stem merely from the development of the Design to a more detailed level of Design prepared by the Concessionaire. 3) Alterations, deviations, additions or deletions from the Design resulting from instructions of any Relevant Authority as a condition for granting its Approval. 4) Works that are necessary in order for the Project to be Constructed, Operated or Maintained in accordance with the requirements of this Concession Agreement, the Laws or in

	<p>order to comply with the other specifications and requirements set forth in any of the other Contract Documents or specifications, any Laws, including Changes that are required in order to comply with updated safety standards, as shall be the common practice from time to time.</p> <p>5) Works that are required in order to remedy a breach, act, omission or other failure of the Concessionaire to comply with the provisions of this Concession Agreement or with the Contract Documents or specifications.</p> <p>6) Works that are specifically excluded in the Concession Agreement or the Contract Documents from being considered as a "Change".</p>
Change Order Completion Certificate	A Completion Certificate issued by the Implementing Authority confirming the successful fulfillment of all of the Concessionaire's obligations with respect to the execution of Construction Works required for the implementation of a Change Order.
Chairman	Shall mean the chairman of the Dispute Resolution Panel, as set forth in Appendix K (<i>Dispute Resolution</i>) of the Concession Agreement.
Chosen Duration (also Duration Chosen)	Shall mean, with respect to each of the types of loans set forth in Table 1 (<i>Duration for Short Term Loans</i>) and Table 2 (<i>Duration for Long Term Loans</i>) of Tender Form O (<i>Selected Basket of Indices, Interest Rates Adjustments, Duration of Loans and Determining Date</i>), to the Invitation to Bid, the duration of such type of loan as chosen by the Bidder, as applicable.
Collection Fee	The Fee that the Concessionaire has the right to collect for the use of the Highway by a Vehicle which is not a Subscribed Vehicle, in accordance to Appendix E (<i>Toll Tariffs</i>).
Commercial Operation Phase	Shall mean the period commencing on the issuance of the Permit to Operate; and ending upon the termination of the Concession Agreement.
Compliant Bid	Shall have the meaning set forth in Section 9.1 (<i>General</i>) of the Invitation to Tender.
Concession Agreement	Shall mean the agreement between the Successful Bidder and the State, the form of which has been published by the Tender Committee, including all Appendices and Forms attached thereto, and all applicable Addenda and Amendments.
Concession Period	Shall have the meaning set forth in Section 2.2 (<i>Concession Period</i>) of the Concession Agreement.
Concessionaire	Shall have the meaning set forth in the preamble to the Concession Agreement.
Concessionaire's Management Team	Shall have the meaning set forth in Section 10.1.5 of the Concession Agreement.
Construction	Shall mean the construction of the Project.

Construction Completion	Shall mean completion of Construction of the Project in accordance with the requirements of the Contract Documents.
Construction Completion Certificate	The certificate issued by the State following the successful completion of the Construction Completion Inspection, which shall indicate the Concessionaire's eligibility to submit a Request to Commence Operation (as such term is defined in Section 12.1.2 of the Concession Agreement).
Construction Completion Date	Shall mean for each Section of the Highway the dates set forth in Section 9.2 (<i>Phases of Construction</i>) of the Concession Agreement, or as adjusted in accordance with the Contract Documents.
Construction Completion Inspection	Inspection of the Construction Works to be carried out by the Implementing Authority in order to ensure that the Works have been constructed in accordance with the Contract Documents, as described in Section 8.1 (<i>Construction Completion Certificate</i>) of Volume 11 (<i>Design Construction and Quality Control</i>).
Construction Grant	Shall have the meaning ascribed thereto in Section 4.7.1 (<i>Construction Grant</i>) of the Concession Agreement.
Construction Performance Bond	Shall have the meaning set forth in Section 29.4 (<i>The Construction Performance Bond</i>) of the Concession Agreement.
Construction Phase	Shall mean the period commencing no later than one (1) month following the Effective Date and ending upon the issuance of a Permit to Operate, including the Partial Operation and Maintenance Phase in accordance with Section 11 (<i>Partial Operation and Maintenance Phase</i>) of the Concession Agreement.
Construction Works, Works	Shall mean the works to be executed in relation to the design, construction and completion of the Project (or any part thereof) in accordance with the Contract Documents, including but not limited to all design, engineering, procurement, construction, labor, management and supervision, quality control and quality assurance, technical, professional and other services, and procurement of all equipment, systems and materials as required by the Contract Documents or otherwise necessary or appropriate in order to achieve Construction Completion of the Project, including performance of Construction Completion Inspection.
Consumer Price Index or CPI	Shall mean the Israeli Consumer Price Index, including fruit and vegetables, published from time to time by the Israeli Central Bureau of Statistics. The CPI on any applicable date shall mean the effective CPI on the morning of such date.
Contract Documents	Shall have the meaning ascribed thereto in Section 1.5 (<i>Concession Documents</i>) of the Concession Agreement.
Control	Shall have the meaning ascribed thereto in Section 1 of the Securities Law, 1968.
Cure Period	Shall have the meaning ascribed thereto in either Section 19.2.1 (<i>Notice of Termination by the State</i>) or Section 20.2 (<i>Notice of Termination by the Concessionaire</i>) of the Concession Agreement, as

	applicable.
Damage	Shall have the meaning ascribed thereto in Section 24.1.1 of the Concession Agreement.
Date of Final Maintenance Bond Submission	Shall have the meaning ascribed thereto in Section 29.6.1 of the Concession Agreement.
Decision	Shall have the meaning set forth in (i) Section 10.2.3 of the Concession Agreement; and (ii) Sections 3.3.3 (d) and 4.3.2 (d) of Appendix K (<i>Dispute Resolution</i>) of the Concession Agreement, as applicable.
Deductions	<p>Shall mean:</p> <ul style="list-style-type: none"> i. any amounts received under the Shareholders Loans other than for the purposes of the Concession Agreement; ii. any amounts due to the Shareholders as a result of any Shareholders Loans or amendments or material waivers to Shareholders Loans or Related Party Transactions not approved by the State; iii. any amounts payable as a result of a failure of the Concessionaire to meet its obligations under the Shareholders Loans, including default interest, penalties, prepayment fees, and any other such obligations or liabilities of the Concessionaire (other than such obligations to the extent that they are directly related to the termination of the Concession Agreement in accordance with the provisions of Section 20 (<i>Termination by the Concessionaire</i>) of the Concession Agreement or in accordance with the provisions of Section 16.3 (<i>Termination for Convenience</i>) of the Concession Agreement, as the case may be; iv. any amounts reduced pursuant to the application of the provisions of Section 27.4 (<i>Actions Following Notice of Termination</i>) of the Concession Agreement; v. any amounts reduced pursuant to the application of the provisions of Section 19.4 (<i>Effects of Termination by the State</i>) of the Concession Agreement; <p>and provided that no applicable sum shall be doubly deducted.</p>
Definitions Volume	Shall mean this Appendix A (<i>Definitions Volume</i>) of the Concession Agreement, and all Addenda and Amendments applicable thereto.
Design	Shall mean the works to be executed in relation to the design of the Project in accordance with the Contract Documents, including, without limitation, the preparation of the Detailed Design.
Design Documents	Each of the submittals which the Concessionaire may proceed with to implementation, in accordance with the provisions of Section 5 (<i>Review Procedures</i>) of Volume 11 (<i>Design, Construction and</i>

	<i>Quality Control</i>).
Design Requirements	All design criteria and requirements detailed in the Contract Documents and specified in Part B (<i>Engineering-Technical Volumes</i>).
Detailed Financial Closing Schedule	Shall have the meaning set forth in Section 1.2 of Appendix 11B (<i>Schedules</i>) of Volume 11 (<i>Design, Construction and Quality Control</i>).
Detailed Design	The detailed design of the Project, based on (i) the provisions of the Contract Documents as applicable for the relevant professional discipline; (ii) the Concessionaire's Bid Documents (as approved by the Tender Committee); (iii) the application for any Approvals prepared by the Concessionaire; and (iv) generally accepted professional standards.
Detailed Schedule for the Construction Phase	Shall mean the schedule required to be submitted by the Concessionaire pursuant to Section 4 (<i>Contents of the Detailed Schedule</i>) of Appendix 11B (<i>Schedules</i>) to Volume 11 (<i>Design, Construction and Quality Control</i>).
Detailed Schedule for the Development Phase	Shall mean the schedule required to be submitted by the Concessionaire pursuant to Section 1.2 of Appendix 11B (<i>Schedules</i>) to Volume 11 (<i>Design, Construction and Quality Control</i>).
Detailed Schedules	Shall have the meaning set forth in Section 4 (<i>Contents of the Detailed Schedule</i>) of Appendix 11B (<i>Schedules</i>) to Volume 11 (<i>Design, Construction and Quality Control</i>).
Determining Date	Shall mean the date set forth by the Concessionaire as the "Determining Date" in Section 3 (<i>Determining Date</i>) of Tender Form O (<i>Selected Basket of Indices, Interest Rates Adjustments, Duration of Loans and Determining Date</i>) of the Invitation to Bid.
Determining Date AWI	The AWI on the Determining Date, as detailed in Section 9 (<i>Linkage to Indices</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Determining Date CPI	The CPI on the Determining Date, as detailed in Section 9 (<i>Linkage to Indices</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Determining Date HICP	The HICP on the Determining Date, as detailed in Section 9 (<i>Linkage to Indices</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Determining Date IPB	The IPB on the Determining Date, as detailed in Section 9 (<i>Linkage to Indices</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Determining Date Official Euro Exchange Rate	The Official Euro Exchange Rate on the Determining Date, as detailed in Section 9 (<i>Linkage to Indices</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Determining Date Official USD Exchange Rate	The Official USD Exchange Rate on the Determining Date, as detailed in Section 9 (<i>Linkage to Indices</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Determining Date Rates	Shall have the meaning ascribed thereto in Section 10.1.3 (<i>Determining Date Rates</i>) of Appendix D (<i>Adjustment of the Payments</i>).

Determining Date US CPI	The US CPI on the Determining Date, as detailed in Section 9 (<i>Linkage to Indices</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Development Phase	Shall mean the period commencing upon the Signature Date and ending upon the issuance of the Notice to Proceed.
Deviation	Any unauthorized change, omission, reservation, condition or addition made by the Bidder to the Contract Documents, in any way, manner or scope (including in the Bid itself).
Direct Costs	<p>Shall mean sums which are incurred by the Concessionaire as a direct result of the event for which they are being paid, including:</p> <ul style="list-style-type: none"> (a) actual direct additional effective interest and fees which are incurred by the Concessionaire within the terms of the Senior Debt Financing Agreements as a direct result of the event for which they are being paid and for the period for which the direct costs are being paid; (b) other costs which are incurred by the Concessionaire as a direct result of the event for which they are being paid and for the period for which the direct costs are being paid, which shall be determined based on the lower of: <ul style="list-style-type: none"> (i) the market prices; or (ii) the actual cost of any such cost components (c) deducted by any savings reasonably assumed to be made by the Concessionaire as a direct result of the event for which the direct costs are being paid (if applicable); (d) plus overhead costs (including overhead costs for subcontractors (including EPC Contractor), not exceeding 10%. <p>Without derogating from the generality of the foregoing, and for the avoidance of doubt it is hereby emphasized that under no circumstance will the following be deemed to constitute Direct Costs:</p> <ul style="list-style-type: none"> (i) costs which constitute loss of revenues of the Concessionaire or of the Parties to the Project Agreements; (ii) overhead costs exceeding 10% of the Direct Costs as defined above; (iii) contractual fines or liquidated damages. (iv) VAT payable by the Concessionaire, excluding if such VAT is not deductible.
Dispute Resolution	Shall have the meaning ascribed to it in Appendix K (<i>Dispute Resolution</i>) to the Concession Agreement.
Dispute Resolution Panel	Shall mean the Arbitrators and the Independent Expert (as applicable) appointed for the purposes of dispute resolution in accordance with the provisions of Appendix K (<i>Dispute Resolution</i>) of the Concession Agreement

Distribution	Shall have the meaning set forth in the Companies Law 1999 ("חלוקה"), including any reduction of capital, redemption or purchase of shares or any other reorganization or variation to share capital], payments under the Shareholders Loan (whether of principal, interest, breakage costs or otherwise), or any payment pertaining to an "irregular transaction" as defined in the Companies Law 1999 ("עסקה חריגה").
Early Works	Shall have the meaning set forth in section 9.3 (<i>Early Works</i>) of the Concession Agreement.
Early Works Bond	Shall have the meaning set forth in section 29.3 (<i>The Early Works Bond</i>) of the Concession Agreement.
Effective Date	Shall have the meaning set forth in Section 2.4.2 of the Concession Agreement, but in any case no later than twelve (12) months from the Signature Date.
Entity	Shall mean any person, corporation, company, voluntary association, partnership, trust unincorporated association, or other legal entity.
Environmental Impact Assessment or EIA or Environment Impact Survey or EIS	Assessment of the possible impact, positive or negative, that a proposed project may have on the natural environment, as defined in the Planning and Building Law, 1965.
EPC Contract	Shall mean the agreement for the Construction of the Project and all other legal arrangements to be entered into between the Concessionaire and the EPC Contractor, complying with the provisions of Tender Form H1 (<i>Principles of Engagement with the EPC Contractor, Tunneling Expert and Transportation Infrastructure Expert</i>) of the Invitation to Tender.
EPC Contractor	Means the Entity appointed by the Concessionaire and presented in the Tender Form H1 (<i>Principles of Engagement with the EPC Contractor, Tunneling Expert and Transportation Infrastructure Expert</i>) of the Invitation to Tender which will execute the EPC Contract with the Concessionaire to provide engineering, procurement construction services with respect to the Project.
Equity	Shall mean any and all shares, interests, participation or other equivalents of or interests in corporate stock including shares of preferred stock.
EURIBOR Rate	Shall mean the three month EURIBOR interest rate published by Reuters.
Euro Linked to the HICP	Shall mean the Euro exchange rate calculated in accordance with the provisions of Section 9.5 (<i>Linkage to the USD Linked to US CPI and Euro Linked to the HICP</i>) of Appendix D (<i>The Adjustment of the Payments</i>) of the Concession Agreement.
Euro Long Term Senior Debt	Shall mean all Long Term Senior Debt Financing Agreements

Financing Agreements	denominated in Euros.
Euro Short Term Senior Debt Financing Agreements	Shall mean all Short Term Senior Debt Financing Agreements in Euros.
Evaluation Process	Shall have the meaning set forth in Section 7.2 (<i>Evaluation Stages</i>) of the Invitation to Bid.
Evaluator	Shall have the meaning set forth in Section 18.7.1(b) of the Concession Agreement.
Event of Force Majeure	Shall have the meaning set forth in Section 18.1 (<i>Event of Force Majeure – Definition</i>) of the Concession Agreement.
Existing Road Sections	All existing roads which are intended to become part of the Highway and are detailed in Volume 12 (<i>Operation and Maintenance</i>).
Expected Repayment	Shall have the meaning set forth in the Senior Debt Financing Agreements.
External Site	Shall have the meaning set forth in Appendix C1 (<i>HOMC</i>).
Fair Market Value	Shall mean the fair market value determined in accordance with Section 26 (<i>Fair Market Value</i>) of the Concession Agreement.
Final Maintenance Bond	Shall have the meaning set forth in Section 29.6 (<i>The Final Maintenance Bond</i>) of the Concession Agreement.
Final Score	Shall mean the Bidder’s final score, as determined by the Tender Committee based on the formula set forth in Section 7.9 (<i>Determination of the Final Score – Evaluation Formula</i>) of the Invitation to Bid.
Finance Providers	Shall mean any Person providing finance for or security for financing the Project under the Projects Financing Agreements.
Financial Closing	Shall mean the date of the approval of the Financing Agreements by the State in accordance with the provisions of the Concession Agreement.
Financial Model	Shall mean, as of the Signature Date and until the date of Financial Closing, the financial model included in the Bid. As of the date of Financial Closing and throughout the term of the Concession Agreement, shall mean the financial model as defined under the Financing Agreements and approved by the State pursuant to the Concession Agreement, as shall be updated from time to time in accordance with the provisions of the Financing Agreements.
Financial Plan	Shall mean the financial plan submitted in accordance with Section 2.2 (<i>Financial Plan</i>) of Annex F (<i>The Financial Proposal</i>) the Invitation to Bid.
Financial Proposal	Shall mean the proposal set forth in the Bid as accepted by the Tender Committee pursuant to the Tender Process. For the purpose of this definition, the Financial Proposal shall include the summary of the

	financing structure, financial forecasts and the plan and schedule for raising finance and execution of all Financing Agreements.
Financing Agreements	Shall mean those agreements, as approved by the State, entered into by the Concessionaire for the provision of finance or for the purpose of securing finance for the performance of its obligations pursuant to the Concession Agreement (including the Senior Debt Financing Agreements and the Subordinated Debt Financing Agreements) as shall be amended from time to time pursuant to the terms and conditions of the Concession Agreement.
FM Delay	Shall have the meaning set forth in Section 18.4.1 of the Concession Agreement.
Geology Evaluating Team or GET	Shall have the meaning set forth in Section 8.5.4 (<i>Payment for Tunneling Works</i>) of Volume 8.5 (<i>Tunnels Excavation and Support</i>).
Government	Shall mean the Government of the State of Israel acting on behalf of the State of Israel.
Hazardous Materials	Shall mean any substance, fuel product, waste or other material which is or becomes listed under the Hazardous Materials Law - 1993; and any substance, product, waste or other material of any nature whatsoever which may give rise to liability under the above Law or under any statutory provision or based on negligence, tort, nuisance or strict liability or under any binding precedent decision of the Israeli Supreme Court.
Heavy Vehicles	A Vehicle with gross weight above 5,000 (five thousand) kilograms.
Hedging Agreement	Shall mean hedging arrangements made with respect to the Senior Debt Financing Agreements, providing for finance on a floating rate basis
HICP	Shall mean the Euro-Zone Consumer Price Index (excluding any provisional price index), also known as the Monetary Union Index of Consumer Price (MUCIP) published by Eurostat - the statistical bureau of the European Union. The HICP on any applicable date shall mean the effective HICP on the morning of such date.
Highway	The section of the Israel National Road (as defined in the Toll Road Law) which is known as Cross Israel Highway (Road No. 6) in memory of Yizhak Rabin from Yokneam to Somech to be constructed (and operated and maintained) within the Site according to the provisions of the Contract Documents including, without limitation, the Tolling System, overpasses underpasses, interchanges (other than the Interchanges), any Expansion of the Highway and any modification or supplement, to be built pursuant to the Concession Agreement and, as from completion of any Section of the Highway, any Interchanges within such Section.
Hostile State	Shall mean a state which does not have diplomatic relations with the State or which does not have full trade relations with the State, or any other state which shall be determined as such by the Government from time to time.

Implementing Authority	Cross Israel Highway Ltd. (a wholly owned company of the State) or such other entity appointed by the Government as set forth in the Toll Road Law.
Index Adjustments	Shall have the meaning set forth in Section 6 (<i>Adjusted Construction Grant</i>) and Section 8 (<i>Adjusted Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Index Adjustment Table	Shall mean the tables included in Section 6 (<i>Adjusted Construction Grant</i>) and Section 8 (<i>Adjusted Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Interest Rate Adjustment Table	Shall have the meaning set forth in Section 2.1 (<i>Short Term Interest Rate Adjustment of the Base One-Off Payment</i>), Section 2.2 (<i>Floating Interest Rate Adjustment of the Base Floating One-Off Payment</i>) and Section 3 (<i>Long Term Interest Rate Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Interim Permit to Operate	Shall mean with respect to Existing Road Sections, the permit to operate issued by the Implementing Authority in accordance with the provisions of Section 11.1.3 of the Concession Agreement and with respect to Section of the Highway, the permit to operate issued by the Implementing Authority in accordance with the provisions of Section 11.3.3 of the Concession Agreement.
Infrastructure or Utilities	All infrastructure utilities at or crossing the Site, such as water, power, electricity, lighting, gas, sewage, fuel, control lines and communications.
Independent Expert	Shall have the meaning set forth in Appendix K (<i>Dispute Resolution</i>) to the Concession Agreement.
Initial Shareholders	Shall mean the Members of the Successful Bidder, as approved by the Tender Committee pursuant to the Tender Process.
Initial Shareholdings	Shall mean the equity holdings of each Initial Shareholder in the Successful Bidder, as acquired by such Initial Shareholder in accordance with the Financial Proposal and the Shareholders Agreement.
Insurance Policies	Shall mean the insurance policies required to be procured by the Concessionaire pursuant to Appendix G (<i>Insurance</i>) of the Concession Agreement, pursuant to applicable Law, and other insurance policies actually procured by the Concessionaire.
Intellectual Property	Shall have the meaning set forth in Section 31 (<i>Intellectual Property</i>) of the Concession Agreement.
Interested Party	Shall have the meaning ascribed thereto in Section 1 of the Securities Law-1968 (“בעל עניין”)
Invitation to Pre-Qualify for Participation in the Tender Stage	Shall mean the Invitation to Pre-Qualify for the Participation in the Tender Stage, including all Addenda and all Pre-Qualification Forms attached thereto, as published by the Tender Committee in June 2011.

Invitation to Bid, ITB	Shall mean the Invitation to Bid for the Tender, as published by the Tender Committee, all Annexes and Tender Forms attached thereto, and all applicable Addenda and Amendments.
IPB	Shall mean the Index of input in Paving and Bridges (מדד תשומה) (בסלילה וגישור) published from time to time by the Israeli Central Bureau of Statistics. The IPB on any applicable date shall mean the effective IPB on the morning of such date.
IRC	Shall mean the Index of Input in Residential Construction (מדד תשומות הבניה) published from time to time by the Israeli Central Bureau of Statistics. The IRC on any applicable date shall mean the effective IRC on the morning of such date.
Israel Antiquities Authority	Shall have the meaning set forth in the Israel Land Authority Law-1989.
Israeli Holidays	As defined in the Government and Law Administration Ordinance 5708-1948
Israeli Shekels or NIS	Shall mean the lawful currency of the State of Israel.
Known Infrastructure	Any infrastructure which is detailed in Volume 6 (<i>Utilities</i>) or which appear in the Contract Documents or in any of the drawings included as part of the Tender Documents.
Land	As defined in the Land Law
Land Law	The Land Law, 1969.
Law	Shall mean the laws in force in the State of Israel, including all national and municipal laws, regulations, binding rulings, ordinances, codes, instructions of any national or municipal or other authority, as is or as shall be in force from time to time.
Letter of Intent	Shall mean a letter of intent from a Proposed Finance Provider, included by the Bidder in its Bid, indicating an in-principle interest by such Proposed Finance Providers to provide financing to the Bidder for the Project, pursuant to the terms and conditions therein.
LIBOR USD Rate	Shall mean the three month LIBOR USD rate published by Reuters.
Liquidated Damages	Shall mean any agreed compensation or payment adjustments the State is entitled to due to events, defaults or any other acts or omissions of the Concessionaire, defined under this Concession Agreement.
Loan Life Cover Ratio or LLCR	Shall have the meaning set forth in Section 18.7.1(c) to the Concession Agreement.
Long Term CPI Interest Rate	Shall mean - on a specified date a. The weighted average gross yield to maturity, as published by the TASE, of the three (3) fixed rate CPI indexed Israeli Government Bonds which their average life is closest (having at least one with a longer average life, and at least one with a

	<p>shorter average life) to:</p> <ul style="list-style-type: none"> (i) for purposes of Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) of the Invitation to Bid and Section 3 (<i>Long Term Interest Rates Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement - the Chosen Duration with respect to the Long Term CPI Senior Debt; or (ii) for purposes of Section 27 (<i>General Provisions Relating to the Determination of the Amount of Senior Debt</i>) of the Concession Agreement and Section 2 (<i>Assumed Debt</i>) of Appendix H (<i>Terms for the Assumption of Balance of Senior Debt</i>) - the Average Life of the Remaining Funding pursuant to the relevant CPI Long Term Senior Debt Financing Agreements; <p>traded on the TASE, the weighted average shall be calculated based on the bonds volume of trade ("מחזור המסחר"), using an average of the five (5) trading days immediately preceding the date of calculation thereof; and</p> <ul style="list-style-type: none"> b. such Government Bonds are traded at five million NIS (5,000,000 NIS) in aggregate over the five (5) days immediately preceding such date. In the event either or all of the above mentioned Government Bonds do not meet the requirements of this section (b), such reference Government Bond(s) will be substituted by Government Bond(s) which meet the requirements of this section (b) and which are closest to the average life of the above mentioned Government Bonds.
Long Term CPI Senior Debt	Shall mean any Long Term Senior Debt of the Concessionaire linked to the Israeli Consumer Price Index.
Long Term Euro Interest Rate	<p>Shall mean the closing rate of the Euro Swap Rate for a period of:</p> <ul style="list-style-type: none"> a. for purposes of Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) of the Invitation to Bid and Section 3 (<i>Long Term Interest Rates Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement - the Chosen Duration with respect to the Long Term Euro Senior Debt; or b. for purposes of Section 27 (<i>General Provisions Relating to the Determination of the Amount of Senior Debt</i>) of the Concession Agreement and Section 2 (<i>Assumed Debt</i>) of Appendix H (<i>Terms for the Assumption of Balance of Senior Debt</i>) of the Concession Agreement - the Average Life of the Remaining Funding pursuant to the relevant Euro Long Term Senior Debt Financing Agreement on the specified date; <p>based on the higher quote on page ICAP8 of Reuters, two (2) trading</p>

	<p>days immediately preceding the date of calculation thereof.</p> <p>In the event that no quote is provided for the exact such period, the Long Term Euro Interest Rate shall be calculated on a linear interpolation basis using the closest two (one higher and one lower) quoted maturities.</p>
Long Term Euro Senior Debt	Shall mean any Long Term Senior Debt of the Concessionaire denominated in Euros.
Long Term Interest Rate	Shall mean, as of a specified date, the Long Term CPI Interest Rate, the Long Term Nominal Interest Rate, the Long Term Euro Interest Rate or the Long Term USD Interest Rate, on the specified date, as applicable.
Long Term NIS Senior Debt	Shall mean any Long Term Senior Debt of the Concessionaire denominated in NIS.
Long Term Nominal Interest Rate	<p>a. The weighted average gross yield to maturity, as published by the TASE, of the two (2) fixed rate Israeli Government Bonds not linked to the CPI which their average life is closest to:</p> <p>(i) for purposes of Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) of the Invitation to Bid and Section 3 (<i>Long Term Interest Rates Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement - the Chosen Duration with respect to the Long Term Nominal NIS Senior Debt; or</p> <p>(ii) for purposes of Section 27 (<i>General Provisions Relating to the Determination of the Amount of Senior Debt</i>) of the Concession Agreement and Section 2 (<i>Assumed Debt</i>) of Appendix H (<i>Terms for the Assumption of Balance of Senior Debt</i>) - the Average Life of the Remaining Funding pursuant to the relevant NIS Long Term Senior Debt Financing Agreements;</p> <p>traded on the TASE, the weighted average shall be calculated based on the bonds volume of trade ("מחזור המסחר"), using an average of the five (5) trading days immediately preceding the date of calculation thereof; and</p> <p>b. such Government Bonds are traded at five million NIS (5,000,000 NIS) in aggregate over the five (5) days immediately preceding such date. For the removal of doubt, in the event either or all of the above mentioned Government Bonds do not meet the requirements of this section (b), such reference Government Bond(s) will be substituted by Government Bond(s) which meet the requirements of this section (b) and which are closest to the average life of the above mentioned Government Bonds.</p>
Long Term Senior	Shall mean Senior Debt the duration of which is longer than five (5)

Debt	years.
Long Term Senior Debt Financing Agreements	Shall mean Senior Debt Financing Agreements, the duration of which is longer than five (5) years.
Long Term Senior Debt Financing Agreements Debt Composition	Shall mean, as of a specified date, the percentages of each of the total outstanding principal amounts of Senior Debt that is (i) denominated in USD, (ii) denominated in Euros, (iii) denominated in NIS and not linked to the CPI and (iv) denominated in NIS and linked to the CPI, out of the total principal amount of outstanding Senior Debt based on the terms and conditions of the Long Term Senior Debt Financing Agreements.
Long Term USD Interest Rate	<p>Shall mean - on a specified date - the closing rate of the USD Swap Rate for a period closest to:</p> <ul style="list-style-type: none"> a. for purposes of Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) of the Invitation to Bid and Section 3 (<i>Long Term Interest Rates Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement - the Chosen Duration with respect to the USD long term Senior Debt; or b. for purposes of Section 27 (<i>General Provisions Relating to the Determination of the Amount of Senior Debt</i>) of the Concession Agreement and Section 2 (<i>Assumed Debt</i>) of Appendix H (<i>Terms for the Assumption of Balance of Senior Debt</i>) - the Average Life of the Remaining Funding pursuant to the relevant USD Long Term Senior Debt Financing Agreements; <p>based on the higher quote on page ICAP8 of Reuters, two (2) trading days immediately preceding the date of calculation thereof.</p> <p>In the event that no quote is provided for the exact such period, the Long Term USD Interest Rate shall be calculated on a linear interpolation basis using the closest two (one higher and one lower) quoted maturities.</p>
Long Term USD Senior Debt	Shall mean any Long Term Senior Debt of the Concessionaire denominated in USD.
Maintenance	Shall mean the works to be executed in relation to the maintenance of the Project, including all works specified in the Approved Final Maintenance Plan or otherwise necessary or appropriate to maintain the Project.
Major Activity	Shall mean any activity the duration of which exceeds forty-five (45) days; or any activity the monetary value of which exceeds three million NIS (3,000,000 NIS); or any activity of special importance to the Project (even though the duration of which does not exceed forty-five (45) days, nor does its monetary value exceed three million NIS

	(3,000,000 NIS).
Major Subcontractor	Shall have the meaning set forth in Section 5.3 (<i>Major Subcontractor</i>) of the Invitation to Bid.
Make-Whole Payment	The make-whole payment calculated in accordance with the provisions of Section 27.1 (<i>Make-Whole Payment</i>) to the Concession Agreement.
Mark to Market Payment	The mark to market payment calculated in accordance with the provisions of Section 27.2 (<i>Mark to Market Payment</i>) to the Concession Agreement.
Material Breach	A breach of the Concessionaire of its obligations under the Contract Documents, which is explicitly defined as a Material Breach and thus section 19.1.1(m) of the Concession Agreement is in effect, and any other event that according to Sections 6 and 7 of the Contract Law (Remedies for Breach of Contract), 1970, may constitute a material breach.
Means of Control	As defined in Section 1 of the Securities Law, 1968.
Member	Shall have the meaning set forth in Section 5.2 (<i>Members of the Bidder</i>) of the Invitation to Bid.
Minimum Threshold Requirement	Shall mean the minimum threshold required in order for a Bidder to pass the stage of the Financial Proposal (as set forth in Section 7.7.2 (<i>Minimum Threshold Requirement</i>) of the Invitation to Bid).
Miscellaneous Structures	Those structures to be built by the Concessionaire pursuant to the terms of the Contract Documents, excluding the Highway and the Associated Facilities.
Month	Shall mean a month of the Gregorian calendar.
Municipality	Shall mean all municipal authorities empowered to enact Laws and Regulations.
National Highway Law	Israel National Highway Law, 1994.
NIS Long Term Senior Debt Financing Agreements	Shall mean all Long Term Senior Debt Financing Agreements denominated in NIS.
NIS Short Term Senior Debt Financing Agreements	Shall mean all Short Term Senior Debt Financing Agreements denominated in NIS.
Nominated CEO	Shall have the meaning set forth in Section 2.3.5 of the Concession Agreement.
NMP	Shall mean a National Master Plan 31/A/2, 31/A/3 and 31/A/7, as defined in Section 4.1 (<i>Introduction</i>) of Volume 4 (<i>Statutory Information and Instructions for Section 3 and Section 7</i>).
Notice of	Shall mean a notice of termination of the Concession Agreement,

Termination	issued pursuant to Sections 7.7.1(d) (<i>Mutual Right to Terminate</i>), 7.8.1(d) (<i>Mutual Right to Terminate</i>), 16.3.1 (<i>Right of the State to Terminate for Convenience</i>), 18.6.1 (<i>Notice of Termination – Event of Force Majeure</i>), 19.3 (<i>Termination of the Concession Agreement</i>) and 20.3 (<i>Termination of the Concession Agreement</i>) of the Concession Agreement, and subject to the terms and conditions thereof, as applicable.
Notice to Proceed	Shall mean a notice to commence with the Construction of the Highway, excluding Early Works, issued by the State to the Concessionaire pursuant to the provisions of Section 9.4 (<i>Notice to Proceed</i>) of the Concession Agreement.
O&M Contract	Shall mean the agreement for the Operation and Maintenance of the Project and all other legal arrangements to be entered into between the Concessionaire and the O&M Contractor, complying with the provisions of Tender Form H2 (<i>Principles for Engagement with the O&M Contractor</i>) of the Invitation to Bid.
O&M Contractor	Shall mean the Entity appointed by the Concessionaire and presented in the Tender Form H2 (<i>Principles for Engagement with the O&M Contractor</i>) of the Invitation to Bid, which shall execute an O&M Contract with the Concessionaire to operate and maintain the Project, or any part thereof, on behalf of the Concessionaire.
Offence	Shall mean a criminal offence, in Israel or abroad, which constitutes a felony ("עוון"), or any other criminal offence conviction of which resulted in a prison sentence of at least one (1) year (or longer) and where such sentence was given during the seven (7) years preceding the Bid Submission Date.
Official Euro Exchange Rate	Shall mean, as of any date, the representative rate of exchange for NIS to the Euro published by the Bank of Israel on such date, and if no representative rate is published on that date, the last published representative rate.
Official USD Exchange Rate	Shall mean, as of any date, the representative rate of exchange for NIS to the US Dollar published by the Bank of Israel on such date, and if no representative rate is published on that date, the last published representative rate.
Operating Costs	Any expenditure, which is to be treated as operating costs in accordance with the generally accepted accounting principles in Israel, as updated from time to time, and in any case excluding any depreciation and financial costs.
Operation	Shall mean all operations necessary for the operation of the Project.
Operation and Maintenance	Shall mean the operation and maintenance required to operate the Project.
Operation and Maintenance Bond	Shall have the meaning set forth in Section 29.5 (<i>The Operation and Maintenance Bond</i>) of the Concession Agreement.
Operation and Maintenance	Shall mean those manuals prepared by the Concessionaire and submitted to the State pursuant to the provisions of Section 2.6

Manuals or O&M Manuals	<i>(Operations and Maintenance Manual)</i> to Volume 12 <i>(Operation and Maintenance)</i> and other stipulations in the Contract Documents.
Outline Design	A design of an Alternative Component to be submitted for the approval of the Tender Committee, as defined in Section 3.10.5 <i>(Design Requirements and Criteria for Alternative Components)</i> of Volume 3 <i>(Introduction to Engineering)</i> .
Overhead Costs	Shall have the meaning set forth in Section 2.10.2 <i>(Overhead Costs)</i> of Appendix F <i>(Change Order)</i> .
Parent Company	An Entity which exercises Control over a Member and which a Member relied on the financial results thereof for the purpose of demonstrating the Financial Pre-Qualification Requirements.
Partial Operation and Maintenance Phase	Shall mean the period commencing on the date of Notice to Proceed and ending upon the issuance of a Permit to Operate, in which the Concessionaire shall be responsible for the Partial Operation and Maintenance of the Existing Road Sections and for the Partial Operation and Maintenance of a Section of the Highway, in accordance with the provisions of Section 11 <i>(Partial Operation and Maintenance Phase)</i> of the Concession Agreement.
Partial Operation and Maintenance of the Existing Road Sections	Shall mean the Operation and Maintenance of the existing road sections as provided in Section 11.1 <i>(Partial Operation and Maintenance – Existing Road Sections)</i> of the Concession Agreement and the provisions of Volume 12 <i>(Operation and Maintenance)</i> .
Partial Operation and Maintenance of a Section of the Highway	Shall mean the Operation and Maintenance of a section of the Highway as provided in Section 11.2 <i>(Partial Operation and Maintenance – Section of the Highway)</i> of the Concession Agreement and the provisions of Volume 12 <i>(Operation and Maintenance)</i> .
Participant	Shall have the meaning set forth in Section 8.6.5 (a) of the Invitation to Bid.
Performance Bond	Shall have the meaning set forth in Section 29.2 <i>(The Performance Bond)</i> of the Concession Agreement.
Permit	Shall have the meaning set forth in Section 2.5.4 of Appendix B <i>(Concessionaire’s Obligations during the Development Phase)</i> to the Concession Agreement.
Permit to Operate	Shall have the meaning ascribed thereto in Section 12.1 <i>(Conditions for Receiving a Permit to Operate)</i> to the Concession Agreement.
Permit to Operate AWI	The AWI on the date of the Permit to Operate.
Permit to Operate CPI	The CPI on the date of the Permit to Operate.
Permit to Operate for Partial Operation and Maintenance	Shall mean the Interim Permit to Operate.

Permit to Operate HICP	The HICP on the date of the Permit to Operate.
Permit to Operate IPB	The IPB on the date of the Permit to Operate.
Permit to Operate Official Euro Exchange Rate	The Official Euro Exchange Rate on the date of the Permit to Operate.
Permit to Operate Official USD Exchange Rate	The Official USD Exchange Rate on the date of the Permit to Operate.
Permit to Operate Rates	Shall mean the dates notified by the Implementing Authority to the Concessionaire in accordance with the provisions of Section 10.1.2 (<i>Permit to Operate Rates</i>) of Appendix D (<i>Adjustment of the Payments</i>).
Permit to Operate US CPI	The US CPI on the date of the Permit to Operate.
Person	Shall mean any individual or Entity.
Planning and Building Authority	Shall mean any Relevant Authority acting in accordance with the Planning and Building Law.
Plans	Reference is made to the definition of NMP.
Pledge	Shall the mean (i) the Concessionaire's pledge of any right it may have, where such right is pursuant to the Concession Agreement or any other Project Agreement or (ii) the Shareholders' pledge of their rights in the Concessionaire, where such pledge of (i) or (ii) is for the purposes of securing financing for the Project.
Pledge Documents	Shall mean any document creating a Pledge.
Preliminary Design	The design of the Project, based on (i) the provisions of the Tender Documents as applicable for the relevant professional discipline which includes all requirements for preliminary design (ii) the Concessionaire's Bid Documents (as approved by the Tender Committee); (iii) the application for any Approvals prepared by the Concessionaire and generally accepted professional standards.
Pre-Qualification Documents	All the documents issued by the Tender Committee, in the framework of the Invitation for Pre-Qualify for the Participation in the Tender Stage, and all Addenda and Amendments thereto.
Pre-Qualification Requirements	The requirements specified in Section 4 (<i>Professional Pre-Qualification Requirements</i>) of the Invitation for Pre-Qualify for the Tender Selection Stage.
Pre-Qualification Stage or "PQ"	The process conducted pursuant to the publication of the Pre-Qualification Documents and until the announcement of the Eligible Participants which qualified such stage by complying with the Pre-Qualification Requirements.
Pre-Qualification	Shall mean the Pre-Qualification Submission Documents and the Pre-

Submission	Qualification Submission Forms.
Pre-Qualification Submission Date	Shall have the meaning set forth in Section 7.9.1 of the Invitation for Pre-Qualify for the Participation in the Tender Stage, i.e 12 July 2011.
Pre-Qualification Submission Documents	Shall mean the forms submitted by the Bidder pursuant and subject to the terms and conditions of the Pre-Qualification Documents, and including all the information and duly completed Pre-Qualification Forms, as signed and executed by Bidders, Members, Major Sub-Contractors, Related Entity, Parent Company as applicable.
Pre-Qualification Submission Forms	Shall have the meaning set forth in the Invitation for Pre-Qualify for the Participation in the Tender Stage.
Pre-Qualification Update Statement	Shall have the meaning set forth in Section 3.1 (<i>Pre-Qualification Update Statement</i>) of Annex C (<i>General Information</i>) of the Invitation to Bid.
Prerogative	Shall mean the authority, prerogatives and discretion of the Tender Committee pursuant to any of the Contract Documents.
Price Proposal	Shall mean the Construction Grant Price Proposal offered in Tender Form P (<i>Construction Grant Price Proposal</i>) and other pricing terms and conditions offered by a Bidder in accordance with the provisions of Annex G (<i>the Price Proposal</i>) of the Invitation to Bid.
Primary Advisors	The advisors listed in Annex H (<i>List of Primary Advisors to the Tender Committee</i>) of the Invitation to Bid.
Primary Contractor	As defined under the Work Safety Regulations (Construction Works) 5748-1988.
Proceedings	Shall mean any legal proceedings initiated against the Concessionaire as set forth in Section 24.2.2 (<i>Indemnification by the Concessionaire; Proceedings</i>) of the Concession Agreement.
Project	Shall mean the Design, finance, Construction, Operation and Maintenance of the Highway, the Miscellaneous Structures and the Associated Facilities, and the Operation and Maintenance of the Highway, Interchanges and the Miscellaneous Structures, pursuant to the requirements, terms and conditions of the Contract Documents.
Project Agreements	All agreements (including MOU's) executed by the Concessionaire with Major Subcontractors, Subcontractors / Suppliers and any other party, including but not limited to the agreements listed under section 2.7 (<i>Project Agreements</i>) of Appendix B (<i>Concessionaire's Obligations During the Development Phase</i>), for the purpose of or in relation to the execution of the Project.
Project Documentation	The records, plans, specifications any engineering plan prepared in connection with the Project (including any relevant engineering data), soil data and analysis, surveys, and time schedule, software, maintenance manuals, insurance policies, diaries, utility relocation plans, record maps, other reports and samples relating to the Project whether in the possession of the Concessionaire or the State, whether planned and submitted by the Concessionaire and in the possession of the Concessionaire and licenses, permits, contracts, the Annexes and

	the Volumes warranties and contractual rights of the Concessionaire relating to the Project.
Project Manager	Shall have the meaning set forth in Section 10.1.2 of the Concession Agreement.
Project Organization Structure or Project Organizational Structures	Shall mean the project organization structure submitted by the Bidder as Tender Form I (<i>Project Organization Structure</i>) of the Invitation to Bid.
Project Schedule	Shall have the meaning set forth in Section 2.1 (<i>Project Schedule</i>) of Appendix B (<i>Concessionaire's Obligations During the Development Phase</i>) of the Concession Agreement.
Proposed Senior Debt Finance Providers	Shall mean the financial institutions which have provided the Bidder with the letter(s) of intent to provide finance, in accordance with the provisions of Section 4 (<i>Letter of Intent to Provide Finance</i>) of Annex F (<i>the Financial Proposal</i>) of the Invitation to Bid.
Public Entities Transactions Approval	Shall mean the valid approval required in accordance with the provisions of Section 2A of the Public Entities Transactions (Enforcement of Bookkeeping, Payment of Taxes, Legal Employment of Foreign Workers and Minimum Wage) Law-1976
Quarterly Toll Revenue Guarantee, or TRGq	Shall have the meaning set forth in Section 4 (<i>Calculation of the Toll Revenue Guarantee</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>).
Quarterly Toll Revenue Target, or TRTq	Shall have the meaning set forth in Section 2 (<i>Toll Revenue Target (TRT)</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>).
Reference Bank of Israel Interest Rate	Shall have the meaning set forth in Section 2.2 (<i>Floating Interest Rate Adjustment of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference CPI Long Term Interest Rate	Shall have the meaning set forth in Section 3 (<i>Long Term Interest Rate Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference EURIBOR Rate	Shall have the meaning set forth in Section 2.2 (<i>Floating Interest Rate Adjustment of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference LIBOR USD Rate	Shall have the meaning set forth in Section 2.2 (<i>Floating Interest Rate Adjustment of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Long Term Interest Rate	Shall have the meaning set forth in Section 3 (<i>Long Term Interest Rate Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Long	Shall have the meaning set forth in Section 3 (<i>Long Term Interest</i>

Term Euro Interest Rate	<i>Rate Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Long Term USD Interest Rate	Shall have the meaning set forth in Section 3 (<i>Long Term Interest Rate Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Long Term Nominal NIS Interest Rate	Shall have the meaning set forth in Section 3 (<i>Long Term Interest Rate Adjustment of the Base Total Target Income</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Short Term Interest Rate	Shall have the meaning set forth in Section 2 (<i>Adjustment of the Base One-Off Payments</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Short Term CPI Interest Rate	Shall have the meaning set forth in Section 2 (<i>Adjustment of the Base One-Off Payments</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Short Term Euro Interest Rate	Shall have the meaning set forth in Section 2 (<i>Adjustment of the Base One-Off Payments</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Short Term Nominal Interest Rate	Shall have the meaning set forth in Section 2 (<i>Adjustment of the Base One-Off Payments</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Reference Short Term USD Interest Rate	Shall have the meaning set forth in Section 2 (<i>Adjustment of the Base One-Off Payments</i>) of Appendix D (<i>Adjustment of the Payments</i>) of the Concession Agreement.
Refinance	Shall mean any of the following: <ul style="list-style-type: none"> (i) any amendment, variation, novation supplement or replacement of any Financing Agreement; (ii) the creation of any right or the exercise of any right, concession, option or agreement, all pursuant to the Financing Agreements. (iii) the disposition of any rights or interests in, or the creation of any rights of participation in respect of the Financing Agreements, or the creation or granting of any other form of benefit or interest in either the Financing Agreements, revenues or assets of the Concessionaire, whether by way of security or otherwise; or (iv) any other arrangement put in place by the Concessionaire or another Person which has an effect which is similar to any of the above or which has the effect of limiting the Concessionaire's ability to carry out any of the above.
Refinance Gain	Shall have the meaning set forth in Section 23.2.3 (<i>Determination of the Refinance Gain</i>) of the Concession Agreement.
Reinstatement of the Project	Shall have the meaning set forth in Section 18.5.2 of the Concession Agreement.
Regular Vehicles	A Vehicle with gross weight of up to, and including, 5,000 (five thousand) kilograms.

Reinstatement Cost	Shall have the meaning ascribed thereto in Section 18.5.3 (<i>The Reinstatement Cost</i>).
Related Entity	Shall mean an Entity which exercises Control over a Member or an Entity Controlled by such a Member; where such Entity was relied on by the Bidder in order to demonstrate compliance with the Pre-Qualification Requirements of the Invitation for Pre-Qualification Submissions and where such Entity submitted Pre-Qualification Form "C" on behalf of the relevant Member; and for any other purpose including an Entity under common Control over a Member.
Related Party Transaction	Shall mean any transaction relating to the Project in which the Concessionaire, any subsidiary of the Concessionaire, or the other party to a contract, leases transfers or otherwise disposes of any of its properties or assets to, or purchases any property or assets from, provides services to, or enters into any contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, an Interested Party (other than the Design Contracts, EPC Contract, Operation and Maintenance Contracts or Management Contracts).
Relevant Authority	Any ministry, department, agency, authority or entity of the State of Israel and any other public authority, body, entity or person having jurisdiction under all Laws with respect to the Concessionaire or to the Project or any part thereof or carrying out actions on the Site, including any Authorized Planning Committee and the Accompanying Team.
Request for Additional Commercial Activity	Shall have the meaning set forth in Section 14.1 (<i>Request for Additional Commercial Activity</i>) of the Concession Agreement.
Request for Transfer of Equity	Shall have the meaning set forth in Section 3.3.7 of the Concession Agreement.
Request to Commence Construction	Shall have the meaning set forth in Section 9.4.1 (<i>Request to Commence Construction</i>) of the Concession Agreement.
Rehabilitation Works	Shall include all Works required prior to the final Transfer of the Project to the State, in accordance with the provisions of Section 8 (<i>Final Transfer of Project to the State</i>) of Volume 12 (<i>Operation and Maintenance</i>) and of the Concession Agreement.
Right to Utilize the Site	Shall have the meaning set forth in Section 7.2 (<i>The Right to Utilize the Site</i>) of the Concession Agreement.
Savings	Any reduction in Capital Expenditure, Operating Costs and financing costs as set forth in Section 2.14 (<i>Reduction from the Project</i>) of Appendix F (<i>Change Order</i>) of the Concession Agreement.
Second Ranked Bidder	Shall have the meaning set forth in Section 10.3 (<i>Second Ranked Bidder</i>) of the Invitation to Bid.
Section	Each discrete section of the Toll Road which may be used by the public independently of any other section of the Toll Road i.e. Section

	7 and Section 3.
Securities Law	Securities Law, 1968.
Senior Agent	Shall mean, in the event that there are several Senior Debt Finance Providers, the agent appointed and authorized thereby to carry out in their name and on their behalf the relevant action under this Concession Agreement.
Senior Debt Deductions	Shall have the meaning ascribed thereto in the definition of the term " Balance of the Senior Debt ".
Senior Debt Finance Providers	Shall mean the Entities, other than the Concessionaire or any of its Shareholders, which have executed the Senior Debt Financing Agreements.
Senior Debt Financing Agreements	Shall mean the agreements for the finance of senior debt as approved by the State in accordance with the provisions of the Concession Agreement.
Share Capital	Shall mean the Concessionaire's equity together with any shareholder loans and any debt of the Concessionaire which by its terms is subordinated to any other indebtedness of the Concessionaire.
Shareholder	Shall mean any shareholder of the Successful Bidder or of the Equity of the Successful Bidder, whether such shareholder is an Initial Shareholder or not.
Shareholders Agreement	Shall mean all relevant agreements governing the relationship of the Shareholders of the Successful Bidder in respect of the Project.
Shareholders Loan	Shall mean a loan or any other provision of funds to the Successful Bidder by the Initial Shareholders or Shareholders (other than an investment in paid up Equity).
Shareholders Undertaking	Shall mean Tender Form C (<i>Member's Undertaking</i>) submitted by the Concessionaire within its Winning Bid, as approved by the Tender Committee and attached to the Concession Agreement as Exhibit 3.
Short Term CPI Interest Rate	<p>Shall mean - on a specified date:</p> <p>a) The weighted average gross yield to maturity, as published by the TASE, of the three (3) fixed rate CPI indexed Israeli Government Bonds with which their average life is closest (having at least one with a longer average life and at least one with a shorter average life) to:</p> <p>(i) For the purposes of Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) of the Invitation to Bid - the Chosen Duration with respect to the Short Term CPI Senior Debt; or</p> <p>(ii) For the purposes of Section 2 (<i>Adjustment of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>) - the period between the date of the relevant drawdown and the Determining Date; or</p>

	<p>(iii) For purposes of Section 27 (<i>General Provisions Relating to the Determination of the Amount of Senior Debt</i>) of the Concession Agreement - the Average Life of the Remaining Funding pursuant to the relevant NIS Short Term Senior Debt Financing Agreements;</p> <p>traded on the TASE, the weighted average shall be calculated based on the bonds volume of trade ("מחזור המסחר"), using an average of the five (5) trading days immediately preceding the date of calculation thereof; and</p> <p>b) Such Bonds are traded at 5,000,000 NIS in aggregate over the five (5) days immediately preceding such date. For the removal of doubt, where either or both of the above mentioned Government Bonds do not meet the requirements of this section (b), such reference Government Bond(s) will be substituted by Government Bond(s) which meet the requirements of this section (b) and which are closest to the average life of the above mentioned Government Bonds.</p>
Short Term CPI Senior Debt	Shall mean any Short Senior Debt of the Concessionaire linked to the Israeli Consumer Price Index.
Short Term Euro Interest Rate	<p>Shall mean - on a specified date - the closing rate of the Euro Swap Rate for a period closest to:</p> <p>a. for the purposes of Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) of the Invitation to Bid - the Chosen Duration with respect to the Short Term Euro Senior Debt; or</p> <p>b. for the purposes of Section 2 (<i>Adjustment of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>) - the period between the date of the relevant drawdown and the Determining Date; or</p> <p>c. for purposes of Section 27 (<i>General Provisions Relating to the Determination of the Amount of Senior Debt</i>) of the Concession Agreement - the Average Life of the Remaining Funding pursuant to the relevant Euro Short Term Senior Debt Financing Agreements;</p> <p>based on the higher quote on page ICAP8 of Reuters, two (2) trading days immediately preceding the date of calculation thereof.</p>
Short Term Euro Senior Debt	Shall mean any Short Senior Debt of the Concessionaire denominated in Euros.
Short Term Nominal Interest Rate	<p>Shall mean - on a specified date:</p> <p>a) The weighted average gross yield to maturity, as published by the TASE, of the three (3) fixed rate nominal Israeli Government Bonds with which their average life is closest (having at least one</p>

	<p>with a longer average life, and at least one with a shorter average life) to</p> <ul style="list-style-type: none"> (i) for the purposes of Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) of the Invitation to Bid - the Chosen Duration with respect to the Short Term Nominal CPI Senior Debt; or (ii) for the purposes of Section 2 (<i>Adjustment of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>) - the period between the date of the relevant drawdown and the Determining Date; or (iii) for purposes of Section 27 (<i>General Provisions Relating to the Determination of the Amount of Senior Debt</i>) of the Concession Agreement - the Average Life of the Remaining Funding pursuant to the relevant Short Term Nominal Senior Debt Financing Agreements <p>b) the weighted average shall be calculated based on the bonds volume of trade ("מחזור המסחר"), using an average of the five (5) trading days immediately preceding the date of calculation thereof; and</p> <p>Such Government Bonds are traded at 5,000,000 NIS in aggregate over the five (5) days immediately preceding such date. For the removal of doubt, where either or both of the above mentioned Government Bonds do not meet the requirements of this section (b), such reference Government Bond(s) will be substituted by Government Bond(s) which meet the requirements of this section (b) and which are closest to the average life of the above mentioned Government Bonds.</p>
Short Term Nominal Senior Debt	Shall mean any Long Term Senior Debt of the Concessionaire denominated in NIS not linked to the CPI.
Short Term Senior Debt	Shall mean any Senior Debt of the Concessionaire, the term of which is five (5) years or less.
Short Term Senior Debt Financing Agreements	Shall mean any Senior Debt Financing Agreements, the duration of the loan thereunder is equal to or shorter than five (5) years.
Short Term USD Interest Rate	<p>Shall mean - on a specified date the closing rate of the USD Swap Rate for a period closest to:</p> <ul style="list-style-type: none"> (i) for the purposes of Section 1 (<i>Base Rates Issued by the Tender Committee</i>) of Annex G (<i>The Price Proposal</i>) of the Invitation to Bid - the Chosen Duration with respect to the USD Short Term Senior Debt; or

	<p>(ii) for the purposes of Section 2 (<i>Adjustment of the Base One-Off Payment</i>) of Appendix D (<i>Adjustment of the Payments</i>) - the period between the date of the relevant drawdown and the Determining Date; or</p> <p>(iii) for purposes of Section 27 (<i>General Provisions Relating to the Determination of the Amount of Senior Debt</i>) of the Concession Agreement - the Average Life of the Remaining Funding pursuant to the relevant USD Short Term Senior Debt Financing Agreements</p> <p>based on the higher quote on page ICAP8 of Reuters, two (2) trading days immediately preceding the date of calculation thereof.</p>
Short Term USD Senior Debt	Shall mean any Long Term Senior Debt of the Concessionaire denominated in USD.
Signature Date	Shall have the meaning set forth in Section 2.3 (<i>Signature Date</i>) of the Concession Agreement.
Site	Shall mean the area located within the boundaries marked in the drawings attached to Volume 3 (<i>Introduction to Engineering</i>), in which the Concessionaire is granted right of use by the State in accordance with Section 7 (<i>The Site</i>) to the Concession Agreement.
Site Visit	Shall have the meaning set forth in Section 2.13.1 (<i>Site Visit</i>) of the Invitation to Bid.
Special Purpose Company or Sole Purpose Company SPC	Shall mean a company which, under its articles of association, has been incorporated for the sole purpose of participating in the Tender Process and fulfilling its obligations there under and the execution of the Project.
State	State shall mean the State of Israel.
Statutory Final Configuration or SFC	The statutory configuration of the Project as defined in National Master Plans 31A/7 and 31A/3, as included in Volume 4 (<i>Statutory Information and Instructions</i>).
Statutory Plans	As such term is defined in the Planning and Building Law 5725-1965, which apply to the Project.
Stop Work Order	Shall have the meaning set forth in Section 9.7.1 of the Concession Agreement.
Subcontractor	Shall mean any Person with whom the Concessionaire, a designer, a contractor (including the O&M Contractor or the EPC Contractor), which has entered into any subcontract to perform any part of the Design, Construction, or Operation and Maintenance of the Project, or to provide any materials, equipment or supplies (and any other person with whom any subcontractor has further subcontracted any part of the work).

Subordinated Debt	Shall mean a loan or any other provision of funds to the Concessionaire by any Entity, where the loan or the provisions of funds is, by its terms, subordinated to any other indebtedness of the Concessionaire, its terms having been approved by the State in accordance with the provisions of the Contract Documents excluding, however, Shareholders Loans and investment in paid-up Equity.
Subordinated Debt Deductions	Shall have the meaning set forth in the definition of the term "Balance of the Subordinated Debt."
Subordinated Debt Finance Providers	Shall mean the Entities, other than the Concessionaire or any of its Shareholders, who executed the Subordinated Debt Financing Agreements.
Subordinated Debt Financing Agreements	Shall mean the agreements for the finance of Subordinated Debt as approved by the State in accordance with the provisions of the Contract Documents, executed between the Concessionaire and Entities other than a Shareholder or an Interested Party in a Shareholder or in the Concessionaire, where neither the Shareholders nor the Concessionaire are Interested Parties in such Entities.
Subordinated Loan	Shall mean a loan or any other provision of funds to the Concessionaire by any Entity, where the loan or the provisions of funds is, by its terms, subordinated to any other indebtedness of the Concessionaire, its terms having been approved by the State in accordance with the provisions of the Contract Documents excluding, however, Shareholders Loans and investment in paid-up Equity.
Subscribed Vehicles	Shall refer to any Vehicle subscribed for usage of Toll Sections 3 and 7 in accordance with Volume 7 (<i>Marketing, Advertising and Customer Service</i>).
Subsidiary	Any corporation, company, association of other business entity in the Control of an Entity or of an Entity in Control of such Entity or of an "affiliated company" of such Entity as defined in the Securities Law-1968.
Substituting Entity	Shall have the meaning ascribed thereto in Section 28.1 (<i>Substituting Entity</i>) of the Concession Agreement.
Successful Bidder	Shall mean the Bidder selected by the Tender Committee upon the completion of the Evaluation Process pursuant to the provisions of the Invitation to Bid.
TASE	Shall mean the Tel Aviv Stock Exchange.
Tax Pre-Rulings	Shall mean the tax pre-rulings as set forth in Section 30.1 (<i>Tax Pre Rulings</i>) of the Concession Agreement and attached thereto as Appendix O (<i>Tax Pre-Rulings</i>) and following Signature Date, the tax pre-ruling attached to the Concession Agreement as Exhibit 6.
Technical Proposal	The technical aspects of the Bid prepared in accordance with the provisions of Annex D (<i>the Technical Proposal</i>) to the Invitation to Bid.
Tender Bond	Shall mean the Bid Bond.

Tender Committee	The committee appointed by the Accountant General on 27.6.2010, in order to control and manage the Tender Process, or any other entity which shall be duly appointed to act as a tender committee for the Tender Process.
Tender Documents	Shall mean the Invitation to Bid, the Concession Agreement, all Volumes thereof, including all Appendices and Annexes thereto, all Tender Forms, and all Addenda and Amendments thereto.
Tender Process	The process conducted by the Tender Committee for the examination and evaluation of the Bids and the selection of the Successful Bidder.
Termination Date	Shall mean the date of entry into force of a Notice of Termination.
Time of Day	The division of the day into Peak hours and Off-Peak hours, as detailed in Section 5 (<i>Time of Day</i>) to Appendix E (<i>Toll Tariffs</i>) of the Concession Agreement.
Toll	Payment under the Toll Road Law for a vehicle traveling on the Toll Road.
Toll Revenue Guarantee or TRG	Shall have the meaning set forth in Section 4 (<i>Calculation of the Toll Revenue Guarantee</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>) of the Concession Agreement.
Toll Revenue Guarantee Modification or TRGM	Shall have the meaning set forth in Section 4 (<i>Calculation of the Toll Revenue Guarantee</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>) of the Concession Agreement.
Toll Revenue Target or TRT	Shall have the meaning set forth in Section 2 (<i>Toll Revenue Target</i>) of Appendix D1 (<i>Toll Revenue Guarantee</i>) of the Concession Agreement.
Toll Road Law	Toll Road (Israel National Highway) Law, 1995.
Toll Sections	Defined parts of the Highway in which Tolls can be collected from vehicles using the Highway.
Tolling System	As set forth in Volume 9 (<i>Tolling System</i>) including any component and any right connected to it.
Toll Tariffs	Shall mean amounts levied by the Concessionaire on Vehicles using the Toll Sections, which shall be established in accordance with Appendix E (<i>Toll Tariffs</i>) of the Concession Agreement.
Transfer of Equity	Shall mean the sale, gift, transfer, conveyance, pledge, or hypothecation of Equity in any manner, or any economically equivalent action.
Transferee Undertaking	Shall have the meaning set forth in Section 3.3.12 to the Concession Agreement.
Transportation Infrastructure Works	All earthworks and paving works required for the execution of the Project.
Transportation Infrastructure	Shall mean the Entity which demonstrated compliance with the provisions of Section 4.3 (<i>Transportation Infrastructure Experience</i>)

Expert	of the Invitation to Pre-Qualification.
Tunneling Expert	Shall mean the Entity which demonstrated compliance with the provisions of Section 4.2 (<i>Tunneling Experience</i>) of the Invitation to Pre-Qualification.
Tunneling Works	All tunnels excavation works, tunnel support, including the construction of the tunnels' portals.
Unknown Infrastructure	Any operational Infrastructure which is not Known Infrastructure.
US CPI	Shall mean the Consumer Price Index for all urban consumers (CPI-US) not seasonally adjusted published by the Bureau of Labor Statistics of the US Department of Labor.
USD Linked to US CPI	Shall mean the USD exchange rate calculated in accordance with the provisions of Section 9.5 (<i>Linkage to the USD Linked to US CPI and Euro Linked to the HICP</i>) of Appendix D (<i>The Adjustment of the Payments</i>) of the Concession Agreement.
USD Long Term Senior Debt Financing Agreements	Shall mean all Long Term Senior Debt Financing Agreements denominated in USD.
USD Short Term Senior Debt Financing Agreements	Shall mean all Short Term Senior Debt Financing Agreements denominated in USD.
Vehicle	Shall have the meaning ascribed to the term Motor Vehicle in the Traffic Ordinance (New Version) 5721-1961.
Weighted Base Periodic Payment for Partial Operation Phase	Shall have the meaning set forth in Section 2.5 (<i>The Base Periodic Payment for Partial Operation Phase</i>) of Appendix G1 (<i>Examination of the Sum of Payments</i>).
Weighted Construction Grant	Shall have the meaning set forth in section 2.2 (<i>The Base Construction Grant</i>) of Appendix G1 (<i>Examination of the Sum of Payments</i>).
Weighted Floating One-off Payment	Shall have the meaning set forth in Section 2.4 (<i>The Base Floating One-Off Payment</i>) of Appendix G1 (<i>Examination of the Sum of Payments</i>).
Weighted Sum of Payments	Shall have the meaning set forth in Section 2.1 (<i>Weighted Sum of Payments</i>) of Appendix G1 (<i>Examination of the Sum of Payments</i>).
Weighted One-off Payment	Shall have the meaning set forth in Section 2.3 (<i>The Base One-Off Payment</i>) of Appendix G1 (<i>Examination of the Sum of Payments</i>).
Weighted Total Target Income Long Term Interest	Shall have the meaning set forth in Section 2.7 (<i>The Base Total Target Income Long Term Interest Adjustments</i>) of Appendix G1 (<i>Examination of the Sum of Payments</i>).

Adjustment	
Widening	Any widening of the Project subsequent to Construction Completion in accordance with the terms of Volume 3 (<i>Introduction to Engineering</i>)
Widening Works	The Work of designing, constructing and completing of any Widening.
Winning Bid	Shall mean the Bid of the Successful Bidder as approved by the State and as attached to the Concession Agreement as Annex A (<i>Winning Bid</i>) of Volume 2B (<i>Annex</i>).
Work Day	Shall mean a day (other than Friday or Saturday) on which banks are open for domestic business in the State of Israel.
Works	Reference is made to the term "Construction Works".
Year	Shall mean a year of the Gregorian Calendar.