

Bank of Israel

Human Resources and Administration Department

Purchasing Division

Two-Stage Automated Public Tender no. 31/23

For the provision of a system for the management of internal audit and risk management

<p>This translation is provided for readers' convenience. Only the Hebrew version is binding.</p>

Updated
January 11, 2024

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For the provision of a system for
the management of internal audit and risk management

Part I – The tender process and its conditions

1. General

- 1.1 The Bank of Israel (hereafter: the Bank) hereby invites proposals for the acquisition and installation of a system for the management of internal audit and risk management (hereafter: the System), as well as services for the implementation, guarantee and maintenance of the system (hereafter: implementation services, guarantee services and maintenance services or in aggregate the “Services”), in accordance with the detailed characterizations in the Service Definition Document attached as Part IV of the tender documents (hereafter: Specifications) and as described below.
- 1.2 The project will include the implementation and installation of the system at the Bank of Israel for the purposes of managing internal audit and risk management and will also include the option of expanding the system to other domains. The system will make it possible to manage internal audit and risk management processes from end-to-end, and in addition, it will provide the option—if the Bank decides to exercise it—to also manage compliance and SOX functions at the Bank, as described in Part IV of the tender documents.
- 1.3 In general, the project will include the following stages: specification of the system according to the needs of the Bank, adjustment of the processes required in the system while developing and adjusting the system as needed; conversion of the data in the existing systems to the new system; installation of the system at the Bank including tests of the assimilation and management of the project from end-to-end, including guidance to be provided to key users and other users of the system.
- 1.4 The Bank will have the right to decide on the acquisition and installation of the system first for purposes of internal audit and risk management and later will have the option to acquire other functions that the system can provide—some of them or all of them—or alternatively to exercise the options already in the initial installation stage, whether in part or in full.
- 1.5 The bid must include the following components: the system’s license’s cost, the implementation and installation of the system, the conversion of existing data to the system, the creation of interfaces with the Bank’s systems, the maintenance and updates of the system in the production environment and the test environment; the hourly price of expert installers; and instruction as required for the various position holders in the system. If the bid includes optional modules and components that are specified in Part IV of the tender document, then the bidder must provide a price quote for them, as well.
- 1.6 The Bank is not obligated to acquire services in any quantity. The Bank has the right to acquire a smaller or larger scope of services from the winning bidder according to its discretion.

- 1.7 The winning bidder will appoint a permanent customer manager for the Bank who will serve as the Bank's contact person.
- 1.8 The system should provide full support in Hebrew (with respect to both writing from right to left and the various titles that the users will see). In the stage of submitting bids, there is no obligation that the system will provide full support in Hebrew; however, with the submitting of the bid, the bidder will guarantee that, within six months from winning the tender, and as a condition for upgrading the contractual agreement with the bidder, the system will fully support Hebrew. If the system does not support Hebrew by the end of the aforementioned period, the granting of the tender to the bidder will be cancelled and the Bank will have the right to turn to the second-ranked bidder, as described in section 11.7 below.
- 1.9 The services will be provided at the Bank's branches in Jerusalem and Tel Aviv or in an online environment or some other location as required by the Bank. It should be mentioned that part of the activity, as will be determined by the Bank, will take place on the premises of the Bank due to information security constraints.
- 1.10 The period of the contract will be five years, subject to the Bank's option to shorten it. In addition, the Bank has the right to extend the period from time to time and cumulatively for up to five additional years.
- 1.11 During the period of the agreement, the Bank has the right to acquire additional services from the winning bidder, according to the options described in the contractual agreement, for other entities whose needs can be met by the system (such as internal control, evaluation and regulation entities that operate within the framework of the Bank), and the winning bidder is obligated to provide these additional services during the period of the contract.
- 1.12 It should be clear that the Bank is not obligated to acquire any services or goods described in the specifications and their acquisition will be considered according to the needs of the Bank and according to its exclusive discretion. The Bank will have the right to increase or decrease the scope of services or goods that it will acquire and the proceeds to be paid by it will increase or decrease in accordance with the bid. This decision can be made prior to signing the agreement with the winning bidder and can be made during the period of the contract.

1.13 The tender documents

The tender has four parts, each of which is an integral part of the tender:

Part I: The tender process and its conditions

Appendix A1 of Part I: The bidder's declaration.

Appendix A2 of Part I: Information required to prove fulfillment of the threshold conditions and the quality of the bidder.

Appendix A3 of Part I: The architecture of the proposed system.

Appendix A4 of Part I: Form to register for the tender in the electronic tender system.

Part II: The financial bid

Part III: The agreement

Appendix C1 of Part III: Obligation of the winning bidder and his employees to maintain confidentiality.

Appendix C2 of Part III: Confirmation of the existence of insurance.
Appendix C3 of Part III: The text of the required bank guarantee.
Appendix C4 of Part III: The agreement to submit criminal information.
Appendix C5 of Part III: The company's bid.
Appendix C6 of Part III: Appendix for protection of privacy.
Appendix C6 of Part III: Declaration of workhours.

Part IV: Specifications

Appendix D1 of Part IV: The requirements of the system.

1.14 Timetable for the tender

The timetable for the tender will be as follows:

Final date for submitting questions: **Sunday, October 8, 2023 at 12:00** (hereafter: the final date for submitting questions).

The final date for submitting bids: **Sunday, October 29, 2023, at 12:00** (hereafter: the final date for submitting a bid).

1.15 Expiry of the bid: **180** days after the final date for submitting a bid.

1.16 Following is the contact person at the Bank for any enquiries regarding the tender:

Name: Hadassah Kalaora

Tel: +972-2-6552998

Fax: +972-2-6669585

email: tenders@boi.org.il

1.17 In this tender, the term "stakeholder" and "shareholders" will be understood according to their definitions in the Securities Law, 5728-1968. The term "position holder" will be understood according to its definition in the Companies Law, 5759-1999.

2. Timetable for the provision of services

The provision of services will begin following the declaration of the winner and the signing of the agreement. Notwithstanding the aforementioned, it is hereby clarified that the Bank has the right to defer or to bring forward the start of the provision of services, according to its sole discretion and without any obligation to provide justification or to hold a hearing, and the winner will act accordingly without making any claim or demand and will not be eligible for any additional compensation.

3. The threshold criteria for participating in the tender

Any entity that fulfills the following criteria at the time of the final date for submitting a bid can participate in the tender:

3.1 The bidder is a citizen of Israel, a partnership or a corporation incorporated by law in Israel and possesses all of the certificates and declarations required according to the Transactions of Public Bodies Law, 5736-1976.

3.2 The bidder is a producer or an authorized representative of the producer in Israel who is authorized to supply the system proposed in this tender, including installation, assimilation and maintenance.

3.3 The system, in the version proposed in this tender or a version previous to the one proposed in this tender, has been installed for purposes of **internal audit**, in a

- production environment, in at least three (3) organizations, each of which has at least 300 employees, at least one (1) of which is a central bank, during the period 2017–23.
- 3.4 The system, in the version proposed in this tender or a version previous to the one proposed in the tender, has been installed for purposes of **risk management**, in a production environment, in at least two (2) organizations, each of which has at least 300 employees, at least one (1) of which is a central bank, during the period 2017–23.
- 3.5 The bidder has implemented at least one automated system for the purpose of **internal audit** or **risk management** in one organization with at least 300 employees and the system that he installed went into production during the period 2017–23.
- 3.6 The bidder has at least two service providers (as employees or freelancers working on his behalf) who have participated in at least one project whose installation has been completed and which involved the implementation of a system for the purpose of **internal audit** or **risk management**, during the period 2017–23.
- 3.7 The system, in the version being proposed in the tender, meets the technological specifications specified in section 4.1 of Part IV of the tender documents.

4. Documents to be attached to the bid

The financial bid submitted to the Bank will include the following documents and information, which will be valid, correct and verified (according to the circumstances), as of the date of the submitting the bid, and will have each page initialed by the authorized signatory of the bidder along with the stamp of the bidder, except for the signature on the declaration (Appendix A1 of Part I of the tender documents), the bid (Part II of the tender documents) and the agreement (Part III of the tender documents), which also require a full signature together with the bidder's stamp. A bidder that is an exempt business or a licensed business is not required to add a stamp to his signature. The documents should be submitted in the following order:

- 4.1 All of the parts of the tender with signatures, as follows:
- 4.1.1 **Part I** of the tender documents (this document, namely "The tender process and its conditions") including all of its appendices, including appendices A1 to A4, after they have been completed and Appendix A1 will include a full signature at the end and the stamp of the bidder, with confirmation of the bidder's signature by an attorney.
- 4.1.2 **Part II** ("The financial bid") including all of its appendices after they have been completed, including a full signature at the end and the stamp of the bidder, with confirmation of the bidder's signature by an attorney as required.
- 4.1.3 **Part III** ("The agreement") including all of its appendices, including a full signature at the end and the stamp of the bidder, with confirmation of the bidder's signature by an attorney as required.
- 4.1.4 It is emphasized that there is no need to complete and sign Appendix C2 (Confirmation of Insurance) or Appendix C3 of the agreement (Bank Guarantee); rather they should be attached to the bid without filling them in. Only at the end of the tender and following the declaration of the winner will the winner be required to submit them to the Bank.
- 4.1.5 In order to eliminate any doubt, it is hereby clarified that the bidder will not be permitted to make any change or correction to the agreement and its appendices; on this matter, see section 9 below.

- 4.1.6 Part IV (“Specifications”) including all of its appendices.
- 4.2 **Letters of clarification** sent by the Bank to the bidders (if any are sent).
- 4.3 **Documents to prove the bidder’s fulfillment of the threshold conditions in order to demonstrate the quality of the bidder and of the bid** – The bidder will submit all of the relevant material as part of his bid, as required to demonstrate his fulfillment of the threshold conditions and the quality score, including:
 - 4.3.1 Submitting Appendix A2 as part of Part I of the tender documents.
 - 4.3.2 A proposed workplan for the assimilation of the system within the Bank.
 - 4.3.3 Documentation or confirmation by the producer of the system that attests to the capabilities and characteristics of the proposed system and his ability to carry out the necessary modifications as described in the tender documents.
 - 4.3.4 Appendix A3 of the tender documents – A description of the proposed system. If a detailed explanation is needed it is recommended that the bidder cite the appendices attached to the bid.
 - 4.3.5 Screenshots and a description of the proposed system according to the Bank’s scenarios, as described in Appendix D1 in the specification of the work definitions.
 - 4.3.6 Additional professional material that will be attached as an appendix to the bid.
- 4.4 **Documents attesting to the quality of the bidder and the bid** – As part of his bid, the bidder will submit all of the relevant material needed to attest to the quality of the bidder and the bid, including the profile of the bidder, and the submitting of Appendix A2 of Part I of the tender documents.
- 4.5 **The specifications of the bid** – The bidder will submit his bid according to all of the conditions in the Specifications, which is attached **as Part IV** of the tender documents. If a detailed explanation is needed, it is recommended that the bidder cite the appendices that will be attached to the bid. Professional material will be attached as an appendix to the bid.
- 4.6 **Additional documents** – If the bidder is a corporation, then the following will be attached:
 - 4.6.1 If the bidder is a business where the controlling shareholder, as defined in section 2b of the Tender Obligation Law, 5752–1992, is a woman, then a declaration and confirmation from a certified public accountant will be attached as specified in the paragraph.
 - 4.6.2 If the bidder is a corporation – An up-to-date extract (dated up to 60 days prior to the date for submitting the bids) from the relevant registry for that type of corporation (such as the Corporation Registry).
- 4.7 In order to eliminate any doubt, it is hereby clarified that in the case that a bidder does not attach one of the aforementioned documents to his bid and/or does not fulfil one of the aforementioned instructions regarding the submission of documents and/or provides details that are found to be inaccurate and/or fabricated, the Bank may, according to its exclusive discretion and without any obligation to provide justification, reject his bid, though it is not obligated to, even if it is the lowest bid or the bid with the highest score. Similarly, the Bank may, according to its exclusive discretion and without any obligation to provide justification, allow the bidder to correct a flaw in his bid, although it is not obligated to.
- 5. **Registering for participation in the tender and the procedure for submitting bids**

- 5.1 The tender will be managed as an automated tender according to Regulation 19C of the Tender Obligation Regulations, 5753-1993 (hereafter: the **Tender Obligation Regulations**). The tender bids will be submitted to the electronic tender system by the final date for the submitting of bids.
- 5.2 Participation in the tender requires pre-registration in the electronic tender system (hereafter: **tender registration**) of the Mashik Company (hereafter: the **Company**). In order to register for the tender, the bidder will fill out a tender registration form, which is attached as Appendix A4 to the tender documents. The form requires the details of the bidder's signatory who is authorized to submit a bid for this tender, **including his email address**. The tender registration form will be sent by email to the Company via the address service@mashiktech.com.
- 5.3 After registering for the tender, the bidder will receive a notification from the Company's Center for Support and Guidance (hereafter: the **Center for Support and Guidance**) by email, which will contain confirmation of his registration, including the bidder's user name in the tender system.
- 5.4 After receiving confirmation of his registration, the bidder will log on to the Company's website at <https://account.sourcingvisionon.com>, using the means of identification provided to him by the Company.
- 5.5 In order to use the electronic tender system, the Company will provide the bidder, after he has registered in the system, with an initial password that will be sent by email to the bidder's authorized signatory according to the bidder's registration for the tender system. A new password will be sent to the email address that was input as mentioned, and in the case of a switch of password—whether initiated by the bidder who is asking for a new password or by the system that is seeking to change the user's password.
- 5.6 The bidder needs to verify that he has been registered in the system and it is his responsibility to verify, in a timely manner, that he has been registered appropriately and that he is able to enter the electronic tender system and use it as needed. The bidders should register for the tender in a timely manner, **since only a bidder who has registered can enter the system in order to submit his bid for the tender. A claim that due to a technical problem, including the lack of availability of the Center for Support and Guidance, the bidder was unable to submit his bid on time will not be accepted. The Bank recommends that bidders register for the tender and verify that they can enter the system and work in it at least two workdays prior to the last date for submitting bids.**
- 5.7 The bidder will not be able to log on to the electronic tender system from more than one computer.
- 5.8 In order to submit the bid, all the documents described in Section 4 above should be scanned, after being signed by an individual authorized to make commitments that are binding on the bidder, and uploaded to the electronic tender system. **It is hereby clarified that each part or appendix or other documents should be uploaded separately according to the relevant rows allocated for this in the system and that the size of each file that is being uploaded to the system should not exceed the maximum size allowed by the system, and the overall size of the entire bid being uploaded should not exceed the maximum size allowed by the system. It is the responsibility of**

the bidder to modify the files so as not to exceed these size limits, in order to enable their uploading and signing in the box. For example, PDF files can be compressed using standard PDF software or other software that is available on the Internet.

- 5.9 At the completion of the process to submit bids to the electronic tender box, the bidder will be able to view his bid as submitted in the electronic tender system box including the submission date and the serial number assigned by the system; however, he must ensure that his corrected bid is submitted as required before the date on which the electronic tender box is closed and that the system has provided confirmation of that. It is hereby clarified that the bidder's signature, by means of the signatory on his behalf, on his electronically submitted bid is binding on him.
- 5.10 It is hereby clarified that only bids that are fully submitted to the electronic tender system by the final date for submitting bids will be accepted for the tender. **The electronic tender system will be automatically locked on the final date for the submitting of bids, even if on that date the bidder is still connected to the system and is logged in.**

It is recommended that bidders enter the electronic tender system sufficiently early in order not to be late in submitting a bid due to technical delays and problems, including those that are computer-related. It is hereby stressed that the submitting of a bid—including the uploading of all of the files together with the bid document—can sometimes take a number of hours and the bidders should take that into account and not wait until the last minute in order to submit a bid in the system.

- 5.11 In order to obtain **technical assistance** in any aspect of registering in the electronic tender system and using it to submit a bid, please contact the Support and Guidance Center: 050-9029376 on Sundays to Thursdays from 8:00 to 17:00.

6. Evaluation of the bids and the selection of the winning bid

- 6.1 The weights for selecting the winning bid will be as follows: 40% quality and 60% price.
- 6.2 The bids will be considered by the Bank's Tender Committee (hereafter: the **Tender Committee**). The process for evaluating the bids will involve a number of stages:

Stage I: Checking the bid's fulfilment of the threshold criteria.

Stage II: Checking the quality of the bids and calculation of the quality scores.

Stage III: Calculation of the price scores.

Stage IV: Calculation of the overall scores (quality and price) and the ranking of the bids.

- 6.3 Notwithstanding the aforementioned, the Bank can decide to begin checking the quality of the bid (Stage II) prior to deciding whether the threshold conditions have been met or it can combine the checks in Stages I and II and determine both simultaneously.

6.4 Stage I: Checking the bid's fulfilment of the threshold conditions

- 6.4.1 The Tender Committee, or someone appointed by it, will check that the bid meets the threshold conditions, as defined in the tender documents. A bid that does not meet any of the threshold conditions will be disqualified and will not proceed to the subsequent stages of the tender.
- 6.4.2 If the bid consists of several alternative bids, according the rules of the tender, the Bank can disqualify only part of the bid rather than the entire bid, according to its sole discretion and without having to provide justification.

6.4.3 A bidder whose bid has been disqualified will receive notification of such at the time of the bid disqualification stage or at the completion of the tender process (after the selection of the winner), according to the Bank's sole discretion, and the bidder will not have the right to make any claim or demand in this matter.

6.5 Part II: Evaluating the quality of the bid and calculating the quality score

6.5.1 The quality score will constitute 40% of the overall score.

6.5.2 In order to calculate the quality scores, the Tender Committee will appoint an evaluation team that will have the right to, among other things, visit customers which were or are being provided with services by the bidder, to speak with any of them or to evaluate the quality of the provision of the services in any way that it sees fit. The evaluation team will provide scores to each bidder according to the parameters below. The Bank can instruct the evaluation team to carry out such an evaluation according to its sole discretion and without having to provide justification.

6.5.3 The overall quality score will be obtained by summing the points received by the bid according to the following components:

Component	Description	Maximum points
Installations of the system for the purpose of internal audit	For every additional organization with at least 300 employees, beyond the organizations taken into account in order to meet the threshold condition in section 3.3, and in which the system has been installed, in the version proposed in the tender or in previous versions, for the purpose of internal auditing in a production environment during the period 2017–23, the bid will receive 3 additional points up to a maximum of 9 points for three or more organizations.	9
Installations of the system for the purpose of risk management	For every additional central Bank with at least 300 employees, beyond the organizations taken into account in order to meet the threshold condition in section 3.4, and in which the system has been installed, in its version proposed in the tender or in previous versions, for the purpose of risk management in a production environment during the period 2017–23, the bid will receive 3 additional points up to a maximum of 9 points for three or more central banks.	9

Recommendations of the bidder	<p>The members of the quality team, according to their discretion, will contact at least one customer where the bidder has assimilated an automated system for internal audit or risk management in order to obtain a recommendation about the bidder.</p> <p>The recommendations will relate to the following, among other things: the quality of the bidder, the installation and assimilation of the system within the organization, the professionalism of its employees, the level of service, meeting a timetable, flexibility, interpersonal relations, cooperation with the customer, etc.</p> <p>The bid will receive up to 10 points for a recommendation.</p> <p>The Bank reserves the right to visit customers where the bidder and/or the proposed staff members have created a similar solution to the one being sought.</p>	10
Recommendations of the system	<p>The members of the quality team, according to their discretion, will contact at least one customer in which the system has been installed at, for internal auditing and at least one customer in which the system has been installed at, for risk management (or one customer in which the system has been installed for both purposes) in order to obtain a recommendation concerning the system.</p> <p>The recommendations will relate to the following, among other things: quality of the system, its capabilities, the performance of the system, the user interface, the suitability of the system for internal auditing and risk management processes, modifications to meet the needs of the customer, etc., with emphasis also on the processes at the Bank of Israel as described in Appendix D1.</p> <p>The bid will receive up to 10 points for the evaluation in the area of internal auditing and up to 10 points for the evaluation in the area of risk management and up to 20 points for the recommendations.</p> <p>The Bank reserves the right to visit customers where the proposed system has been installed.</p>	20

<p>Evaluation of the proposed solution</p>	<p>The quality team will evaluate the demonstration of the proposed system based on the bidder's solution and his responses in Appendix D1 – "The specification of work definitions", and the description of the system's processes in that context. The evaluation of the proposed system will also take into account the following points, among others:</p> <ul style="list-style-type: none"> • The ability to support the Bank's business processes (in the areas of internal auditing and risk management). • The system's user interface. • The fit of the system to the Bank's needs (a built-in characteristic of the system / an addition specially developed for the Bank). • The complexity of installation, assimilation and migration in the system. • Characteristics and capabilities of the system, as well as support in dealing with public grievances (ombudsman). • Aspects of the system's routine operations (complexity of operation, production of reports, problem solving, etc.). • Flexibility to make changes to the system in the future. • Ability of the user to operate and modify the system (without the need of an implementor / developer). • Knowledge and technological expertise of the system's producer. • The user interface. • The timetable for assimilation the system. • The workplan presented by the bidder for the installation and implementation of the system. • The existence of a version of the system in Hebrew / the complexity of the modifications required for Hebrew support. <p>If during the stage of demonstrating the system some of the functions will require future development to which the supplier is committed as part of the tender, the supplier will specify how he plans to bridge the gap between the development / modifications and the timetable for execution.</p> <p>The evaluation team will award up to 32 points according to its judgment, as mentioned above.</p>	<p>32</p>
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Interview with the bidder	<p>The members of the quality team will interview the project managers appointed by the bidder and, at the bidder's request, also a representative of the producer of the proposed system with regard to the bid. The interview will relate to the following points, among others:</p> <ul style="list-style-type: none"> • The extent of cooperation between the bidder and the producer of the system. • The professionalism of the bidder who is designated to carry out the installation and his familiarity and knowledge of the proposed system. • The professionalism of the bidder and his familiarity and knowledge of the business and application processes. • Main milestones and expected timetables. • Ability of the bidder and the project manager to allocate resources and the ability of the producer to install the system. • A high level of service, the ability to meet a timetable, flexibility, interpersonal relations, ability to cooperate with the customer – during the installation stage and following the transfer of the system to production. • Methods for teaching users and the complexity of those methods for the various users. <p>The team will grant up to 20 points, according to its judgment, as mentioned above.</p>	20
Total		100

The minimum quality score for a bidder is 65 points out of a possible score of 100 points (65%). A bid that receives less points will be disqualified and will not proceed to the subsequent stages of the tender.

In taking into account the bid's aforementioned quality, previous experience or recommendations of the bidder, the Bank **has right to consider, according to its sole discretion, the Bank's previous experience, whether positive or negative, with the bidder**, if there is any.

6.6 Stage III: Calculation of the price score

6.6.1 The price score constitutes 60% of the overall score.

6.6.2 The price score for each bid will be calculated as a weighted average of the price scores according to the following price tables:

#	Name of the component	Weight
1	The cost of acquiring a license according to the subscription model (Table 1).	45%

2	Overall cost of the system: mapping, installation, conversion and assimilation of the system and instruction in its use according to the content specified in Part IV paragraph 20 – “Work stages” (Table 2).	35%
3	The proposed price for the services of an expert on behalf of the bidder and the producer (Table 3).	7.5%
4	Price proposed for the priced options (Table 4)	7.5%
5	Rates of discount on the producer’s price list for the acquisition of additional products / services (Table 5).	5%
	Total	100%

6.6.3 The price score for Table 1 to 4 will be calculated by dividing the lowest price bid by the price bid being considered and multiplying the result by 100. In this way, a (maximum) score of 100 will be calculated for the lowest price bid and scores of less than 100 will be calculated for the other price bids.

6.6.4 The price score for Table 5 will be calculated as follows:

6.6.4.1 The bid price will be determined as 100 less the rate of the proposed discount.

6.6.4.2 The price score will be calculated by dividing the lowest price bid (the highest rate of discount) by the price bid being considered and multiplying by 100. Thus, a (maximal) score of 100 will be obtained for the highest rate of discount and scores lower than 100 will be obtained for the other bids. .

6.6.5 After calculating the price scores of the bids, as described in paragraph 6.6, the bid with the highest price score will be first-ranked, the next highest will be ranked as second, and so on.

6.7 Stage IV: Calculation of the overall score (quality and price) and the ranking of the bids

6.7.1 The overall score in the tender (quality and price) will be calculated for each of the bids by weighting the quality score and the price score as follows:

$\text{Overall score} = \frac{(40 \times \text{quality score}) + (60 \times \text{price score})}{100}$
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6.7.2 The bid with the highest overall score will be ranked first, that following it will be ranked second, and so on. The first-ranked bid will be declared as the winner of the tender, subject to paragraphs 7, 10 and 11 below.

6.7.3 If, after rating the proposals, it was found that the overall grade of the proposals is identical (and after weighting the preference regarding a woman-controlled business), and this can impact on the determination of the tender’s winner, the Tenders Committee may hold a lottery among the proposals in order to determine the winner of the tender, or it may choose the proposal that received the highest quality score, at its exclusive discretion.

7. The bidder’s declarations and obligations

By submitting his bid, the bidder is declaring and obligating himself toward the Bank as follows:

- 7.1 He is aware of Israeli laws and all of the obligations that apply to the bidders or the winners of a tender, including the tender laws that apply in Israel and all of the laws, regulations and registration and licensing requirements that apply to the bidders and/or winners of a tender, to the extent that they apply.
- 7.2 He meets the requirements of Regulation 6(a) of the Tender Obligation Regulations.
- 7.3 He has seen and reviewed all of the tender documents and all of the relevant data of all types, which are related to the tender or the services or his bid and that he has carried out all of the relevant checks in this context independently and according to his sole discretion and that he has submitted his bid without relying on any information that might have been provided to him by the Bank or someone on its behalf not as part of the tender documents and in addition is submitting his bid on that basis and with the understanding that he agrees with all of the tender's conditions and the manner in which the winning bid will be chosen. A bidder who submitted a bid will not claim that he was unaware or did not understand any detail related to the tender or its conditions or the services or that he relied in any way on anything presented by the Bank or someone on its behalf.
- 7.4 He agrees with all the conditions of the tender and all that is stated in the tender documents, including all of its parts and appendixes, and he declares that neither he nor anyone on his behalf has or will have any claim or demand of any sort against or with respect to any of the tender's conditions.
- 7.5 He declares that before submitting his bid he has verified with the commercial entity that will issue the guarantee whose text appears in Appendix C3 ("The text of the required bank guarantee") that the text is acceptable to it and he has also verified with his insurance agent that the text of Appendix C2 ("Confirmation of Insurance") is acceptable to him. The bidder declares that if he wins he will submit these documents in the versions appearing in the tender documents, without any modifications or material reservations.
- 7.6 He has not submitted more than one bid in the tender, and that he is not a controlling shareholder of another bidder in the tender or that another bidder is one of his controlling shareholders nor that he is involved, directly or indirectly, in the submitting of another bid.
- 7.7 He declares that throughout the tender process, he did not and will not make contact with entities that provide services to the Bank with respect to the project or this tender.
- 7.8 He declares that the bidder, one of his stakeholders or any entity in which the bidder is one of its stakeholders or of anyone on their behalf have not acted to coordinate the bidder's bid with the bid of any other bidder in any way, including the exchange of information, comments or understandings.
- 7.9 There is no law or agreement preventing the bidder from participating in the tender and from fulfilling all of his obligations in the agreement attached as Part III to the tender documents and there is no possibility or concern regarding conflicts of interest, whether direct or indirect, between the bidder and his controlling shareholders on the one hand and the provision of services by the bidder on the other. The bidder declares that the aforementioned is correct to the best of his knowledge, also with respect to his office holders and the employees that will take part in the provision of the services.

7.10 Neither the bidder, his controlling shareholders or his office holders nor the employees that will take part in the provision of the services have any first-degree relatives who are employed at the Bank. If there are first-degree relatives at the Bank of Israel, the bidder must clearly and explicitly declare this fact in Appendix A1.

8. Clarifications

8.1 The bidder must thoroughly review the various tender documents. If the bidder finds unclear statements, contradictions or inconsistencies between the tender documents or if he does not understand any detail of what is written, he should contact the Bank and explain this in writing.

8.2 Questions for clarification, with details as described above, and any other question regarding the process will be submitted to the Bank not later than the date specified in section 1.14 above. A bidder that does not request clarifications by said date will not in the future be able to make any claim regarding a lack of clarity, a contradiction or inconsistency between the tender documents.

8.3 Requests for clarification should be submitted in writing only by means of a Word file sent to the Bank. It should be organized according to the numbering of the paragraphs in the tender and should state for each requested clarification to which part and which paragraph in the tender it refers and to whatever extent possible should be in the following format:

The part in the tender	Section number	The requested clarification
Part I/II/III/IV	Section ...	Please clarify...

8.4 The clarification files are to be sent to the following email address: tenders@boi.org.il by the date specified in section 1.14 above. The sender should verify that the email has been received by means of a return email from the Bank or by a telephone call from the contact person (whose contact details appear in section 1.16 above) acting on behalf of the author of the tender.

8.5 The Bank is not obligated by the text of the question and when formulating responses to the requests for clarification sent by the bidders has the right to shorten the text of the question or to reformulate it, if in its opinion this is required.

8.6 The Bank can publish clarifications also with respect to other issues that are not related to any specific request for clarification and at any time that it wishes to.

8.7 The response to requests for clarification will be in writing and in Hebrew. The Bank will send a copy of each answer it provides to all those who submitted requests for clarification and if a meeting of bidders is held, then to all those who take part in it. The responses will also be published on the Bank's website, without identifying the sender. The Bank is not obligated to answer all of the questions or parts of a question, including if it feels that the response is obvious or because the answer to the question is negative or because the question is simply a suggestion to change the tender or modify it rather than a request for clarifying its content.

8.8 It is hereby clarified that any corrections or changes made with regard to the tender will not obligate the Bank unless they are carried out in writing by the entity that the Bank

has authorized to do so. Any answer not given in writing will not create a pretext for the bidder to make a claim against the Bank or anyone acting on its behalf and will not constitute a basis for estoppel toward the Bank. The aforementioned clarification or correction documents will be binding and will be considered an integral part of the tender documents and will have the status of one of its conditions. The bidders are required to attach the clarification documents to the bid to be submitted to the Bank and they should be signed by the individual with authority to obligate the bidder, as stated above.

- 8.9 In submitting his bid, the bidder is declaring that he has had an opportunity to receive clarifications or explanations in order to submit his bid and that he submitted his bid on this basis and that he will have no claim with regard to the text of the tender or its conditions and will not be able to make any claim with regard to them. In the case of a contradiction, inconsistency or lack of clarity between the tender documents or within them, the Bank will have the final say in determining the correct interpretation. Contradictions, inconsistencies and a lack of clarity between the various instructions will be interpreted in a way that expands the obligations of the bidder and the rights of the Bank. The bidder will not have any claim toward the Bank or anyone on its behalf that stems from the interpretations chosen by the Bank.

9. Discussion with the participants, errors in the bids and the correction of bids

- 9.1 The bids will be reviewed according to the information submitted by the bidders. In order for the bids to receive the weight they deserve, the bidders should provide extensive details in the bids. Nonetheless, the Bank can, according to its sole discretion and without having to provide justification, whether in writing or orally, at any stage in the tender whether in only stage or in a number of stages, discuss the details of a bid with its bidder, request clarifications of the bid, request a meeting with the Bank or request that the bidders whose bids were found to be relevant—whether this involves a single bidder or a number of bidders (including only some of the bidders)—add on to, correct and/or modify their bids.
- 9.2 The bidder will not add, condition or change the conditions of the tender. If despite the aforementioned, an error is found in the bidder's bid, including an addition, a lacuna, a change or a reservation, whether in the body of the documents or in the attached documents or in any other form, the Bank will act according to its sole discretion and without any obligation to provide justification and will have the right to, among other things, disqualify the bid or to request its correction or to ignore any change, addition or reservation as mentioned and to view them as if they had not been made. In submitting his bid, the bidder agrees that the Bank will have the right to act in this manner and the bidder gives up the right to make any claim or demand in this matter.
- 9.3 In order to eliminate any doubt, it is explicitly stressed that this section does not obligate the Bank to hold a discussion with the bidders in order to allow them to correct their bids in any way from what is stated in the tender documents or in order to allow the bidder to withdraw some detail of his bid.
- 9.4 After submitting the bids, the Bank, by means of the Purchasing Division, may contact the bidders or any one of them in writing in order to request that the details of their

bids be clarified, supplemented, corrected or modified; however, this will not provide any indication of the quality of the tender or constitute permission to clarify, supplement, correct or modify the bid, according to the circumstances, but rather only to the extent that this is permitted by the Bank, by means of the Tenders Committee, as mentioned above.

- 9.5 After deciding on the winner, the Bank has the right to hold a discussion with him and to negotiate with him with the goal of improving or correcting his bid. Without detracting from the aforementioned, the winner of the tender has the right, after winning the tender and even after signing the agreement reached with him, to suggest changes or improvements with regard to the specifications of the tender and the agreement, which in his opinion will reduce the price of the services and will lead to a reduction in the price he is charging and/or to an improvement and greater efficiency in the provision of the service. However, it should be emphasized that the Bank is not obligated to consider or discuss such a suggested change or improvement and it also has the right to reject such a suggestion without providing justification or to condition its agreement on any condition that it deems appropriate, according to its sole discretion and without any obligation to provide justification or to hold a hearing. The Bank, by means of the Tender Committee, can change a substantive detail in the agreement that will be signed or has been signed with the winner of the tender, according to the conditions specified in Israeli law.

10. The right not to choose a bid

- 10.1 The Bank reserves the right to carry out security or financial checks of the bidder, as it sees fit. Based on these checks and unrelated to the points he will receive or the price in his bid, the Bank can disqualify the bidder according to its discretion.
- 10.2 The Bank, according to its sole discretion and with emphasis on the circumstances of the matter, will have the right—though not the obligation—to disqualify a bidder who has declared, or for whom it becomes known, that he has committed serious criminal offenses which in the opinion of the Bank may have an effect on the provision of services according to the tender.
- 10.3 The Bank has the right not to choose the bid that received the highest overall score or the bid with the lowest price or any other of the bids, in particular, but not only, if the Bank has a genuine concern that the bidder did not fulfill his obligations to the Bank (including as a result of his current or expected financial situation, bankruptcy or liquidation proceedings or substantive suits brought against him or there is some other concern with regard to his functioning if he wins the tender) or because the bid is not financially worthwhile for the bidder or if the bid appears to be a tactical bid or if the bidder fails the financial or security checks that the Bank chooses to carry out or if the bid exceeds the budget designated by the Bank for the project, subject to the sole discretion of the Bank and without any obligation to provide justification or hold a hearing.
- 10.4 The Bank may impose conditions on the winning of the tender, without having to provide any justification and has the right to execute only part of the tender or part of the scope of services, according to the budget that was approved, or to increase the

scope of services, according to its discretion, and in any case the bidder will not have any claim or demand toward the Bank or anyone acting on its behalf.

- 10.5 If the Bank does not choose any of the bids, the Bank will have the right to cancel the tender and to republish it, whether in the same format or with changes that it views as appropriate, or not to republish it all, according to its sole discretion.

11. Announcing the winner and the validity of the bids

- 11.1 The winner will receive notification from the Purchasing Division of the Bank that his bid has won the tender. It will include any request by the Bank to add details and/or documents as a condition for the start of the contractual relationship. The winner will provide the Bank with all that is requested in order to sign the agreement within 7 working days from receipt of the notification, including the following:
- 11.1.1 A form for confirmation of insurance (Appendix C2 of the agreement).
- 11.1.2 A bank guarantee (Appendix C3 of the agreement).
- 11.1.3 A form for details of the supplier including confirmation from the commercial bank at which the bidder maintains his account.
- 11.1.4 If the Bank has, during the process of clarifications, published corrections to the agreement, but has not published a revised version of the agreement, the bidder will sign a revised agreement after receiving notification that he has won the tender.
- 11.1.5 Any other document requested by the Bank, including one that is required in order to sign the agreement.
- 11.2 The notification of winning the tender will be in writing, will be signed by the Purchasing Division of the Bank, and will be binding on the winner. No other notification, whether in writing or verbal, will obligate the Bank nor will it constitute an estoppel towards the Bank.
- 11.3 In order to remove any doubt, it is hereby explicitly clarified that the notification of winning the tender will not be viewed as acceptance of the bidder's bid and that acceptance will only be by means of the Bank's signing of the agreement after all of the requests made to the winner have been fulfilled as described in the tender documents. However, the submitting of the bid and the bidder's signature on the agreement as part of the bid documents constitute an irrevocable bid, which the bidder cannot withdraw from, conditional on the bid still being valid as described in section 1.15.
- 11.4 The Bank can, but is not obligated to, and according to its sole discretion, extend the date for providing the details mentioned in section 11.1 above. If the winner does not provide the aforementioned documents and the Bank was provided a warning that the aforementioned deadline has not been met, the Bank can view the winner as having rescinded his bid and the Bank will seek any remedy in this matter according to law and/or according to the tender documents, including, but not limited to, cancelation of his winning the tender and declaring another bidder as the winner.
- 11.5 After all of the prerequisites as specified in the tender documents have been fulfilled, the agreement will be signed by the Bank and will be sent to the winner along with the relevant purchase order approved by the Purchasing Division of the Bank. Only after receiving the purchase order will the winner be able to begin providing the services to

the Bank, according to the date to be determined by the Bank for the start of services as mentioned in section 2 above, to which the winner is obligated.

- 11.6 After the agreement with the winner of the tender has been signed, the winner will not be able to claim any right or obligation based on information, promises, obligations, presentations, suggestions, understandings, publications, protocols, discussions or declarations made outside the framework of the agreement, whether in writing or verbally, whether prior to the signing of the agreement or subsequent to it.
- 11.7 The bidders' bids will be valid for the period specified in section 1.15 above, even if a notification of winning the tender has been provided prior to that date. This is in the case, among others, that the winner does not meet any one of the tender's conditions or has made a misrepresentation that was a factor in his winning of the tender or that he has not fulfilled the agreement to be signed with the Bank or for any other reason, his winning of the tender or the agreement that was signed with him will be cancelled. If the winning of the tender or the agreement is indeed cancelled, the Bank has the right to contract with the second-ranked bidder and if he refuses then the Bank can turn to the third-ranked bidder, and so on. It is hereby clarified that this authority of the Bank does not impose any obligation on the Bank to choose bids that were ranked by it apart from the winning bid nor does it detract from its right to cancel the tender or act in any other manner according to law according to the circumstances of the matter. The Bank can also demand from any bidder to extend the validity of his bid until a date to be determined by it and the bidder will act accordingly.

12. Responsibility for expenses and lack of compensation

- 12.1 It is hereby clarified that all expenses, of any type, that are incurred in the preparation of a bid for the tender or that are related to the tender will be borne by the bidder, unrelated to the results of the tender.
- 12.2 The bidder will not have any right, of any type, to compensation or payment or participation in expenses from the Bank or from anyone on its behalf (including its employees, its emissaries or its representatives) incurred for any damage or expenses incurred, of any type, which will be borne by the bidder or someone on his behalf, due to any reason or pretext, due to or related to the tender, including its existence, its termination, its delay, a change in its conditions or its cancellation or as a result of the rejection of the bidder's bid.
- 12.3 It is hereby clarified that the Bank can cancel the tender, whether in whole or in part, or to change and revise it, including changes in the dates specified within it, a change or reduction in the services or their scope, including their delay or termination, whether in full or in part, to a future date or indefinitely, at any point in time according to its sole discretion, without having to provide justification, and without having to compensate the bidder for any expense or damage (whether direct or indirect) borne by him. A change in the tender or an announcement of cancellation will be in writing, will be published on the Bank's website and will be brought to the attention of all those who submitted requests for clarification and if a meeting of bidders was held – those who took part in it.

- 12.4 The winner will not have any right to make a claim due to the non-execution of his winning of the tender, whether in full or in part. Winning of the tender does not guarantee exclusivity for the winner in providing the services to the Bank, whether in full or in part.
13. **Disclosure of information and viewing a bid**
- 13.1 The Bank or anyone on its behalf can require the bidder to provide full and accurate details of his identity, his business activity, his capital structure, his sources of finance and any other information, which in its opinion should be disclosed, as well as information as mentioned with regard to one of the bidder's stakeholder, whether direct or indirect. If the bidder does not submit the requested information to the Bank or has submitted incorrect information, the Bank has the right not to discuss his bid or to disqualify it.
- 13.2 The Bank reserves the right to use its own sources as well to verify the information submitted by the bidder. In submitting the request, the bidder and any of his stakeholders will be viewed as agreeing that the Bank can obtain information about them that is related to the tender from government authorities, including any authority or body that operates according to the law, and they agree to sign any document that is required of them. In addition, the Bank can make contact with the bidder's customers or subcontractors or visit the sites of the bidder or his customers in order to verify information at any stage of the tender or after the bidder has been chosen as winner of the tender.
- 13.3 If after choosing a winning bidder, the Bank discovers that he did not provide accurate information or only partial information, or misleading information, the Bank can cancel its choice of that bidder and enter into a contractual relationship with whomever it chooses in order provide the services or it can make any other decision according to its sole discretion and without providing any compensation or reimbursement of expenses and without detracting from the Bank's rights with regard to the bidder due to the aforementioned behaviors.
- 13.4 The bidder is obligated to notify the Bank in writing, without delay, of any change that may occur in the information that it submitted in the context of the tender.
- 13.5 According to law, bidders that did not win the tender can request to inspect the various documents and the bid of the winning bidder, following a final decision of the Tender Committee regarding the winning bid.
- 13.6 In submitting his bid, the bidder agrees that his entire bid, including all of its parts and appendices, will be available for inspection by the other bidders in the tender. If in the opinion of the bidder, there are commercial or professional secrets in the bid that should remain confidential, the bidder will attach to his bid (as part of his declaration in Appendix A1) a list of those parts of his bid and his arguments that they should remain confidential. If the bidder chose to indicate information in his bid that should remain confidential, then the Bank can prevent—only for this reason—that bidder from seeing the parallel information in the winner's bid.
- 13.7 It should be clarified that despite the aforementioned, the Bank can, according to its sole discretion, present any document that in its opinion does not contain a

professional or commercial secret to the bidders who did not win the tender or to third parties and this is necessary in order to meet the requirements of the law, and the bidder will not have any demand or claim against the Bank or anyone acting on its behalf.

- 13.8 The Bank can determine special confidentiality arrangements, whether in general or for specific issues, if such a request is made by a bidder; nonetheless, it is not obligated to do so. This will be decided according to the sole discretion of the Bank and without any need for justification. In addition, in the event that the Bank believes, including because of the opposition of another bidder, that there is some doubt as to whether the aforementioned information should be exposed, the Bank will have the right to not expose any such information, as long as there is no court order according to a request by the party interested in the exposure.
- 13.9 Notwithstanding what is stated above, it is hereby clarified that for the purposes of reviewing the bids and the provision of the services, the Bank will submit the bidders' bids, whether in full or in part or after processing, to various parties including, among others, consultants working on its behalf and in submitting his bid the bidder is agreeing that all parts of his bid, including those that contain a commercial or professional secret, will be submitted by the Bank for review as stated.
- 13.10 The Bank can collect a payment for its expenses in allowing the bids to be viewed.

14. Confidentiality

- 14.1 On receiving the tender documents, the bidder and also anyone who received the tender documents but did not submit a bid (in this section, both of them together will be referred to as the "bidder") are not permitted to transfer or hand over to any other person any information, record, document or data that was provided to him by the Bank or anyone on its behalf in the context of this tender or that was created by him during the preparation of the bid. The aforementioned will not apply to information in the public domain or information that must be disclosed by law or an order issued by a relevant authority or information that was created independently prior to the bidder receiving the tender documents or information that was legally received from a third party without violating any obligation of confidentiality.
- 14.2 In order to fulfil his obligations according to this section, the bidder is obligated to maintain the aforementioned confidentiality also with regard to his employees or anyone acting on his behalf.
- 14.3 The bidder is obligated to comply with any instruction issued by the Bank with respect to the maintenance of confidentiality.
- 14.4 All of the tender documents are the property of the Bank and are lent to the bidder only in order to prepare a bid and submit it. The bidder is not permitted to copy these documents or use for any other purpose. If the bidder did not submit a bid or received notification from the Bank that he did not win the tender, the bidder will return all of the tender documents, if he is asked to so by the Bank, and will not keep any copy, photocopy, magnetic or optical copy or any other copy of the tender documents or material created by him during the preparation of the bid.

- 14.5 The bidder is not permitted to make any public use of the Bank's name or his contractual relations with it, including on the Internet, without the previous and written approval of the Bank.

15. Security and other types of checks

- 15.1 Within 3 working days of receiving notice that he has won the tender, the winner will submit to the Bank's Security Unit the names of his workers that have been designated to provide services to the Bank. These workers will present themselves for security checks at the offices of the Bank's Security Unit within 7 working days from the receipt of the aforementioned notification by the winner of the tender
- 15.2 The winner of the tender, his employees and anyone acting on his behalf who will be providing services to the Bank will undergo security checks according to the sole discretion of the Bank, as described in Part III of the agreement that is part of the tender documents. The winner is obligated to cooperate with the Bank in order to carry out the security check process in a timely and efficient manner.
- 15.3 Without detracting from the aforementioned in the contractual agreement and in this paragraph, the Bank will have the right to demand a substitution of the tender winner's workers with other workers, without having to provide any justification and according to its sole discretion, due to (but not limited to) security considerations and the winner will fulfil any such demand immediately and in full, without him or anyone acting on his behalf having any right or claim against the Bank or anyone acting on its behalf.
- 15.4 With regard to this section—security checks include checks of trustworthiness.

16. Notifications

- 16.1 In Appendix A1, the bidder will declare the name of his representative with respect to the tender, his telephone number and his fax number, his address and his email address, for the purpose of receiving notifications regarding the tender.
- 16.2 Notifications will be sent by registered mail, by hand delivery, by fax or by electronic mail. A notification sent by post will be considered to have arrived at its destination within three business days from the date on which it was sent. A notification that is delivered by hand will be considered to have arrived at its destination on the first business day after it is delivered. A notification that is sent by fax will be considered to have been received by the other party on the first business day after the digital confirmation that the notification has arrived safely at its destination and subject to its arrival being verified by telephone. A notification sent by email will be considered as having arrived at its destination only after the receipt of a return email (not automatic) that confirms the receipt of the notification.

17. Jurisdiction

The authorized court in Jerusalem, according to its relevant authority, will have sole jurisdiction to adjudicate any legal action whose pretext is this tender and the agreement to be signed with the tender winner.

Yours sincerely,

Updated
January 11, 2024

**The Purchasing Division
Bank of Israel**

Updated
January 11, 2024

Two-Stage Automated Public Tender no. 31/23

For the provision of a system for the management of internal auditing and risk

Appendix A1 – The bidder's declaration

I, the undersigned, _____, ID number _____, after being warned that I must tell the truth and that I can expect punishment as specified in the law if I do not do so, hereby declare as follows:

1. My name and ID number are as stated above and I am submitting the declaration in my name and in the name of the bidder _____ private company / public company number _____ (hereafter: the bidder), in which I am one of the signatories.
2. The contact person on behalf of the bidder in this tender is: name _____; position - _____; office telephone number _____; mobile number _____; email address _____.
3. **Fulfilling the threshold criteria:** I declare that I have read all of the tender's threshold criteria, as published by the Bank and if they were revised by the Bank on its website, the final and binding threshold criteria of the tender, and after I have examined them and their significance, I hereby declare that the bidder and his bid fulfill all of the threshold criteria in the tender.
4. **Convictions according to the Foreign Workers Law and the Minimum Wage Law:** I hereby declare that the bidder and anyone with a connection to the bidder have not been convicted of more than two violations of the Foreign Workers Law and/or the Minimum Wage Law and if they were convicted of more than two of these violations, then more than one year has passed since the last conviction.
In this section:
"An individual with a connection", "convicted" and "violation" are as defined in Section 2b of the Public Entity Transactions Law 5736-1976.
"Minimum Wage Law" – the Minimum Wage Law, 5747-1987.
"Foreign Workers Law" – the Foreign Workers Law, 5751-1991.
"Law to Increase Enforcement of Labor Laws" – the Law to Increase Enforcement of Labor Laws, 5782-2011.
5. **Other convictions** – I hereby declare that the bidder has not been convicted of a violation that involves disgrace or a violation of the tax laws of the State of Israel (such as not transferring deductions or not reporting to the tax authorities), unless the period of limitation according to the Law for Criminal Records and the Repentance Regulations, 5741–1981 with respect to the aforementioned conviction has passed and also that on the date of submitting the bids for the tender there was no indictment filed against him nor was there any investigation of a suspicion of such violations. If the bidder is a corporation – I hereby declare that to the best of my knowledge and after carrying out a check, all of what is stated above in this section is correct also with respect to the bidder's controlling shareholders and office holders. We are aware that the Bank, according to its

sole discretion, and according to the circumstances of the situation, will decide whether to disqualify a bidder who has declared the aforementioned violations or they have come to light with respect to him, his controlling shareholders or his office holders.

If there are convictions, indictments or investigations as mentioned above, I hereby attach a description of them as an appendix to this declaration *[non-attachment of an appendix to the declaration will be understood as the absence of the aforementioned.]*

6. **Equal rights for persons with disabilities:** If the instructions of Section 9 of the Equal Rights for Persons with Disabilities Law, 5758-1998 (hereafter: the **Equal Rights Law**) apply to the bidder, I hereby declare that he complies with them and if he employs (as the term is defined in the Equal Rights Law) more than 100 workers as of the last date for the submitting of bids for the tender, the bidder declares and commits as follows: (1) that he will contact the Director General of the Ministry of Labor, Welfare and Social Services in order to determine whether he is fulfilling his duties according to Section 9 of the Equal Rights Law and if necessary to receive instructions for fulfilling them or alternatively (2) that in the past he has contacted the Director General of the Ministry of Labor, Welfare and Social Services in order to determine his fulfillment of his duties according to section 9 of the Equal Rights Law, and if he received instructions in this matter, he acted to comply with them.

The bidder hereby declares and commits that if Section 9 of the Equal Rights Law applies to him, then he will submit a copy of this declaration to the Director General of the Ministry of Labor, Welfare and Social Services within 30 days from the beginning of contractual relations with the Bank.

7. **Lack of an obstacle or conflict of interest:** There is no obstacle according to any law or agreement to the bidder participating in the tender and fulfilling all of the obligations in the agreement attached as Part III of the tender documents and there is no possibility or concern of a conflict of interest, whether direct or indirect, between the bidder and his controlling shareholders on the one hand and the supply of services by the bidder on the other hand.
8. **Kinship to employees at the Bank of Israel:** Neither the bidder nor his controlling shareholders and office holders, nor any workers that will take part in providing services have any first-degree relatives in the Bank of Israel, apart from the following: *[The absence of a list will be understood as a lack of such relatives]*

-
9. **Commercial or professional secrets:** The bidder hereby declares that his bid does not contain any commercial or professional secrets as described in section 13 of the procedure, apart from those described below: *[The absence of a list will be understood as the absence of commercial or professional secrets. If the bidder claims there are such secrets, he must justify that claim. It can be attached as an appendix to the declaration.]*:
-

10. The bidder is not a manpower company, according to its definition in the Law for Employment of Workers by Manpower Subcontractors, 5756–1996.

11. What is stated in this declaration does not detract from any of the bidder's declarations appearing in the tender documents, including section 7 of Part I of the tender documents.
12. The bidder agrees that the declaration be considered as permission for the bank to contact the Israel Police and/or any body or authority that operates according to the law, including the Ministry of Justice, and only with respect to the bidder, in order to obtain confirmation of its accuracy. The bidder also agrees that the Bank will have the right to request permission from his controlling shareholders and/or office holders to obtain information from the criminal registry, and the Bank will have the right according to its sole discretion to disqualify a bidder that does not fulfil this request.
13. In this declaration, "controlling shareholders" are as defined in the Securities Law, 5738–1968. An "office holder" is as defined in the Companies Law, 5759–1999.
14. I hereby declare that the signature appearing below is my signature and that the content of my declaration is truthful.

Name of the bidder	Date	Stamp and signature
--------------------	------	---------------------

Confirmation

I, the undersigned, _____ attorney-at-law (License no. _____) hereby confirm the appearance at my office at the address _____ on the date _____ of Mr./Ms. _____ who identified himself using ID number _____ / whom I know personally and that he is the bidder's authorized signatory and is authorized to obligate him by his signature in the context of this tender and that after I warned him that he must declare the truth and that he would be subject to all of the punishments specified in the law if he does not, he confirmed the accuracy of his declaration and signed it in my presence.

Stamp	Signature
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Appendix A2

Information required to prove fulfilment of the threshold criteria and the quality score

1. In order to fulfil the threshold criteria in section 3.3 and for the purposes of the quality score in section 6.5.3, the bidder will list in the table the locations in which the system, in the version proposed in the tender or in previous versions, has been installed and assimilated for the purpose of **internal audit** in a production environment, in at least three (3) organizations, which consist of at least 300 employees, of which at least one (1) is a central bank, during the period 2017–2023.

Name of the organization	Number of employees in the organization	A brief description of the system	The year of the system's installation (start and completion)	Contact details

2. In order to fulfil the threshold criteria in section 3.4 and for the purposes of the quality score in section 6.5.3, the bidder will list in the table the locations in which the system, in the version proposed in the tender or in previous versions, has been installed and assimilated for the purpose of **risk management** in a production environment, in at least two (2) organizations, which consist of at least 300 employees, of which at least one (1) is a central bank, during the period 2017–2023.

Name of the organization	Number of employees in the organization	A brief description of the system	The year of the system's installation (start and completion)	Contact details

3. In order to fulfil the threshold criteria in section 3.5, the bidder will list in the table the locations in which the bidder has installed and integrated at least one computerized system, for the purpose of **internal audit** or **risk management**, in at least one (1)

organization, which consists of at least 300 employees, and the installed system began production during the period 2017–2023.

Name of the organization	Number of employees in the organization	A brief description of the system	The year of the system's installation (start and completion)	Contact details

4. In order to fulfil the threshold criteria in section 3.6, the bidder will list in the table at least two service providers (as workers or as freelancers working on his behalf) who participated in at least one project to install a system for the purpose of **internal audit** or **risk management** and whose installation was completed during the period 2017–2023.

#	Name and position at the time of the implementation of the system	The year of installation and implementation of the system	Name of the organization where the system was installed	Details of the contact person in the organization
1.				
2.				
3.				
4.				

Appendix A3
Architecture of the Proposed System

Updated
January 11, 2024

Appendix A4

Registration for a Tender in the Electronic Tender System

Full name of the company (in Hebrew)	
Full name of the company (in English)	
Company number/Registered business number	
Address of the company	
Name of the bidder's representative (Hebrew) (*)	
Name of the bidder's representative (English) (*)	
Office telephone number	
Mobile telephone number	
Identity number	
Email address of the signatory on behalf of the bidder who is authorized to submit a tender bid on his behalf	
Comments	

Details can be provided for up to two representatives of the bidder—a separate form should be used for each.

Two-stage Electronic Public Tender 31/23

For the supply of a system for the management of internal auditing and risk

Part II – Financial bid

Name of the bidder: _____ ID/Company number: _____ (hereafter: the bidder)

Address of the bidder: _____

Type of organization (company, non-profit organization, registered business): _____

Date of incorporation: _____

I, the undersigned, _____ ID _____, hold the position of _____ at the bidder; I am one of the bidder's authorized signatories and I am authorized to sign the tender documents on behalf of the bidder, including this financial bid and the agreement with the Bank. After having comprehensively read the tender documents, including all of its parts and appendixes, I hereby declare on behalf of the bidder as follows:

1. The bidder has read the tender documents and he accepts all of the conditions set by the Bank in the tender and he has no reservations about them, and the bidder declares that he fulfills the threshold criteria in section 3.3 of Part I of the tender documents.
2. Submitting a bid or participation in the tender does not provide the bidder with any rights beyond those described explicitly in the tender documents.
3. The tender and its conditions, including all of the factors that affect or are likely to affect the provision of the services, are known to me and to the bidder; we have had the opportunity to obtain information from the Bank in order to formulate our bid; and we will not have any claims or demands or suits, including those that result from any sort of misunderstanding or lack of knowledge of any detail or condition including in the tender documents or in the clarifications to the tender, if there were any.
4. We have the ability to provide the requested services under the conditions required by the Bank and we face no barriers in doing so according to any law or agreement.
5. All of the tender documents and the bid, including their appendices, are being submitted by us with the signature of the individual who has the authority to commit the bidder and after all of the required details have been filled in, including this price bid.
6. Communication with the Bank will be carried out on a computerized online platform for the receipt and sending of messages that is operated by a third party as determined from time to time by the Bank (hereafter: the **portal**). We will bear the expenses of using the portal if they are imposed on the Bank's suppliers, beyond the proceeds that we have proposed in the tender. We permit the Bank to provide our details to the portal in order to be able to connect to it.
7. The Bank can verify the details of the bank account for the purpose of making payments. We will provide the Bank with permission to do so, which also involves a concession with regard to confidentiality of the banking information, the privacy of the information and the use of the information and its storage.

8. We are also aware that if the bidder is not declared to be the winner of the tender, his bid will remain valid for all purposes for a period specified in section 1.15 of Part I of the tender documents, and the Bank will also have the right to extend that period.
9. Our bid will be valid according to the price quoted in it, even if the Bank decides to acquire only part of the services in the tender.
10. The bidder's detailed bid was submitted in the electronic tender box system according to the instructions in the tender documents and the instructions for filling in the bid and the price tables appearing in it.

After the final date for submitting a bid, the bid will be irrevocable and cannot be cancelled, changed or corrected.

The binding price bid in the tender will only be the prices that the bidder is required to input in the designated place in the electronic tender box and which has been marked as a price bid; the price bid will be submitted separately from the other parts of the tender documents. In order to remove any doubt, if any change / contradiction / inconsistency is found between the aforementioned and any price quoted by the bidder in any other document that constitutes a part of the tender documents, the prices that were required to be input into the electronic tender box will take precedence.

If a price was not input into the electronic tender box, then a "price of zero" will appear in the relevant line of the bidder's financial bid and this price will appear as the price that the bidder is providing in this row of his bid.
11. If any quantities appear in the price tables, they are intended for calculating the cost of the bid and only for comparing the bids and they do not obligate the Bank.
12. The bidder confirms that the discount rates that he has proposed in the electronic tender box system are for prices that do not include VAT.

Confirmation

I, the undersigned, _____ attorney-at-law (License no. _____) hereby confirm the appearance at my office at the address _____ on the date _____ of Mr./Ms. _____ who identified himself using ID number _____ / whom I know personally and that he is the bidder's authorized signatory and is authorized to obligate him with his signature in the context of this tender and that after I warned him that he must declare the truth and that he would be subject to all of the punishments specified in the law if he does not, he confirmed the accuracy of his declaration and signed it in my presence.

Stamp

Signature

Instructions for filling in the price tables

Instructions for filling in the price tables in the electronic tender box: the price bid will be submitted in the place designated for that purpose in the electronic tender box and separately from the rest of the tender documents.

1. For Table 1, the costs of an annual license according to the subscription model, which also includes services to maintain the system (beyond the year of warranty specified in the agreement), in new shekels and without VAT, will be filled in in the electronic tender box.

Table 1 – The pricing component	Unit of calculation – Number of users	Number of years	Price of usage and maintenance per year for the requested number of users in new shekels
License for the system for the purpose of internal audit and risk management – a “heavy user”	13	5	To be filled in in the electronic system
License for the system for the purpose of internal audit and risk management – floating “light user”.	500	5	To be filled in in the electronic system

2. For Table 2, the proposed price for the setting up of the system, including: mapping, installing, conversion of data, implementation and creation of interfaces with the Bank’s systems and 50 hours of instruction about the system (in new shekels and without VAT) should be filled in in the electronic tender box:

Table 2 – Pricing component
To be filled in in the electronic system

3. For Table 3, the cost per hour of work by an expert working on behalf of the bidder for the purpose of changes/improvements and development (in new shekels and without VAT) should be filled in in the electronic tender box:

Table 3 – Services of an expert working for the bidder		
Pricing component	Unit of calculation – estimated number of hours per year	Cost per hour in new shekels before VAT
Cost of an hour for a developer (producer)	100	To be filled in in the electronic system
Cost of an hour of expert services (bidder)	100	To be filled in in the electronic system

4. For Table 4, the estimated cost of priced options (in new shekels and without VAT) should be filled in in the electronic tender box:

Tabel 4 – The pricing of options component	The price in new shekels and without VAT
The proposed price for the compliance function – which includes the addition of 1 “heavy user” license and the use of “light” licenses that were purchased for previous modules in the system.* [The cost of establishing, implementing, integrating, setting up interfaces, converting data, and 20 hours of training on this right to distinguish, shall be carried out in accordance with the Bank’s authorization of the number of hours offered by the offeror before realizing the right to distinguish, and in accordance with the prices that the offeror shall offer for the expert services on behalf of the offeror (Table #3 above)].	To be filled in in the electronic system
The proposed price for the SOX function – which includes the addition of 1 “heavy user” license and the use of “light” licenses that were purchased for previous modules in the system.* [The cost of establishing, implementing, integrating, setting up interfaces, converting data, and 20 hours of training on this right to distinguish, shall be carried out in accordance with the Bank’s authorization of the number of hours offered by the offeror before realizing the right to distinguish, and in accordance with the prices that the offeror shall offer for the expert services on behalf of the offeror (Table #3 above)].	To be filled in in the electronic system

<p>The proposed price for the payment system audit function – which includes the addition of 5 “heavy user” licenses and the use of the “light” licenses that were purchased for previous modules in the system.* And also, the addition of 30 light licenses for functions outside the Bank of Israel with which there will be contact via secured communication. [The cost of establishing, implementing, integrating, setting up interfaces, converting data, and 50 hours of training on this right to distinguish, shall be carried out in accordance with the Bank’s authorization of the number of hours offered by the offeror before realizing the right to distinguish, and in accordance with the prices that the offeror shall offer for the expert services on behalf of the offeror (Table #3 above)].</p>	<p>To be filled in in the electronic system</p>
<p>The proposed price for the examination function at the Credit Data Register – which includes the addition of 15 “heavy user” licenses and the use of the “light” licenses that were purchased for previous modules in the system.* And also the addition of 100 light licenses for functions outside the Bank of Israel with which there will be contact via secured communication.*]The cost of establishing, implementing, integrating, setting up interfaces, converting data, and 50 hours of training on this right to distinguish, shall be carried out in accordance with the Bank’s authorization of the number of hours offered by the offeror before realizing the right to distinguish, and in accordance with the prices that the offeror shall offer for the expert services on behalf of the offeror (Table #3 above)[.</p>	<p>To be filled in in the electronic system</p>

<p>The proposed price for the examination function at the Banking Supervision Department – which includes the addition of 50 “heavy user” licenses and the use of the “light” licenses that were purchased for previous modules in the system.* And also the addition of 100 light licenses for functions outside the Bank of Israel with which there will be contact via secured communication.* [The cost of establishing, implementing, integrating, setting up interfaces, converting data, and 50 hours of training on this right to distinguish, shall be carried out in accordance with the Bank’s authorization of the number of hours offered by the offeror before realizing the right to distinguish, and in accordance with the prices that the offeror shall offer for the expert services on behalf of the offeror (Table #3 above)].</p>	To be filled in in the electronic system
<p>Proposed price for the secure installation of 5 heavy users in the offices of external consultants, including a possible limitation on processes and data according to the Bank’s decision.</p>	To be filled in in the electronic system
<p>* For each of the options that the Bank chooses to exercise, annual maintenance will be added after a year of warranty, at the rate of 15 percent of the cost of setting up the option as proposed by the bidder.</p>	

Table 5: Rate of discount for the acquisition of additional products and services for the system from the producer

Proposed rate of discount
To be filled in in the electronic system

5. It is hereby clarified that the proceeds will include all of the expenses needed to execute the work and the services and also related payments of any type, including and without detracting from the aforementioned generality, all taxes, such as levies, fees, obligatory and other payments, insurance, reimbursement of personal expenses, payment for parking, transport and supply, except VAT. It is hereby emphasized and clarified that the bank will not reimburse the bidder for any payment that is in addition to the prices specified in the bidder’s bid. With respect to the hourly rates, it should be clarified that the Bank will not reimburse for any travel expenses, travel time, payment for parking or wastage of manpower time, but only for actual workhours.
6. In order to obtain the grand total of the above tables, the proposed prices for one unit will be multiplied by the number of units for calculation and the results will be summed

for each of the tables separately. The price for each table will be calculated according to the percentage specified in each table within the overall bid price as described in section 6.6 above and the results will be summed. This sum will constitute the bidder's overall bid price in the tender.

Two-Stage Automated Public Tender no. 31/23

For the provision of a system for the management of internal audit and for risk management

Part III – The Agreement

This translation is provided for readers' convenience. Only the Hebrew version is binding.
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Signed in Jerusalem on the date _____

Between

The Bank of Israel

Purchasing Branch, POB 780 Jerusalem, 9100701

tenders@boi.org.il; fax 02-6669002

(hereafter: the Bank)

On the one hand;

And

Company Number _____

Fax _____; tel. _____; email _____

(hereafter: the Company)

On the other hand;

Whereas

The Bank is interested in acquiring and installing a system for the management of internal audit and for risk management (hereafter: the **System**), as well as services for installation, warranty and maintenance of the System (hereafter: "**implementation services**", "**warranty services**" and "**maintenance services**", and together with installation services – the "Services") for the Services that will be acquired as part of the tender and the aforementioned will be according to the detailed characterization in the definition of services document attached as Part IV of the tender documents (hereafter: the "**Specification**") and which constitutes an integral part of this

Updated
January 11, 2024

	agreement, and what is stated in this agreement, including all of its parts and appendixes;
And whereas	The Bank published public tender 31/23 for the provision of the Services (hereafter: the Tender”), and the Company has submitted a bid for the tender that is attached as Appendix C5 to this agreement, (hereafter: the “ Company’s bid ”) and the Company’s bid has been received by the Bank and it has been decided that the Company will provide the Bank with the Services on the dates and under the conditions specified in the tender documents, including this agreement and the Specification;
And whereas	The Company is interested in provided the Services to the Bank and it is declaring that it has experience in providing the required Services, since it has knowledge, experience and skill in the provision of these Services, that it has the means required to provide the services, that it has the financial ability to provide the Services and that it has professional and certified manpower in sufficient number in order to provide the Services and to complete them on time, according to this agreement and to the full satisfaction of the Bank;
And whereas	The Company declares and confirms that it has read and understood all of the requirements of the Bank as detailed in the tender documents, including the Specification and this agreement, including all of its appendixes, it promises to providing the Services and it is capable of providing them to the Bank according to its requirements and the tender bid, including addendums and revisions made to it and which were agreed on with the Bank in writing, if there were any;

Therefore it is agreed and conditioned between the signs as follows:

1. Introduction and appendixes

- 1.1 The introduction to this agreement, including all of its declarations and the appendixes to this agreement constitute an integral part of it and they serve as the basis for contractual relations between the sides.
- 1.2 The tender documents that were published by the Bank, including the clarifications if there were any, as well as the Company’s bid, including addendums and corrections that were made to it and agreed upon between the Company and the Bank in writing, if they were, constitute an integral part of this document.
- 1.3 The titles of the sections will not serve as interpretation of the sections and they have been added for convenience only.
- 1.4 Any contradiction or inconsistency between the various tender documents or between the various instructions in that document, will be interpreted so as to expand the obligations of the Company and the rights of the Bank.

2. The Company’s declarations and obligations

- 2.1 The Company declares that the Services and all of the Bank's requirements related to them are clear to it, that it possesses all of the tender documents, that it has read, checked and understood the needs of the Bank and its requirements, as specified in this agreement and in the tender documents, including all of its parts and appendixes and that they are acceptable to it. The Company will refrain from making any claim or demand toward the Bank or anyone acting on its behalf with respect to the aforementioned.
- 2.2 The Company declares and confirms that all of the Services can be provided, that it has checked all of the requirements, characteristics and data related to their provision and all that is required in order to supply them and any other data related to the execution of this agreement and that its bid takes into account all of the conditions for providing the Services and that it possesses the experience, knowledge, expertise, resources, means and manpower required, according to law or practice and this agreement, for the provision of the Services in their entirety, on time and according to the Bank's requirements in the tender documents, including the clarifications provided by it, if there were any, and it will refrain from making any claims or bringing suit with respect to the aforementioned.
- 2.3 The Company promises to provide the Services according to this agreement, the tender documents, the Specification, the licenses, the permits and the instructions of the Bank and the relevant authorities, and in according to law, according to best work practices and the best level of execution in its domain of expertise and with the required skill, efficiency, professionalism and devotion, while keeping to a timetable and maintaining a high level of professionalism and meticulously adhering to safety rules to the satisfaction of the Bank's representatives. It is emphasized that in order to eliminate any doubt, the Company is not permitted under any circumstances or in any way to make changes to the Services or to deviate from them without an explicit instruction to do so from the Bank in writing.
- 2.4 The Company promises to employ top-tier, professional, skilled and trained manpower in the quantity and in the locations that will facilitate accessible and efficient service and that will be able to keep to the timetable decided on for the provision of the Services.
- 2.5 Any contractual relations for the fulfilment of its obligations according to this agreement by means of subcontractors requires the Bank's prior approval in writing and if it is approved in writing by the Bank that the Company will operate by means of subcontractors, the Company will not have the right to substitute the aforementioned subcontractor that was approved, except with the Bank's written approval. In any case, even if the work is carried out by means of subcontractors, the Company will remain the sole party responsible for carrying out any work according

to this agreement, whether in full or in part, according to the Bank's requirements and needs.

- 2.6 The Company promises to provide the Services according to the requirements of any law and in particular labor laws, including the Minimum Wage Law, 5747–1987 and regulations based on it, and also laws that regulate the employment of foreign workers. Any claim made by the Company that it was not familiar with the instructions of the law or the requirements of the relevant authorities will not exempt it from any responsibility or obligation according to this agreement and will not be grounds for any deferral of the date determined for the completion of the services.
- 2.7 The Company declares that it has the approvals, permits and licenses required by law in order to provide the Services and to fulfil its obligations, including the approvals according to the Law for Transactions by Public Bodies, 5736–1976 regarding the maintenance of invoice ledgers records and that it will keep them valid, without interruption for the entire period of the contractual relations.
- 2.8 The Company declares that it is not a manpower company as defined in the Law for the Employment of Workers by Contractors (A Manpower Company, 5756–1996).
- 2.9 The Company declares that it is aware that all of the security and safety instructions that have been decided on or will be decided on by the Bank regarding the Bank's premises and the Bank's work or employees, will also be binding on the Company and its employees and anyone acting on its behalf, including subcontractors that have been approved by the Bank to be involved in the provision of the Services to the Bank; however, these obligations do not exempt the Company from fulfilling any obligation imposed on it by this agreement and according to law in order to impose any obligation on the Bank.
- 2.10 The Company declares that it is aware that essential activity is carried out by the Bank's workers on the premises of the Bank and that it promises to refrain as much as possible from causing noise or any other disturbance that will disrupt the work. To this end, if there is a need, the Company promises to coordinate any work that is liable to cause such a disruption with the Bank's representative and to carry out work that requires the shutdown of systems or the disruption of work as a result of noise created in the workers' offices only during the evening hours and with the approval of the Bank, without any additional financial cost.
- 2.11 The Company will use all reasonable means in order to avoid causing damage to the Bank to its building or to the Bank's systems. Without detracting from any other right that will be available to the Bank in such an event, according to this agreement or law, and to the extent that the Bank wishes, the Company will repair any damage caused by it or by its employees or by anyone employed by it for the provision of the Services, at its own expense, immediately upon the Bank's request and to its

satisfaction and regardless of any claims that the Bank will have, if there are any, against the Company's insurance companies to receive any insurance compensation for that damage. If the Company does not repair the damage within a reasonable period of time, the Bank will have the right, according to its sole discretion, to make the required repairs on its own or by means of others and to charge the Company for any expenses involved and the Company promises to bear those expenses.

- 2.12 The Company promises to cooperate with the Bank's workers or anyone acting on its behalf in order to identify problems in the provision of services.
- 2.13 If the Company does not fulfil its obligations, the Bank will have the right to carry them out itself or by means of someone else and the Company promises to reimburse the Bank immediately for its expenses upon the first request.
- 2.14 The Company will provide appropriate options, according to the Bank's instructions, for any other contractor employed by the Bank and any individual or body that will be approved for this purpose by the Bank, as well as their workers, and will also cooperate with them to whatever extent necessary.

3. **The provision of services**

- 3.1 The Company will provide the Bank with the Services, as specified in this agreement, including the Specification, and according to the Bank's instructions to the Company, from time to time, in writing or orally. This will be done professionally, efficiently, carefully and with perseverance and skill, according to the instructions of the law and in particular all safety laws will be meticulously adhered to, to the full satisfaction of the Bank.
- 3.2 The Company will be in continual contact with the representative who will be appointed by the Bank (above and hereafter: the "**representative of the Bank**"), the Company will work with the Bank's representative in full cooperation, will cooperate immediately and in full and will respond to any demand or instructions issued by him, in writing and orally, and will present him any item or document which in his opinion is needed for the supply of the Services.
- 3.3 The Bank will monitor and oversee the activities of the Company to the extent it feels appropriate. In order to remove any doubt, it is hereby clarified that the Bank's right of oversight and its oversight authority, as mentioned above, are a means of internal control, whose goal is to ensure the rights of the Bank and they do not exempt the Company from full responsibility toward the Bank, according to this agreement or according to law, with regard to the fulfilment of its obligations according to this agreement and the tender documents or for the provision of the Services or to impose responsibility or any obligation on the Bank.
- 3.4 Without detracting from the rights of the Bank according to this agreement and according to law, and including the right to terminate this agreement, if the Company

does not respond, immediately and in full, to an instruction, request or notification by the Bank or does not fulfil its obligations according to this agreement, in full or in part, the Company will be viewed as committing a material violation of the agreement and the Bank will have the right, but not the obligation, according to its sole discretion, and after providing a written warning 14 days previously to the Company for the aforementioned repair, to provide the Services that are the subject of this agreement on its own or by means of someone else. Without detracting from the aforementioned, the Company will promise not to prevent the Bank from such action and that it will assist the Bank or someone it has chosen in the provision of the Services as described. Without detracting from the generality of the aforementioned, in the event that the Bank acts as mentioned, the Bank will have the right to collect, deduct or offset any additional expense that will be caused to the Bank as a result, from any amount that is owed to the Company by the Bank at any time and the Bank will also have the right to collect the expenses from the Company in any way and according to the remedies available to the Bank according to this agreement.

- 3.5 The Bank is not obligated to acquire any of the Services or products described in the Specification. During the period of the contractual relations, the Bank will have the right to enlarge or reduce the scope of the Services, including the acquisition of products and including maintenance services (according to the circumstances) which the Bank will acquire, by means of a notification in writing that it will submit to the Company, and the proceeds will increase or decrease according to the pricing proposed in the Company's bid.
- 3.6 During the period of the contractual relations, the Bank has the right to acquire from the Company additional services (hereafter: the "**additional services**"), which are similar in nature to the Services proposed by the Company in the tender, including bodies for which the system is suited (such as, for example, audit, evaluation and regulatory bodies operating within the framework of the Bank, as also embodied in the options which the Company wished to price as part of its bid).
- 3.7 The Company promises to obtain the prior agreement of the Bank regarding the employment of any employee who will be involved in the provision of the Services and the Bank will have the right to refuse to provide its agreement to employ that employee for any reason, and without having to provide any explanation. The Bank will not be required to compensate the Company for losses or expenses of any type that might be caused to it as a result of the aforementioned stipulation and its implementation.
- 3.8 The Bank, according to its sole discretion will have the right to instruct the Company to refrain from employing or terminating the employment of a particular employee who is involved in the provision of the Services according to this agreement, for any reason and without having to provide any explanation. If the Bank has given such an

instruction, the Company will be required to terminate the employment of any such employee immediately, and it will also deny the employee any access to information that is received in connection to this agreement. Such an instruction from the Bank will not constitute a pretext for the Company not to fulfill the conditions of the agreement, and the Bank will not have to compensate the Company for any losses or expenses, of any kind, that will be caused to it as a result of the aforementioned instruction and its implementation.

- 3.9 The approval of the Bank to employ any employee of the Company in the provision of the Services to the Bank (or not instructing that he not be employed) does not exempt or reduce the full and exclusive responsibility of the Company to implement this agreement or according to law or in order to impose any responsibility on the Bank.
- 3.10 The Company is obligated to immediately inform the Bank of the termination of the employment of any of its employees involved in the provision of the Services.
- 3.11 The Company is required to inform the Bank on an ongoing basis with regard to the most up-to-date version of the products being offered by the producer. The Bank will decide, according to its exclusive discretion, which version of which of the products from among the versions supported by the producer will be installed and/or updated at the Bank.
- 3.12 If the Company is not the producer of the product or parts of it, the Company must obtain approval that all of the components for which the Bank has acquired maintenance services are covered by a Back2Back agreement with the producer, include a list of the components.
- 3.13 If the producer has announced an end-of-service date for the license or a particular device, the Company will notify the Bank of such at least 120 days ahead of time and in such s case the Company will have to provide a license or an alternative and equivalent device, without any additional payment.
- 3.14 Only after the representative of the Bank has given confirmation in writing that the installation of the product on the Bank's computers, its assimilation and the successful passing of all acceptance tests to the full satisfaction of the Bank will this be considered to be the date for the completion of the installation (hereafter: **"installation completion date"**).
- 3.15 Starting from the installation completion date, the Bank will acquire maintenance services from the Company (hereafter: **"maintenance services"**) which are described below, until the first of March nearest to the date of installation at the Bank and which will be provided in a way and with the same response times as described below, even if the producer of the product, despite his obligation, has decided to end his support for it.

- 3.16 At the end of the first maintenance period, the Bank will have the right to acquire from the Company maintenance services for additional periods, and in total for up to nine (9) years from the date of installation. If the pricing model of the system involves an annual license, the Bank is obligated to acquire maintenance services (whose price also includes an annual license) as a condition for continuing to use the system. If the pricing model of the system is acquisition from the Company rather than an annual license, the Bank will have to the right to maintain the system on its own or by way of a third party, instead of acquiring maintenance services from the Company.
- 3.17 The maintenance services will include responsibility for the functioning of the system and the applications that were developed, including software updates, upgrades and repair of bugs, with the goal of ensuring the full and continuous functioning of the system, including overall support and preventative maintenance activity.
- 3.18 The Company will provide efficient and continuous maintenance services based on the use of manpower to the Bank's satisfaction.
- 3.19 In order to eliminate any doubt, it is hereby clarified that during the maintenance periods all of the instructions of the agreement and its appendixes will apply.
- 3.20 The maintenance services will include all of the following:
- a. **Repairs** – Repair of all errors and problems that are revealed in operating the system.
 - b. **Ongoing support** – Any activity required in order that the system will function normally on an ongoing basis.
 - c. **Support services** – Providing a solution to the Bank's problems by means of a manned support center and provision of a response (by telephone, fax, email, etc.) for the purpose of obtaining online assistance, guidance, instruction, solutions to problems, information on new options and their implementation, optimal operation and configuration of the existing licenses and devices in the bank, guidance with respect to technological alternatives and providing a response to any other question that arises among the Bank's users and which is required for the efficient and optimal operation of the system.
 - d. **The installation of new versions or upgrades to the software and hardware systems** – The responsibility for providing and installing new versions or upgrades for the software and hardware components (including upgrades to the operating system, the backup software, etc.), which will be provided by the Company (the most up-to-date versions available), will be that of the Company as part of the quarterly maintenance services. The upgrades will include software updates. The dates for carrying out updates / upgrades to more advanced versions (including the decision whether to adopt the

updates / upgrades) will be determined by the Bank, and the Company will provide the company with a description of the update and its date sufficiently ahead of the update. In order to remove any doubt, the Bank will have the right to reject the uploading of the update if there is a concern that routine work on the system will be harmed or in the absence of full compatibility of the version to the Bank's business process systems. It is hereby clarified that the Company will not receive any additional payment for the provision and installation of versions or upgrades for the software and hardware components.

- 3.21 The Company promises to carry out the required correction or repair in a continuous manner and without delay and to complete them in as short a time as possible.
- 3.22 In order to provide maintenance services, the Company will make available to the Bank a manned support center with communication media (telephone, fax and email), which will be open to accept enquiries from Sunday to Thursday from 8:00–17:00 and on Friday from 8:00–13:00, apart from Sabbaths and Jewish holidays. When opening an enquiry at the center, the problem/question will be registered in an organized manner and it will be possible to track it by means of an enquiry number that will be assigned when it is opened.
- 3.23 The Company will ensure the following response times:
 - a. For breakdowns – At least one process that has ceased to function properly – a response will be provided within one hour after the call. An operational business solution will be presented within 24 hours.
 - b. For problems that are not breakdowns – Building the process by means of the component that is not working as expected – a professional telephone response will be provide within four hours of the time of the enquiry.
- 3.24 In the event of a breakdown that is not resolved within 24 hours or a problem that is not a breakdown that is not resolved within 72 hours, the Bank will have the right to demand that the Company open a call with the producer. Sabbaths and Jewish holidays will not be taken into account as part of the 72 hours in this paragraph.
- 3.25 The Company can try to provide a telephone solution for problems that arise; however, this does not exempt it from the timetable described above nor does it delay the timetable.
- 3.26 The Bank's representative or someone appointed on the Bank's behalf for this purpose will classify the problems according to his sole discretion and he will confirm that they have been dealt with. The aforementioned does not detract from the Company's responsibility to identify problems and repair them.
- 3.27 The Company will employ, whether directly or by means of a subcontractor, at least two employees who have undergone training in the system possessed by the Bank, in every period of contractual relations.

- 3.28 The employees who are designed to support the Bank's systems will pass security checks as stated in this agreement.
- 3.29 The Company will appoint a contact person on its behalf who will provide a response to the Bank's representatives. This does not detract from the Company's obligation to provide responses by means of the support center.
- 3.30 The Company will provide the Bank's representative with a list of contact people for the purpose of escalation in the event that a problem is not properly resolved. The Company will ensure that the list possessed by the Bank remains up to date for the entire period that the Services are provided.
- 3.31 The maintenance services will be provided at all of the Bank's sites at which the devices or software are operated. It should be emphasized that the provision of remote support to the site of the Bank will not be possible.
- 3.32 If the Company's experts do not succeed in solving the problem, the Company will use the expert services of the producer as needed.
- 3.33 In order to remove any doubt, it is hereby clarified that a service call by a technician to the Bank's premises in order to solve a problem within the framework of maintenance services as defined above will not result in any additional payment.
- 3.34 The Company declares that it is a business partner / licensed representative of the producer with respect to the products, and it promises to maintain its status during the entire period of contractual relations. In the event that the connection between the producer and the Company is terminated for any reason, the Bank will have the right according to its sole discretion to end the contractual relations with the Company and acquire the Services from a different company.

4. Timetables for supplying the services

- 4.1 Provision of the services will begin about 30 days from the date of signing of the agreement by the Bank.
- 4.2 As a condition for the agreement going into effect, the Company must prove to the Bank that the system fully supports Hebrew (with respect to both using it to write from right to left and in the various titles visible to the user) and this will not be later than three months from the receipt of the Bank's announcement that the bidder has won the tender. If the system does not support Hebrew as stated, the bidder's winning of the tender will be annulled and the Bank will have the right to contact the second-ranked bidder, and so on.
- 4.3 Despite the aforementioned, it is hereby clarified that the Bank has the right to bring forward or delay the date for the start of the supply of services, according to its sole discretion and without having to provide any explanation or hearing and the Company will act accordingly without presenting any claim or demand and without being eligible for any additional payment.

5. **Payment**

- 5.1 In exchange for the provision of the Services and the fulfillment of all of the Company's obligations according to this agreement, the Bank will pay the Company the amount specified in the bid attached as **Appendix C5** to this agreement (hereafter: the "proceeds").
- 5.2 The proceeds for expert hours, as described in Table 3 in the bid (which are not included in the cost of mapping, installation, conversion, assimilation and instruction) will be paid monthly, according to the actual workhours during the previous month, according to a progress report that they will submit, after the workplan for the execution of these hours and the Company's workers who will be carrying out the work have been given prior approval in writing by the Bank.
- 5.3 Following is the mechanism for updating the price list for consulting hours:
 - 5.3.1 The payment per workhour will be updated according to changes in the Consumer Price Index (CPI) (including fruits and vegetables) which is published by the Central Bureau of Statistics, starting from the index known on the day of the signing of this agreement and up to the **known index** at the beginning of the month of January of every year during the period of service provision (in other words, the index published in December). The update will apply to hours worked from the beginning of December and onward. An invoice for the hours worked in December of each year will be submitted to the Bank after the beginning of January unless the Bank explicitly states otherwise and in writing.
 - 5.3.2 Notwithstanding the aforementioned, if the CPI rises less than 2% since the index known on the day of the signing of this agreement and until the index known at the beginning of January in which the aforementioned calculation is made, the proceeds will not be updated. If the CPI has risen by 2% or more at the time of the aforementioned calculation, the Company will be eligible for the full update of the CPI according to the index known from the date of the signing of this agreement and up until the index known at the beginning of January, starting from the month of January in which the aforementioned calculation is carried out.
 - 5.3.3 The new prices will be rounded to the nearest integer (without a decimal place).
- 5.4 A "workhours report" will be attached to the invoice submitted by the Company to the Bank for approval. The report will list the days and workhours on the basis of which the invoice is being submitted. An example of the report is attached as **Appendix C6** to the agreement.
- 5.5 The payment for the annual license (subscription model) will be according to Table 1 in Part II of the tender documents and according to what is stated in paragraph 5.8 below.

- 5.6 During the first year, the period of the annual license (subscription model) will begin with the completion of the characterization stage according to what is specified in the Specification.
- 5.7 In addition, the Bank may purchase additional subscriptions in addition to the said amount. In respect of the additional subscriptions both for the internal audit and risk management system and for any right to distinguish that the Bank shall realize within the framework of the tender. The remuneration shall be calculated on a relative basis, as noted in the company's proposal in the tender in Table #1 in Part B of the tender documents (the price for each additional heavy license shall be the price offered for 13 heavy licenses divide by 13, and the price of each light license shall be the price offered for 500 licenses divided by 500).
- 5.8 The Bank will pay the company according to Table 2 of the bid for installing the system after its assimilation and the provision of instruction on the system as required and in accordance with the Specification and the following milestones:
 - 5.8.1 5% with the completion of the signing of the agreement.
 - 5.8.2 10% with the completion of the detailed characterization.
 - 5.8.3 15% with the completion of development, including: the creation of the test / production environments and the separate systems on the Internet and the completion of the handover tests.
 - 5.8.4 20% with the completion of the conversion and loading of the data.
 - 5.8.5 20% with the completion of the assimilation checks and instruction.
 - 5.8.6 30% with the completion of the "completion approval" stage. The Bank will have the sole power to decide on the achievement of the aforementioned milestones, and the payment that will be carried out only after the approval of the payment request by the Bank.
- 5.9 If the pricing model for the system is an annual license, then the payment for the provision of the licenses will include licensing and maintenance until the closest first of March after the installation of the license at the Bank of Israel. If the pricing model for the system is acquisition, then after installation the Bank will pay the Company also for maintenance of the license until the closest first of March after the installation of the license at the Bank of Israel.
- 5.10 If the pricing model of the system is acquisition, then if the Bank decides to acquire maintenance services from the Company after the first maintenance period as described above, the payment for the maintenance services will be annual and will be made on the first of March of each year, according to the prices listed in the Company's bid. The aforementioned will also apply to the acquisition of a new license that will include additional maintenance whose period of maintenance will also be renewed in the first of March each year, such that the maintenance dates in the licenses will be consolidated to the first of March of each year. If the pricing

model for the system is an annual license then the annual price of a license also includes the maintenance services described above. This payment constitutes the full and final compensation for all of the various maintenance services described in the tender documents. The payment for the maintenance of annual licensing services (including maintenance services) will be paid up front according to the invoices to be issued by the Company to the Bank each year for the maintenance during the upcoming year. If the Bank has decided to renew the maintenance services for a period of shorter than a year, according to its sole discretion and if the producer's policy allows for it, the payment to be made will be relative.

- 5.11 For the provision of additional services and products, the Company will submit a bill with the completion of their provision.
- 5.12 The payment for the future supply of software components that will be purchased on the completion of the project will be paid after the provision of the license from the producer (receipt of the document showing the purchase of the license by the Bank), and after their installation, assimilation and normal functioning over a period of one calendar month.
- 5.13 If the Bank is of the view, according to its discretion, that the Company is not carrying out the work with the necessary level of quality and according to the timetable, or that it may not meet the requirements with respect to quality and/or the timetable, it has the right, with an immediate notification to the Company, to stop the work, pay for what has already been done as required up until the date of the aforementioned notification, and to submit the rest of the scope of the work to someone else and/or to carry out the work itself and/or to terminate the agreement in full. The Company will assist the Bank in doing so and will bear any additional expenditure caused to the Bank due to the aforementioned situation.
- 5.14 The communication between the Bank and the Company with respect to inputting the supplier's details and their updating, purchase orders, invoices and other items as will be decided on by the Bank will be by means of a single online computerized platform for the transfer of messages between the Company and the Bank (hereafter: the "**supplier portal**"). In order to remove any doubt, the Bank will not be a party in the contractual relations between the Company and the operator of the supplier portal.
- 5.15 The Company promises that no later than seven (7) days after the signing of this agreement, it will directly contact the operator of the supplier portal for the Bank (hereafter: the "**operator of the supplier portal**"). At the time of the signing of this agreement, the operator of the supplier portal is Nipendo Ltd. (email: sales@nipendo.com).

- 5.16 The Bank can, by means of a notification to the Company, change the operator of the supplier portal and the Company will sign up with the new operator of the supplier portal without delay.
- 5.17 At the time of the signing of the agreement, the operator of the supplier portal will not charge the Company for connecting to and using the portal; however, during the period of contractual relations, the operator of the supplier portal can charge the Company for its services and the Company will bear this cost directly, as a condition for the contractual relations with the Bank according to this agreement. In order to remove any doubt, the proceeds from this agreement do not include the cost of the Company's use of the supplier portal, if in the future the Company is required to cover this cost.
- 5.18 The Company will provide the Bank with services only according to purchase orders signed by the Bank. The supply of services beyond what is written in the purchase order will not result in any additional payment to the Company and it will refrain from any claim, complaint or demand toward the Bank in such a case.
- 5.19 VAT will be added to the proceeds. The rate of VAT will be as specified in the VAT Law and its regulations, temporary directives and related orders.
- 5.20 Payments will be made against an **original bill** that will be submitted by the Company to the Bank by way of the supplier portal. The bill will include the following details: the number of the Bank's purchase order for the supply of the services, details of the Services provided and if the Services were provided according to workhour, then also a workhours report, the date on which the supplier insurance in favor of the Bank comes to an end, the date on which the supplier guarantee to the Bank comes to an end, and any other important details needed for its payment by the Bank (hereafter: **material details**).
- 5.21 A bill will be paid within 45 days from the date on which the bill was fully and properly submitted to the Bank by way of the supplier portal.
- 5.22 If the bill does not include all of the material details, the bill will be returned to the Company by means of the supplier portal. If the Company submits a bill to the Bank by way of the supplier portal and the bill was returned to the Company and it corrected the material details in it and resubmitted it to the Bank for payment by way of the supplier portal, the Company will state **clearly on the bill** that the bill has been resubmitted to the Bank after being corrected. If that is not stated clearly on the bill, the Bank will relate to it as a new bill that was submitted to it by way of the supplier portal.
- 5.23 A company that by law is permitted to submit a proforma invoice is obligated to submit a tax invoice to the Bank by way of the supplier portal not later than fourteen (14) days after receiving payment from the Bank against the proforma invoice. The Company will produce one tax invoice for each proforma invoice.

- 5.24 The payment is final and inclusive for the fulfilment of all the Company's obligations according to this agreement and its appendixes and will be viewed as including anything required for the provision of the Services, including all expenses related to the fulfillment of the Company's obligations according to this agreement and/or related to it, including direct, indirect, prepared and/or unexpected expenses and including, but without detracting from generality of the aforementioned, expenses for travel, wasted time during travel, insurance, manpower, taxes, fees and levies, per diem reimbursement, printing, photocopying, photography, etc.
6. **The period of contractual relations**
- 6.1 The period of contractual relations will begin with the Bank's signature on this agreement and will continue for five years (hereafter: the "**initial period of contractual relations**"). Nonetheless, if the Bank, for any reason, wishes to terminate the contractual relations at an earlier date, it will be permitted to do so according to its sole discretion and without having to provide justification or a hearing, by means of a prior notification in writing to the Company, 30 days before the termination of the contractual relations. If the Services were terminated by the Bank, whether in full or in part, the Company will not be eligible for payment or compensation of any kind as a result, apart from payment for services provided by it up until their termination or an obligation of the Company toward a third party that is not cancelable.
- 6.2 At the end of the initial period of contractual relations, the Bank will have the right to extend the period of contractual relations for additional periods, and in total up to between five and ten additional cumulative years (hereafter: the "**additional periods of contractual relations**" and together: the "**period of contractual relations**"). During the additional periods of contractual relations, all of the instructions in this agreement will apply to the sides.
- 6.3 Without detracting from the generality of the aforementioned, which allows the Bank to immediately terminate the Services for any reasons, if the Bank feels, according to its discretion, that the Company is not providing the Services at the required level of quality and in a timely manner, or that it is liable not to fulfill the quality requirements and/or to meet the timetable, it can, with a prior warning to the Company submitted seven days earlier, and if the Company has not resolved the violation within that period, terminate the provision of the Services, pay only for the Services appropriately provided up until the aforementioned notification and transfer the provision of services (whether in full or in part) to another entity or to provide them on its own or to terminate the agreement completely. The Company will assist the Bank in doing so and if the termination is the result of a violation by the Company, then it will bear any extra cost incurred by the Bank as a result of the

aforementioned situation, and according to the remedies available to the Bank as specified in this agreement.

- 6.4 The rights of the Bank according to this agreement and/or according to law are not affected by what is stated in this section.

7. Ownership of the documents and copyrights

- 7.1 The Company hereby declares that all of the documents, data or any other information that will be prepared and/or submitted by it to the Bank and/or on its behalf for the purpose of and/or during the provision of the Services will belong solely to the Bank and the Bank will have sole ownership for all intents and purposes subject to what is stated in paragraph 7.10 below; and the Bank will have all rights to them, including copyrights, as their owners and creators for all intents and purposes and without any additional compensation beyond that stated in this agreement. At the same time, and if the Company convinces the Bank that a particular document or some product that was made use of as part of the Services constitutes its “previous creations” or that of a third party, the Bank’s ownership and rights to use the product will not detract from the Company’s rights to use the product or the rights of a third party.
- 7.2 Without detracting from the generality of the aforementioned, the Company hereby declares and promises that in fulfilling its obligations according to this agreement and in granting the rights to the Bank based on this agreement there is no violation of any law and/or contractual obligation, including the violation of copyrights, producer rights, broadcaster rights, ethical rights of artists, writers and producers, registered and non-registered tradenames, patents, intellectual property rights of any other type and/or any other right that belongs to a third party.
- 7.3 The company promises to provide the Bank, at its request and at any time, with clear copies of all the documents and the rest of the aforementioned information during the entire period of the contractual relations and at any subsequent time.
- 7.4 Without detracting from the aforementioned, or the fulfillment of the Company’s obligations according to this agreement, or on the completion and/or cancelation of the agreement for any reason or at the Bank’s request at any time, the Company promises to submit to the Bank all plans, documents, and other items, including those prepared by it and/or by manpower on its behalf and which relate to the Services governed by this agreement and to return to the Bank all documents, data and anything else relating to the Services. The Company will not have the right to keep in its possession a copy, whether on paper or on its computers, of material related to the provision of the services, apart from material that it is required to protect by law.

- 7.5 The Company will submit full details to the Bank concerning all information that is the result of the provision of the Services (including any invention or development carried out by or created by the Company) during the period of contractual relations or within 6 months of their completion. On the completion of the provision of the Services according to this agreement, the Company will be viewed as having assigned all of its rights, including any invention or development, and all copyrights to the Bank, without any additional compensation.
- 7.6 The Company promises to only make use of original software and to renew third party software licenses that are included in its bid and to keep them valid at all times, as is the practice, and also promises to provide the Bank with the most updated version of the software components that are offered by the producer and to continue to provide updates to the system on an ongoing basis if and when they become available and to maintain them, including updates that include characteristics and new components to be developed in the future and which are an integral part of the system and in particular full compatibility of the technological infrastructures with the standard off-the-shelf versions that are used by the infrastructure (Office, browsers, etc.). The Bank will decide, according to its sole discretion, which version of the software system from among the versions (the most up-to-date ones and the previous ones) will be installed in the Bank. These updates will be carried out in every stage in which the system is created, operated and maintained and subject to the aforementioned decision of the Bank.
- 7.7 All equipment, including hardware, that is required in order to create the system or to operate and maintain it will be fully owned by the Bank from the moment it is supplied by the Company and all of the necessary licenses are registered under the Bank's name.
- 7.8 The Company promises that every component that it proposes or that is necessary and which will be supplied as part of the contractual relations, including the period of warranty and maintenance, will be in production on an ongoing basis and that there is no information or any concern regarding the termination of production during the period of contractual relations; the Company is obligated to notify the Bank immediately in writing if it has information or a concern regarding end-of-life or end-of-support and to suggest an appropriate alternative solution for the approval of the Bank.
- 7.9 If the component that is needed for the normal functioning of the system is no longer produced on an ongoing basis, the Company will provide an equivalent component without any additional cost.
- 7.10 Notwithstanding the aforementioned, it is hereby clarified and agreed that the Bank will only have a unlimited right to use all of the software products that are used by the system. The Bank and the Company will have joint ownership and joint copyright

on additional developments by the Company for the Bank. The Bank will have the right to use any of these additional developments according to its sole discretion, either on its own or by means of anyone else on its behalf, even without the consent of the Company and even without its knowledge, and neither the Company nor the subcontractors or anyone on their behalf will have any right to claim that such changes cause harm to them, while the Company can make use of them, not for benefit of the Bank, only on the condition that this does not harm the Bank nor violate any rule of confidentiality.

- 7.11 It is hereby agreed that if the system is acquired according to the acquisition model (rather than the annual subscription model), then even after the end of the contractual relations, the Bank will have the right to continue using the system as described in this Section 7, without any additional payment.
- 7.12 The Company is aware that the Bank has the right to request references with respect to the hardware and software components, including a declaration or letter of consent from the producer, for each significant component (which provide a solution to the functional requirements and are not standard components, such as an operating system, standard hardware and software, etc.) and it promises to provide the requested reference.

8. Absence of an employer-employee relationship

- 8.1 The Company will operate as an independent contractor in implementing this agreement and any right provided to the Bank by this agreement to supervise, guide or instruct the Company or anyone who is employed by it or on its behalf should not be viewed as anything but a means to ensure the full execution of this agreement. Between the Company and/or anyone employed by it and/or anyone acting on its behalf and the Bank, there does not exist, and there will not exist, any employer-employee relationship.
- 8.2 The Company's employees will be under the Company's sole supervision, oversight and responsibility. The Company hereby declares and confirms that it is aware that it alone has the obligation to pay the salaries (including all of its components) of its employees and also any obligatory payments, deductions and related expenses, including income tax, National Insurance and the health tax and other payments as required by law and as is the practice in this domain. Without detracting from the generality of the aforementioned, the Company promises to comply—in the case of all of its employees—with all that is stated in the labor laws and/or any other law that ensures the social conditions and rights of its employees and all that is stated in the collective bargaining agreement and/or expansion orders which are and/or will in the future be applicable to the Company and/or its employees. The Company promises to fulfill all of its obligations towards its employees, as stated above, and in

particular, but without detracting from the generality of the aforementioned, will fulfil its obligations according to the Minimum Wage Law, 5747–1987 and the regulations based on it. A violation of this paragraph will constitute a fundamental violation of the agreement. In the event of a violation of this paragraph, in addition to, and without detracting from any other right that the Bank will have in this event according to this agreement and/or according to law, the Bank has the right to suspend / delay the payment of the proceeds to the Company until the Company reimburses or pays (according to the circumstances) its employees the amounts that it owes them. The Bank has the right to demand that the Company, at any time, present it with proof that it has fulfilled the aforementioned obligations.

- 8.3 Without detracting from the generality of the aforementioned, the Company will compensate the Bank, fully and immediately, and immediately on the Bank's first request, for any expense, cost or damage caused to it, if it is determined by an authorized court, in complete contradiction of what is described in this agreement, that there were indeed employer-employee relations between the Bank and the Company and anyone employed by it or that the Bank owes some payment to an employee of the Company, and on the condition that the Bank has notified the Company of the filing of a claim within a reasonable time and has allowed the Company to participate in a defense against it, at the expense of the Company, and did not reach a compromise with the claimant without the consent of the Company.

9. **Responsibility and compensation for damages**

- 9.1 The Company is solely responsible to the Bank for any loss and/or bodily damage and/or damage to property and/or financial loss and/or purely financial damage that will be caused to the Bank and/or its workers and/or the Company and/or its workers and/or anyone acting on its behalf and/or any third party and/or in relation to the violation of its obligations according to this agreement and/or in relation to the system and/or the products and/or services (hereafter: the "**Services**") and/or in relation to an act of commission and/or an act of omission and/or an error and/or an omission by the Company and/or its workers and/or anyone acting on its behalf and/or as part of and/or due to and/or in relation to the provision of the services.
- 9.2 The Company will be responsible for any damage and/or loss that is caused to the equipment and/or system and/or related to the Services and/or any equipment of any type and description that is in use by the Company until the completion of the assimilation tests and their approval by the Bank and the handover of the systems to the Bank and the Bank's approval of the aforementioned receipt in writing and to its full satisfaction and also during the period of warranty, maintenance and provision of related services, and it exempts the Bank and/or its workers and/or any individuals in

the service of the Bank of any responsibility for any loss and/or property damage, as mentioned.

- 9.3 The Company hereby exempts the Bank and/or its workers and/or any individuals in its service of any responsibility for any loss and/or damage for which the Company is responsible, as described in this agreement and/or according to law and promises to compensate the Bank and/or anyone acting on its behalf for any responsibility that is imposed on them and/or any amount that they will be required to pay in the case that the responsibility is imposed on the Company based on the aforementioned, including court expenses and legal fees.
- 9.4 The Bank may offset, from payment for which the company is eligible based on this agreement and/or for any other reason, amounts that are claimed from the Bank by any third party whatsoever in respect of an act or omission that are the responsibility of the Company as noted above and/or in respect of damages caused to the Bank due to an act or omission that are the responsibility of the Company as noted above. The offsetting of the amount shall be subject to a final judgment.
- 9.5 Notwithstanding the above, if the company shall be required to bear the responsibility or indebtedness vis-à-vis the Bank in connection to this agreement, in respect of damages of loss of revenue and/or prevention of a profit, and/or financial or other indirect damages, which do not derive from accident-related physical damage to body or property (hereinafter, "Pure Financial Loss"), the company's responsibility will be limited so that the total compensation that it will be required to bear in connection with this agreement regarding Pure Financial Loss, shall not exceed the overall and cumulative ceiling, totaling double the remuneration to which the company is entitled based on this agreement (hereinafter, "Limit of amount of responsibility").
- The limit of responsibility as noted above shall not apply to every act or failure and/or claim that occurred as noted below:
1. Damages to body and/or damages to property
 2. Damages caused and/or were done intentionally and/or maliciously
 3. Theft and/or breach of fiduciary duty by the company and/or its employees and/or its representatives
 4. Breach of confidentiality requirement and/or breach of copyright and/or breach of intellectual property rights as well as breach of a patent and trademarks by the company and/or its employees and/or its representatives.
 5. Claims filed by any third party whatsoever, against the bank and/or against the company, including a third-party notice by the Bank against the company.
- 9.6 If the contract is an ongoing contract to provide service or for continued services, the limit of amount of responsibility detailed in the above section for a period of 12 months preceding the breach or occurrence for which the company is responsible to

the Bank, after such period the limit of amount of responsibility shall be reset. In addition, the exceptions noted in the section above shall apply.

10. Insurance

- 10.1 In order to insure the responsibility of the Company as mentioned above and according to law and without detracting from any of its obligations and duties, the Company will obtain and maintain appropriate insurance at its expense for the duration of the period of the agreement and during any additional periods in which it has responsibility according to law, according to its discretion, in order to insure the aforementioned responsibility and on the condition that it provides no less insurance and conditions that those specified in the Insurance Confirmation Form (**Appendix C2**), which constitutes an integral part of this agreement (hereafter: “**Insurance Confirmation Form**”).
- 10.2 As part of the signing of this agreement, the Company will submit the Insurance Confirmation Form, properly signed by the Company’s authorized insurers in Israel, which confirms the existence of the aforementioned insurance/ The submitting of the confirmation, signed by the Company’s insurers to the Bank in a timely manner is a material condition of this agreement and as a result of its violation the Bank can seek remedies for violation of the agreement. The Company will resubmit the insurance confirmation immediately on the completion of the period of the insurance during the entire period in which this agreement applies, and without having to receive any request from the Bank.
- 10.3 In any of the aforementioned policies, the Company will include the following details:
- a. The name of the “beneficiary” in the policies is – the Company and/or the Bank subject to cross liability in the liability insurance;
 - b. The “Bank” for the purposes of insurance coverage: the Bank of Israel and/or its workers.
 - c. Third-party liability insurance covers the liability of the Bank due to and/or related to an act of commission or an act of omission by the Company and anyone acting on its behalf in the context of the Services.
 - d. Expanded employer liability insurance for the compensation of the Bank if liability is imposed on it as an employer for damages due to a work accident and/or occupational illness that are caused to the Company’s workers in the context of the Services.
 - e. Professional liability insurance covers the Bank’s liability due to and/or with respect to the violation of a professional duty of the Company and anyone acting on its behalf in the context of the Services.

- f. The amount of the deductible in the policies, in the case of a single insurance event or a series of insurance events that occur due to a single cause, will not exceed NIS 100,000.
 - g. An exception for massive negligence, if it exists, is cancelled.
 - h. Cancellation of the right of subrogation towards the Bank, apart from someone who has caused damage intentionally.
 - i. The insurance will not be cancelable and/or its conditions cannot be changed for the worse, unless the Bank has received written notification from the Company and/or the insurance company on its behalf, by way of a registered letter, at least 60 days prior to the date of the cancellation and/or the requested change.
 - j. From the Bank's perspective, the policies are "primary insurance" which provides it with the maximal compensation according to its conditions, without the right of participation in its insurance without the Company's insurance company having the right to make a claim on the Bank's insurers to participate in the charge, as mentioned in paragraph 59 of the Insurance Contract Law, 5741–1981, and in order to remove any doubt the Company and insurance company waive any duplicate insurance claim against the aforementioned.
 - k. The scope of coverage in the policies will not be less than the scope of coverage according to the "Bit" policies of the Clal Insurance Group that are valid at the start of the insurance [apart from professional liability insurance].
- 10.4 The Bank has the right, but is not obligated, to demand that the Company submit the insurance policies for the review of the Bank and the Company promises to make any change and/or correction and/or modification requested by the Bank.
- 10.5 Taking out insurance and/or their revision and the submitting of the insurance policies and/or the confirmation of their existence to the Bank will not constitute confirmation by the Bank that the insurance is appropriate and will not impose any liability on it in this context and/or it will not reduce the Company's liability according to this agreement or according to law.
- 10.6 The Company alone is responsible for paying the premiums on the aforementioned insurance and it will also pay the deductibles that are specified in the insurance policies.
- 10.7 The Company alone will be responsible for damages that would have been insured in the absence of an act of commission or an act of omission by the Company and/or anyone acting on its behalf, including contractors carrying out work, subcontractors and their workers, that bring about a full or partial reduction in the insurance compensation that would have been paid due to that damage. It is hereby clarified

that the Company will be responsible for uninsured damages, including damage that is below the amount of the deductible stated in the policies.

- 10.8 The Company promises to fulfil all of the insurance policies' instructions as stated and, without detracting from the generality of the aforementioned, to fulfill all of the safety instructions included in the insurance policies.
- 10.9 If the Company violates the policies' instructions in a manner that appropriates the rights of the Bank, the Company will be fully and solely responsible for the damages without it having any claim on the Bank for any financial and/or other damage that is caused to it as a result.

11. **Security checks and classified records**

- 11.1 The employees (including consultants employed by the Company who are not its employees) who are designated by the Company to be involved in the provision of the Services are required to undergo the security checks that are routinely done at the Bank, according to the requirements of the Security Unit at the Bank.
- 11.2 The Company promises not to allow or to facilitate the entry of strangers and/or individuals who have not been approved by the Bank into the premises of the Bank.
- 11.3 **Classified records:**
 - 11.3.1 The Company will operate according to the procedures and instructions of the Security Unit of the Bank with regard to maintaining the **confidentiality** of classified records according to the Bank's definition. Among other things, the Company will be responsible for guarding the material when moving, copying, returning or destroying classified records of the Bank, including — anonymization of plans; using the name of the project; using the virtual safe to be provided by the Bank in order to convey classified plans; on entering sensitive sites, the depositing of mobile phones, cameras and magnetic media or any other electronic equipment that might harm a critical network; a prohibition to convey material that has been defined as confidential by email or some other channel of communication that is not approved; protection of servers, files and computerized plans according to the instructions of the information security staff of the Bank and the Security Unit; the shredding of material in a shredder or submitting it in an organized fashion for destruction at the Bank; the installation of a safe for protecting the plans at the work site or in the Company's offices; and working solely with an approved copying institute during the provision of the services. Non-compliance with the instructions of the Security Department of the Bank in this matter will constitute a violation of the agreement for all intents and purposes.
 - 11.3.2 The Company will obtain prior approval from the Security Unit of the Bank in instances where it must submit classified records of the Bank to any other entity, including a subcontractor.

- 11.3.3 The Company will appoint a “security trustee” who will be responsible on its behalf for the implementation of these security instructions and any additional instructions that will be conveyed by the Security Unit of the Bank from time to time and the submitting of forms and information required for the security checks of the Company’s employees and the employees of its subcontractors or anyone acting on its behalf.
- 11.3.4 The Bank reserves the right to inspect the facilities of the Company and its subcontractors in order to check and assess the physical and technological security conditions. The Company agrees to such checks and assessments being carried out by the Bank and on the condition that the timing of the aforementioned check or assessment is coordinated with it ahead of time. A refusal by the Company to the carrying out of the aforementioned checks or assessments by the Bank or someone acting on its behalf will constitute a violation of the agreement. In this context, the Bank has the right to decide that the Company has violated the agreement if the head of the Security Unit at the Bank feels that the Company is avoiding setting a date for carrying out the aforementioned checks or assessments.
- 11.3.5 The information security instructions will also apply to all subcontractors and producers that provide products needed for the provision of the Services to the Bank.

12. Safety and hygiene

- 12.1 The Company will comply with the work safety rules, and the laws, regulations, rules and instructions with respect to hygiene and work safety, including the instructions and directives of the entities authorized to maintain the safety of its employees or anyone on its behalf and also avoid committing any harm to any third party or to any equipment.
- 12.2 Without detracting from the aforementioned, the Company will comply with the instructions of the head of safety at the Bank of Israel, if they are issued, including with respect to the provision of work authorizations. The head of safety or someone acting on his behalf will have the right at any time to instruct the Company to halt the provision of the services, if it learns that the Company or its employees or anyone acting on its behalf is not complying with any instructions related to safety and hygiene and the Company will act according to the instructions of the head of safety or anyone acting on his behalf to resolve the issue immediately.
- 12.3 The Company will not use equipment that belongs to the Bank without prior written approval from the Bank’s representative. The Company will provide the equipment and the work tools required to carry out the work, and its employees or anyone working on its behalf will have the required certification to operate them. The Company will ensure that all equipment and tools used will be in proper working

order and that the person carrying out the work on its behalf will be familiar with using the tools or equipment.

- 12.4 Prior to the start of the provision the services, the Company will map the work areas and the entrances and exists at the work site, including emergency exits, and will become familiar with them. The Company and its employees or anyone working on its behalf will, on the sounding of an alarm, behave according to the instructions provided on the public address system by the person authorized to do so.
- 12.5 The Company will assess the risks in the work that needs to be carried out, prior to the start of the work and accordingly will make known the safety and hygiene rules to all of its employees or anyone working on its behalf and will ensure that the instructions are followed to the letter.
- 12.6 If a license, permit or certificate is needed in order to carry out the work, only an employee with an appropriate and valid license / permit / certificate and the relevant experience will do the work on behalf of the Company. The Company will produce the aforementioned documentation to the Bank if it is requested to do so.

13. Conflicts of interest

- 13.1 The Company hereby declares that as of the date of entering into this agreement, it is not aware of any legal reasons that would prevent or hinder the provision of the Services according to this agreement and that neither it nor any of its controlling shareholders are connected and/or involved, whether directly or indirectly in any matter where there may be a conflict of interest with respect to its obligations according to this agreement. The Company will refrain for the entire period of this agreement from taking part in and/or being involved in any transaction and/or other matter in which there is and/or may be a potential for a conflict of interest with this agreement and will take action to ensure that its controlling shareholder, its office holders and the employees taking part in the provision of the Services will behave in this manner.
- 13.2 The Company will inform the Bank of any concern that a conflict of interest exists, even if the concern arises during the period of the agreement.
- 13.3 The Company hereby declares that it is aware of its responsibility to act in good faith toward the Bank in all of its activities in the context of this agreement and that any recommendation or advice will be provided based only on the best interests of the Bank and not on the basis of profit considerations or some other type of consideration.
- 13.4 In the event of a dispute between the sides of whether a conflict of interest exists, the opinion of the Bank will decide the dispute.

14. Maintaining confidentiality and the protection of privacy

- 14.1 An obligation of confidentiality applies to the Company, and also its employees and anyone working on its behalf and the Company will ensure that it and its employees and anyone working on its behalf will maintain secrecy and will not convey, announce, report or publicize any information (including information as defined in Section II of the Law for the Protection of Privacy, 5741–1981), including any article, document, correspondence, plan, data or opinion whether in writing or orally or by way of any media to anyone it is contact with or in fulfilling its obligations according to his agreement. The Company hereby declares that it has read paragraphs 91, 118 and 199 of the Penal Code, 5737–1977 concerning the prohibition and punishment for conveying official information and the instructions in paragraphs 72(b)(2) and 80(a) of the Bank of Israel Law, 5770–2010 which concerns the maintenance of confidentiality and also the instructions in paragraph 2(9) of the Protection of Privacy Law, 5741–1981 and has understood their content.
- 14.2 The aforementioned information will not be conveyed by the Company or anyone working on its behalf to anyone else and will not be brought to his attention in any manner. The Company will take all measures in order to protect the aforementioned information and prevent its conveyance to a third party. Therefore, the Company will, among other things, transfer or receive and hold (according to the circumstances) the information that will be conveyed to it by the Bank in an appropriate and secure location while using internal control processes to maintain the confidentiality of the aforementioned information.
- 14.3 If the Services also involve access by the Company to the Bank's database (as defined in Section II of the Protection of Privacy law, 5741–1981), the Company will work to secure the information in the database and to use it only in the provision of the Services, including the signing of the Company's workers on the appropriate protection of confidentiality forms. The Company will immediately report to the Bank any event that leads to a concern that the integrity of the information in the database has been compromised, that it has been used without authorization or that the authorization has been exceeded. On the completion of the work, the Company will submit all of the information in its possession to the Bank and will destroy any additional copies in its possession. The Company will not make use of subcontractors in the aforementioned matters, unless it is with prior written consent from the Bank.
- 14.4 The Company will bring to the attention of its employees and anyone involved in providing the Services on its behalf this obligation of maintaining confidentiality and the punishment for noncompliance, including the instructions of the law listed in paragraph 14.1 above.
- 14.5 The Company will itself sign and have its employees and anyone working on its behalf who is involved in the provision of services according to this agreement sign the form for the maintenance of confidentiality and privacy in the version attached

as **Appendix C1** of this agreement. It is hereby explicitly clarified that anyone who does not sign the forms for the maintenance of confidentiality and privacy will not be permitted to act on behalf of the Company in the provision of the Services according to this agreement.

- 14.6 It is hereby clarified that the Bank attributes the highest importance to the aforementioned, in view of the Bank's duty of confidentiality toward various entities that provide it with information according to law.
- 14.7 The Company will not reveal the fact that it is providing services to the Bank or the details its contractual relations to any extent to anyone else and will not make any public use of the Bank's name, without the prior written consent of the Bank.

15. Termination of the provision of the Services

- 15.1 The Bank has the right to instruct the Company, according to its sole discretion and without having to provide any justification or opportunity for a hearing, to terminate the Services, in full or in part, for a defined period of time or permanently, for any reason and the Company will fulfil such an instruction from the Bank immediately.
- 15.2 If part of the Services are halted or the Services are suspended for a certain amount of time, the Company will not be eligible for any payment and/or compensation, apart from the payment for services provided until they were halted.

16. Execution guarantee

- 16.1 Prior to start of the provision of services and as a condition dependent on this agreement becoming valid, the Company will submit an autonomous and unconditional guarantee from an Israeli bank in order to ensure the fulfillment of the Company's obligations in full according to this agreement. The guarantee will be in the amount of NIS 100,000, linked to the Consumer Price Index, according to the text attached as **Appendix C3** of this agreement. The guarantee will be submitted to the Bank within 7 days from the day on which the Bank informs the Company that it has won the tender, and it will guarantee the fulfillment of the Company's obligation according to this agreement.
- 16.2 The guarantee will remain valid during the whole period of contractual relations and for a period of 3 months after the end of the period of contractual relations (including the additional periods of contractual relations, if the Bank decides there will be). The Bank can demand that the Company extend the execution guarantee until a date that it will decide on and the Company will fulfil that request.

17. Seizure of the guarantee

- 17.1 The Bank has the right to seize the bank guarantee, in full or in part, by providing written notification to the Company 7 days ahead of time, in one of the following cases (and in the case of nonpayment of a debt or a failure on the part of the

Company according to paragraphs 17.1.3 to 17.1.5 – that the payment was not carried out or the failure was not corrected, according to the circumstances, to the satisfaction of the Bank within this time period):

- 17.1.1 In order to collect compensation according to paragraph 18 or 19 below.
- 17.1.2 In order to collect for expenses, damages or losses that were caused to it as a result of nonfulfillment by the Company of its obligations according to the paragraphs of the agreement and including for the purpose of execution and guarantee of execution of all of the Company's obligations with respect to the provision of the Services.
- 17.1.3 In the event of Company's noncompliance with a request by the Bank to extend the validity of the guarantee.
- 17.1.4 In the event that a new bank guarantee is not presented, if the Bank has decided to forfeit the bank guarantee, in full or in part.
- 17.1.5 In any other event of violation of the agreement's conditions by the Company.
- 17.2 In any event of seizure of the bank guarantee by the Bank, the Company will, within 7 days from the seizure, present a new guarantee of the same amount as the aforementioned seized guarantee.
- 17.3 The seizure of the guarantee will not release the Company from fulfilling its obligations according to this agreement, unless the Bank explicitly notifies it of such in writing.
- 17.4 If at the end of the period of the agreement there remains a standing claim against the Company with respect to the execution of the Services according to this agreement, the bank guarantee will not be returned to the Company as long as the Company has not provided other guarantees to the satisfaction of the Bank as to the payment of any charge imposed on it. If the Company does not present the aforementioned guarantee, the bank guarantee will be seized and the funds kept with the Bank until the final decision (including by means of a court ruling) in that dispute.

18. Violations

The following events will be viewed as a violation of this agreement and will make the bank eligible, after a warning in writing of seven days provided to the Company, to exercise all of the rights provided by this agreement and according to law in the case of a fundamental violation of the agreement:

- 18.1 If a temporary or permanent lien is imposed or there was some action to collect a debt from the Company's assets, whether in part or in full, and the lien or aforementioned action have not been interrupted or removed completely within 30 days of their occurrence;

- 18.2 If a liquidator, trustee or receiver has been appointed over the assets of the Company, an/or its business or any part of it, or if a request for such an appointment is submitted, and the appointment or request is not cancelled within 30 days;
- 18.3 If a bankruptcy warning was submitted against the Company or a receivership order issued against its assets, whether all of them or some of them, was submitted or the Company received a liquidation decision or if the Company arrives at a compromise arrangement with its creditors and the aforementioned activity or decision is not removed or rejected within 30 days;
- 18.4 The Bank has warned the Company that it is not carrying out the work in a satisfactory manner and the Company does not take steps to ensure the resolution of the situation in the opinion of the Bank;
- 18.5 It has been shown to the satisfaction of the Bank, and according to its sole discretion, that the Company has withdrawn from the agreement;
- 18.6 If it becomes clear that some declaration by the Company which was made in the tender or in connection with this agreement is incorrect or that the Company did not disclose a material fact, which had the potential to influence the Bank's decision to enter into an agreement with it or to continue its contractual relations with it, including, but without detracting from the generality of the aforementioned, if it is found at any stage of the execution of this agreement that there is concern that the Company has a conflict of interest, in violation of what is stated in this agreement.
- 18.7 If it becomes known that the Company, one of its controlling shareholders, or one of its office holders is convicted of a offence according to one of the laws listed in the Fourth Addendum to the Law for Criminal Information and Rehabilitation, 5779–2019 (hereafter: the "**Law for Criminal Information**") or another offense that the law allows to be taken into account in order to decide on the continuation of the contractual relations and as a result it is not possible, in the view of the Bank, to continue with the contractual relations or, to the extent that it is relevant, that the Company has not taken steps to ensure the resolution of the situation to the satisfaction of the Bank.
- 18.8 If the Company violates any obligation to the Bank and does not resolve the violation within 7 days from a request by the Bank to do so.
19. **Agreed-upon compensation**
- 19.1 It is hereby agreed that a fundamental violation of the conditions of this agreement will make the Bank eligible for agreed-upon, pre-valued and predetermined compensation without having to prove damage in the amount of NIS 100,000 (in words: one hundred thousand new shekels), which are indexed to the Consumer Price Index (General), from the index known at the time of the signing of this agreement by the Bank until the index that will be known at the time of their actual

payment to the Bank, without detracting from Bank's right to any other remedy in this agreement and according to law. The aforementioned amount of the agreed-upon compensation is pre-valued by the sides as the amount that reflects the minimal damage caused to the Bank as a result of a violation of this agreement's conditions and is not dependent on proving damage.

19.2 The payment of compensation or the deduction of amounts from what is owed to the Company will release the Company from fulfilling its obligations according to this agreement.

19.3 Without detracting from the aforementioned, if the Company has committed a fundamental violation of this agreement, the Bank will be eligible for, in addition to the agreed-upon compensation, any judicial remedy according to the Law of Contracts (Remedy for the Violation of a Contract), 5731–1970 and according to law, including a claim for compensation due to damages, and the agreed-upon compensation that was collected will be viewed as payment on account of the compensation.

20. Delay and offset

20.1 It is hereby explicitly clarified, in order to remove any doubt, that the Company does not have, and will not have, any right to delay or suspend the provision of services and/or any part of them and/or any of their products and/or to delay the submitting any document (whether created by it or created by the Bank).

20.2 The Bank has the right to offset the amounts owed to it or which will be owed to it by the Company according to this agreement or as a result of it from what is owed to the Company by the Bank and the Company waives any claim related to the aforementioned offset.

20.3 If the agreement is cancelled as a result of a basic violation by the Company, the Bank will have the right to keep any equipment that was brought in in order to provide the services, until the full redemption of its debts to the Bank.

21. The full agreement

This agreement constitutes the full agreement between the sides regarding the matters included in it and it supersedes any agreement, understanding or previous arrangement between them, whether in writing or oral. No later change of this agreement will have any validity, unless it is done in writing and is signed by both sides.

22. Local jurisdiction

The courts in Jerusalem will have sole jurisdiction in any matter related to this agreement. This authority is unique and exclusive and there will not be any proceeding that is not according to the authority specified in this paragraph.

23. Assignment of the agreement

- 23.1 The Company will not assign to another or to others its right and/or duties according to this agreement, whether in full or in part, unless it has obtained the prior and written consent of the Bank's Executive. The Bank has the right according to its sole discretion to refuse to transfer and/or assign the agreement for any reason and it does not need to justify its decision in this matter and the Company will not make any claim and/or demand of the Bank with respect to the aforementioned decision.
- 23.2 If the Bank approves the assignment of the agreement, in full or in part, or to transfer the execution of part of the work to another, the Company will remain responsible to the Bank for the fulfillment of all of the obligations imposed on it according to this agreement.
- 23.3 The Bank will have the right, according to its sole discretion, to cancel its agreement to assign or transfer the agreement by means of a written notification and it is not obligated to justify its decision on this matter.

24. Miscellaneous

- 24.1 The Bank's books will constitute evidence of any expense incurred by the Bank with respect to the agreement and the services, including with respect to the payments made to the Company, but not limited to that.
- 24.2 Any lateness or refraining from some action that the Bank has the right to take according to this agreement and/or taking advantage of any right possessed by the Bank according to this agreement will not be viewed as a waiver of the right, unless the Bank waives it explicitly in writing.
- 24.3 Any extension, discount, waiver or refraining from taking legal action will not be viewed as waiving of any right by the sides according to this agreement and/or according to law, unless they were carried out in writing and signed by the sides.
- 24.4 Notices shall be sent via mail or email, to the addresses listed at the beginning of this agreement. A notice that shall be sent by one side to the other via registered mail shall be considered as if it were submitted within 5 business days from the date it was sent; and if delivered by hand—as if on the first business day after it was sent. A notice sent via email shall be considered to have been received by the other side on the day of the receipt of a nonautomated confirmation sent by return email. Any change in address, telephone number, or email detailed above, shall obligate the other side solely and exclusively if it was notified in writing, regarding the change in said details noted above.

In testimony thereof, the sides have signed:

The Company

The Bank

I, the undersigned, _____ attorney-at-law (license number _____) hereby confirm:

That Mr./Ms. _____ ID _____

And Mr./Ms. _____ ID _____

who are signed above have agreed to sign and promise in the name of the Company with regard to this agreement.

Stamp

Signature

Appendix C1

The obligation of the Company and its employees to maintain confidentiality and privacy

1. I am aware that all of the information in my possession or that will come into my possession during the provision of the Services according to the agreement or in relation to it is confidential and I promise to maintain the confidentiality of the aforementioned information.
2. I have carefully read paragraphs 91, 118 and 119 of the Penal Code, 5737–1977 which deal with the prohibition and punishment for someone with a contract with a regulated body according to its definition in the State Comptroller Law, 5718–1958 and also the directives of the Law for the Protection of Privacy, 5741–1981, including paragraph 23b found in it and paragraph 72(b)(2) and 80(a) of the Bank of Israel Law, 5770–2010. I hereby declare that I am familiar with their content and realize they apply to me and obligate me and that non-fulfillment of my obligation according to this declaration constitutes a violation according to them:

Bank of Israel Law

Paragraph 72(b):

“Whoever has done one of the following, will be sentenced to one year of imprisonment: ...

(2) He has violated the duty of confidentiality in violation of the instructions in paragraph 80(1)...”

Paragraph 80(a):

“A person will not reveal information that was provided to him and will not show a document that was submitted to him according to this law; however, it is permitted to reveal information or to show a document if the Governor sees a need to do so because of a criminal proceeding, including a criminal investigation.”

The Penal Code

Paragraph 91:

“In this paragraph...information – including incorrect information and any description, plan, password, symbol, equation, object or part of them that contain information or are likely to serve as a source of information”;

Conveyance – Including conveyance by symbols and signs and including causing to be conveyed; where there is mention of an action committed with a specific intention, the meaning is an act of commission or an act of omission with the that same intention without the proper authority.”

Paragraph 118:

“(a) If a person has a contract with the State or with a regulated body as defined in the State Comptroller’s Law, 5718–1958 (combined version), and the contract contains an obligation to maintain the confidentiality of information coming into his possession as a result of the implementation of the contract, and he conveys, without the proper authority, such information to a person that is not authorized to receive it, he will be sentenced to one year of imprisonment.

(b) In this paragraph, “**someone with a contract**” – “Including someone who is employed, as a worker or contractor, in order to implement the contract; however, it will be an accepted defense for the accused according to this paragraph that he did not know about the obligation to maintain the confidentiality of the aforementioned information and that he conveyed the information innocently.”

Paragraph 119:

“Anyone who receives an official document on the explicit condition that he maintain its confidentiality, and he conveyed it to a person who is not authorized to receive it will be sentenced to one year of imprisonment; if he was negligent in guarding it or committed an act that endangered the safety of the document, he will be sentenced to six months of imprisonment.”

The Protection of Secrecy Law – Paragraph 23b(a):

“Conveying information from a public body is prohibited, unless the information was made public with the proper authority or that the person which the information concerns provided his consent that it be conveyed.”

3. In fulfilling my function, I view as confidential anything that comes to my attention in fulfilling my function and which is binding by law.
4. I am aware that the revelation of personal information that I have received to someone who is not authorized to receive it constitutes a violation of the person’s privacy and the punishment for this transgression is 5 years of imprisonment.
5. I promise not to make use of the Bank’s name in public or in contractual relations with it without the Bank’s prior and written approval.

Surname	First name	ID number	Date	Signature
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Signed in the presence of (does not require a signature in the presence of an attorney):

Surname	First name	ID number	Date	Signature
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Appendix C2

Confirmation of Insurance

Confirmation of Insurance			Date of confirmation:	
This insurance confirmation constitutes proof that the insured has a valid insurance policy, according to the information appearing in it. The information in this confirmation does not include all of the policy's conditions and its exceptions. Nonetheless, in the event of a contradiction between the conditions appearing in this confirmation and the conditions specified in the insurance policy, what is stated in the insurance policy will supersede, except in the case where the conditions of this confirmation are to the benefit of the requester of the confirmation.				
Primary requester of the confirmation	Additional entities related to the requester of the confirmation and which will be considered requesters of the confirmation	The insured	Nature of the transaction and the business of the insured	Status of the requester of the confirmation*
Bank of Israel	Subsidiaries and workers of the aforementioned		<input checked="" type="checkbox"/> Services <input checked="" type="checkbox"/> Other: Provision of a system for the management of internal audit and risk management and/or related services.	<input checked="" type="checkbox"/> Purchaser of the services
ID/Company number 510482995		ID/Company number		
Address: 2 Bank of Israel Street, Kiryat Ben Gurion, Jerusalem		Address		
	Description of the connection to the main requester of the confirmation: subsidiaries		<u>Business of the insured:</u> Software	

Coverage

Updated
January 11, 2024

Type of insurance according to the limits of responsibility or insurance amounts	Policy number	Version of the policy	Starting date	Ending date	Limit of liability / amount of insurance			Additional coverage in effect and cancelation of exemptions
Third party		Bit _____			1,000,000	1,000,000	NIS	302 Cross liability 304 Expansion of compensation due to the insured's activity 307 Contractors and subcontractors 309 Waiving of subrogation in favor of the requester of confirmation apart from intentional damage 315 Claims by the National Insurance Institute 322 Requestor of the confirmation is defined as a third party 328 Precedence
Employer liability		Bit _____			20,000,000	20,000,000	NIS	309 Waiving of subrogation in favor of the requester of confirmation apart from intentional damage 319 An additional insured party was and will be considered to be an employer 328 Precedence

Updated
January 11, 2024

Professional liability			<u>Retroactive date:</u> _____		1,000,000	1,000,000	NIS	301 Loss of documents 302 Cross liability (except with respect to the professional liability of the requester of the confirmation) 304 Expansion of compensation due to the insured's activity 309 Waiving of subrogation in favor of the requester of confirmation apart from intentional damage 325 fraud and dishonesty by workers 327 Delay / suspension due to an insurance event 328 Precedence 332 Disclosure period – 6 months
Description of the Services (subject to the services described in the agreement between the insured and the requester of the confirmation; please specify the service code according to the <u>closed</u> list appearing in Appendix C as <u>published by the Capital, Insurance and Saving Authority</u> . You can also present the text presented alongside the code in the closed list)*:								
043 Computers								
103 Hardware and/or software services								
Cancellation/change in the policy *								
A change to the detriment of the requester of the confirmation or cancellation of the insurance policy will only go into effect 60 days after the sending of notification to the requester of the confirmation regarding the change or the cancellation.								
Signature on the confirmation								
The insurer:								

Appendix C3

The Text of the Guarantee Document

To:

The Bank of Israel

Kiryat Ben Gurion

Jerusalem

RE: The guarantee document

We hereby present you with a guarantee in the amount of NIS 100,000 (one hundred thousand new shekels), indexed to the Consumer Price Index known in March 2023 and until the index that will be known at the time of the actual payment (hereafter: the **"amount of the guarantee"**) to ensure the fulfillment of the obligations of _____ (herein: the **"guaranteed party"**) according to an agreement signed with him as part of Public Tender 31/23 for the provision of a system for the management of internal audit and risk management.

We will pay you the aforementioned amount within seven (7) days of your initial demand in writing, without any need to support or justify your demand in any way and without making any claim of defense on behalf of the guaranteed party with respect to his obligation towards you or to first demand the payment of the aforementioned amount by the guaranteed party.

In order to remove any doubt, your demand for the payment of the guarantee amount and the payment of the guarantee can be made in installments, on the condition that the total of the payments does not exceed the amount of the guarantee.

This guarantee will remain valid until _____ inclusively and will be extended at your request. Any demand according to the guarantee must be in writing and submitted to us up until the aforementioned date inclusively.

This guarantee cannot be transferred or endorsed.

A demand according to this guarantee should be submitted to Bank _____
Branch _____ located at _____.

Date

Full Name

Signature

Appendix C4

Consent to the provision of criminal information – an individual

"I the undersigned _____ ID number _____ hereby give my consent that the Israel Police and/or any body or authority operating according to the law, including the Ministry of Justice, will provide information about me from the Criminal Registry, according to the instructions of the Criminal Information and Rehabilitation Law, 5779–2019) (hereafter: the law) to the Bank of Israel, with the goal of protecting the contractual relations and the proper functioning of the tender process or the contractual relations.

My consent relates only to information that can be provided according to Paragraph 14 of the law.

It is hereby clarified that my consent also applies to the provision of criminal information to the aforementioned entity from time to time for the purpose of periodic monitoring of changes that have occurred in the criminal information on me, according to law.

I have been informed that I have the right according to law to peruse the records in my name in the criminal records at a police station.

It is clear to me that if there are such records about me, this does not necessarily disqualify the bidder's bid and I have the right to attach information concerning my rehabilitation or my personal circumstances that will be taken into account when examining the bidder's bid, according to the standards set by law.

It is known me that with this consent, I am waiving the receipt of a notification of the provision of the information, subject to the instructions of the law.

Date _____ Signature _____

Appendix C4

Agreement to the provision of criminal information – a corporation

I the undersigned _____ ID number _____ hereby give my consent in the name of _____ [full name of the corporation in whose name the consent is being given] that the Israel Police and/or any body or authority operating according to the law, including the Ministry of Justice, will provide information about the corporation from the Criminal Registry, according to the instructions of the Criminal Information and Rehabilitation Law, 5779–2019) (hereafter: the law) to the Bank of Israel, with the goal of protecting the contractual relations and the proper functioning of the tender process or the contractual relations.

My consent relates only to information that can be provided according to Paragraph 14 of the law.

It is hereby clarified that my consent also applies to the provision of criminal information to the aforementioned entity from time to time for the purposes of periodic monitoring of changes that have occurred in the criminal information on the corporation, according to law.

I have been informed that I have the right according to law to peruse the records in my name in the criminal records at a police station.

It is clear to me that if there are such records about the corporation, this does not necessarily disqualify the bidder's bid and the corporation has the right to attach information concerning its rehabilitation or circumstances of the matter which will be taken into account when examining the bidder's bid, according to the standards set by law.

It is known me that with this consent, the corporation is waiving the receipt of a notification of the provision of the information, subject to the instructions of the law.

Date _____ Signature _____

Confirmation

I, the undersigned, _____ hereby confirm that according to the incorporation documents and the decisions of the corporation _____ (name of the corporation) no. _____ (identity number of the corporation), Mr./Ms. _____ ID number _____ is authorized to take on a commitment in the name of the corporation with regard to consent to provide criminal information.

Date

First name
and surname

License number

Signature and stamp

Appendix C5
The Company's Bid

Updated
January 11, 2024

Appendix C6 – Protection of Privacy

According to the instructions of Regulation 15 of the Privacy Protection Regulations (Information Security), 5777–2017 (hereafter: the “**regulations**”), the Bank, as the owner of a database that is contracted with an external entity in order to receive a service that involves the provision of access to a database, is required to specify certain issues in the agreement related to this matter and which are described in the agreement and in this appendix, which constitute an integral part of it (hereafter: the “**letter of undertaking**”).

With respect to this letter of undertaking, the agreement is defined as the agreement reached between the sides, including its appendixes, or any other format of contractual relations that were made between the Company and the Bank with regard to the provision of the Services, the purchase order and also this appendix.

1. Definition of the access to information and its processing

The services that the Company has taken upon itself to provide to the Bank according to this agreement will be referred to in this letter of undertaking as the “**Services**”.

1.1 The information that the Company is permitted to process:

Any information possessed by the Internal Audit Department and the Risk Management Unit.

1.2 The type of processing or action the Company is permitted to carry out:

Information processing or activity that is necessary in order to provide the Services in the areas of software quality and testing as defined in this tender. In order to remove any doubt, the Company will not remove information from the Bank that was obtained in the framework of its work.

1.3 The Bank’s systems to which the Company will be permitted access:

The systems for which interfaces will be required in order to implement the solution, with the approval of the relevant managers.

1.4 The permitted goals of the use of information for the purpose of the contractual relations:

The provision of the Services as part of the installation and assimilation of the system and also for the purpose of maintenance, including in the areas of software quality and testing, as defined in this tender.

2. Commitment by the Company to fulfil the instructions of this letter of undertaking by its workers

In addition to what is mentioned in paragraphs 14.4–14.5 of the agreement, the Company promises that its workers will fulfil the instructions of this letter of undertaking (hereafter: the “**confidentiality and information security instructions**”) and in this context will maintain the confidentiality of the Bank’s information and will fulfil the information security instructions included in this letter of undertaking. The Company promises that its workers and/or anyone on its behalf that is involved in any way in the provision of services to the Bank will sign a declaration for the fulfilment of the confidentiality and information security instructions according to the text appearing in Appendix C1 of this letter of undertaking. It is hereby clarified that the appendixes are an integral part of this letter of undertaking.

The Company is responsible with regard to the Bank for fulfilling the confidentiality and information security instructions, including its workers and/or anyone on its behalf, and it promises to keep in its possession these letters of undertaking signed by the aforementioned signatories, in order to be able to present them to the Bank at its request.

3. The obligation of the Company to brief its workers

The Company promises that prior to its workers and/or anyone on its behalf receiving access to the Bank’s information or prior to any change in their authorizations, the Company will provide them with information and a briefing about their duties according to this letter of undertaking and will take all reasonable measures to document the aforementioned endeavor.

The Company promises to brief, explain and inform its workers regarding their duties and their declarations as described in the agreement and in this letter of undertaking and to inform them of the scope and significance of these duties with respect to the provision of the Services by the Company to the Bank.

In addition, the Company will organize periodic instruction for its workers with regard to the instructions of this letter of undertaking, in the scope needed for them to carry out their functions. In this context, the Company will brief its workers regarding their duties according to the instructions of this letter of undertaking. This instruction will be carried out at least biennially and with respect to the certification of a new workers for a new function – as near as possible to the time of his certification. The Company promises to provide the Bank with confirmation of the aforementioned instruction.

4. The Company’s reporting

Without detracting from what is stated in paragraph 14.3 of the agreement, if the Company receives information on an event that becomes a security event, as defined in Regulation 11(a) of the Regulations, the Company will report it to the Bank orally and in writing, immediately upon becoming aware of it. The Bank will have the right to pass the Company's aforementioned report or a report by one of the company's suppliers to any regulating body.

The Company will report to the Bank at least once annually, or according to the Bank's request – according to its sole discretion on the manner of the implementation of its duties according to the Regulations and according to this letter of undertaking.

5. The Company's suppliers

If the Bank provides prior and written permission to provide the Services, whether in full or in part, by means of another entity (hereafter: the "**Company's supplier**"), the Company will include in the agreement with the Company's supplier all of the issues described in Regulation 15 and in this letter of undertaking. The Company will maintain a list of the Company's suppliers.

If the Bank requires it, according to its discretion, it will provide the bank with a report on the Company's suppliers, and not later than the specified date.

6. Audit by the Bank

6.1 The Bank will have the right to carry out, at its expense, ongoing audit activities or a special audit at the Company or at the Company's supplier, with respect to any aspect of the fulfillment of the Company's obligations according to the agreement and according to this letter of undertaking.

6.2 The Bank will endeavor to coordinate the date of the audit with the Company; however, in any case the Company will permit the audit on a date that is no later than 30 days from the date of the initial request by the Bank to set a date for the audit. The Company promises to cooperate fully with the auditors on behalf of the Bank, including allowing the Bank or someone on its behalf to visit the Company's facilities with prior arrangement and during workhours, the provision of documents, the supplying of information and answers and access to workers, if they are reasonably required by the auditors.

6.3 The Company will allow the Bank or a third party to be appointed by the Bank access to all of its records and any other relevant information in the possession of the Company or that it is able to obtain, with respect to the provision of the Services. Notwithstanding anything in this agreement that states otherwise, the audit will be carried out without the Bank having any direct access to the systems, without any direct checks of the systems and without removing any documents from the Company's offices, all of which is subject to the signature of the Bank or

someone on its behalf on a confidentiality agreement with the Company with respect to audit.

6.4 If there are defects found in the audit, a defects report will be submitted by the Bank to the Company and the sides will discuss the defects and will jointly decide which defects will be corrected and by what means.

6.5 After completing the correction of the defects, the Company will inform the Bank that the defects have been corrected. The Bank will have the right to recheck in order to verify that the defects have been dealt with.

It is hereby clarified that the Bank is not obligated to carry out the aforementioned audits and it is also hereby clarified that the Bank does not have the option of carrying out an audit as described in this paragraph in order to reduce and/or detract from the supplier's responsibility according to this letter of undertaking.

7. Miscellaneous

- a. The instructions of this letter of undertaking that concern information security will remain valid as long as the Services are being provided to the Bank or as long as the Bank's information is in the hands of the Company, whichever is later. It is hereby clarified that this paragraph does not detract from the Company's duties to return information and/or to destroy it according to what is stated in the agreement.
- b. What is stated in this letter of undertaking does not detract from the Company's obligations according to the agreement and according to law.
- c. If there is any contraction between the instructions included in these obligations and the instructions included in any other obligations, the instruction that leads to the highest level of protection for the Bank's information will supersede.

Name of the company: _____ Company number: _____

Name of the company's authorized signatory: _____ ID: _____

Signature of the authorized signatory: _____

Appendix C7

Declaration of Workhours

Date

Report for the month of _____

I hereby declare the following workhours carried out by the Company:

Date	Description of the work / name of the worker	Number of workhours	Comments
Total workhours			
Total cumulative workhours for the period			

Date

Entity filing out the report for
the Company

Signature and stamp

Two-Stage Automated Public Tender no. 31/23

For the provision of a system for the management of Internal Audit and Risk Management

Part IV – Definition of the Services (the Specification)

This translation is provided for readers' convenience. Only the Hebrew version is binding.
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1. General definitions

- 1.1 **"Sabbaths and Jewish holidays"** – Sabbaths, the Jewish New Year, Yom Kippur, the first day of Succot, Simhat Torah, the first and seventh days of Passover and Shavuot – from two hours before the entrance of the Sabbath/the holiday until two hours after the end of the Sabbath/holiday.
- 1.2 **"Regular working hours"** – Sunday thru Thursday from 8:00 to 17:00, apart from Sabbaths and Jewish holidays, Sabbath eve and the eve of Jewish holidays.
- 1.3 **"Outside of regular working hours"** – Working hours outside of normal working hours, including working hours on Sabbaths and Jewish holidays during which the Bank will pay 150 percent of the price of normal working hours.
- 1.4 **"Installation"** – Installation of the products on the Bank's servers or network, according to the circumstances. The installation will include, among other things: media for installation, media cleansing, updates and a patch for the installations, user accounts and authorizations on the server, documentation, initial instruction and a user guide.
- 1.5 **"Implementation"**:
 - 1.5.1 Preparation of a project file including documentation of the configuration that will be installed at the Bank.
 - 1.5.2 Configuration of all components of the product (hardware and software) according to the Bank's requirements.
 - 1.5.3 Initial instruction for the Bank's technical staff.
 - 1.5.4 Accepted modifications as requested by the Bank.
- 1.6 **"Breakdown"** – An event that adversely affects a central/important part of the proposed system's functionality or that of the Bank's systems, according to the sole discretion of the Bank.

2. Description of the services

The Internal Audit Department and the Risk Management Unit of the Bank of Israel are interested in acquiring a system for the management of Internal Audit and risk management processes at the Bank of Israel ("**the Bank**"), and which will allow for expansion, if the Bank of

Israel so desires, to the domains of SOX, compliance and others. The system will make it possible to manage Internal Audit processes and Risk Management processes, from end to end.

The Bank of Israel has about 950 employees. The Internal Audit Department has about 10 employees and the Risk Management Unit has about three employees. The employees in the Internal Audit Department and the Risk Management Unit will be defined as “key” users of the system (“heavy” users) while the rest of the Bank’s employees (about 950 in number) will be defined as “light” users in the system. For the latter, about 500 floating licenses are needed (licenses that are not allocated by name and allow for simultaneous entry into the system).

Currently, the information and data for internal audit and risk management activity are managed by means of Excel spreadsheets and a system for storage of documents (of various types), apart from the implementation of recommendations follow-up which is managed in the MSP system.

The public complaints (ombudsman role) system in Internal Audit is managed in the SharePoint system.

All of the data found in the existing systems will need to be converted to the system proposed in this tender.

3. General requirements of the system

The processes carried out in the system: The Bank is seeking to acquire and implement a system for the management of internal audit and for risk management in order to facilitate and support all of the following processes:

- 3.1 Writing in both Hebrew and English, at least.
- 3.2 The system will also support Hebrew and it will make input and output data available both in Hebrew and in English, including: reports sent from/to the system, report formats, screens, field descriptions, help screens, system documents, emails, etc.
- 3.3 All of the instruction/help for users materials will be available in Hebrew and English in the version of the system proposed in the tender and in any future update of the version to be installed.
- 3.4 The system will support at least the following internal audit processes:
 - 3.4.1 The management of risk-based multiyear workplans and annual workplans;
 - 3.4.2 The opening of tasks within the workplans;
 - 3.4.3 Support of the pre-survey process and the formulation of audit plans, support of audit processes (working papers) and the traffic of messages and documents between the auditors and the auditees;
 - 3.4.4 Support for processes to request and receive material from the auditees;

- 3.4.5 Support for formulating draft reports, support for processes to receive responses from the auditees and various discussions;
- 3.4.6 Support for approval processes at each of the stages by staff members to be defined and support for the management of authorizations for this purpose;
- 3.4.7 Support for the management of draft reports and final reports;
- 3.4.8 Organizing findings, recommendations and other data in the form of a report for the purpose of follow-up execution, including rating of degree of importance for each item in the report;
- 3.4.9 Management of a form to monitor the handling and processing of a task, including the determination and monitoring of timetables;
- 3.4.10 Support for documentation and filing of the relevant documents;
- 3.4.11 Follow-up of the implementation of recommendations in the audit reports and other reports (the State Comptroller, an external accountant, etc.);
- 3.4.12 Support for writing an audit follow-up report, including the automated transfer of data (including findings and recommendations) from the original report to the follow-up audit report for the purposes of following up the execution of recommendations;
- 3.4.13 Support for management, supervision, monitoring and internal control abilities with regard to tasks that are being executed; each manager/employee for the activity under his responsibility;
- 3.4.14 Support for documentation of discussions, including those in the Audit Committee and in the Supervisory Council, according to task, plan or document;
- 3.4.15 Support for processes to produce semiannual and annual final activity reports;
- 3.4.16 Support for reporting processes and ad hoc tasks;
- 3.4.17 The system will support, to whatever extent possible, processes to manage the following public enquiries (ombudsman role):
 - 3.4.17.1 A structured enquiry form in the system for files that are under the responsibility of Internal Audit and the Ombudsman role.
 - 3.4.17.2 A structured enquiry form in the system for monitored files.
 - 3.4.17.3 A structured enquiry form for files opened as a result of public enquiries/complaints and that are not under the responsibility of Internal Audit.
 - 3.4.17.4 Support for documentation and filing of relevant documents.
- 3.5 The system will support at least the following processes for risk management:
 - 3.5.1 The management of multiyear workplans and annual workplans;
 - 3.5.2 Opening of tasks within the workplans;
 - 3.5.3 Support for the pre-survey process and documentation of working papers;

- 3.5.4 Support for the documentation and management of the process life cycle, risk registry, means of internal control and failure events, creation of a new object, change in status, changes in ranking and comparison to previous periods;
- 3.5.5 Processes for risk appetite according to accepted methodologies;
- 3.5.6 KRI management.
- 3.6 The system will support processes to monitor the implementation of recommendations: creation, ranking, change in status and life cycle management.
- 3.7 The system will include dashboard screens for all of the relevant office holders, which will present graphs, heat maps, summary information and information that needs to be supplemented in the system, alongside reports on outliers and the ability for data drill down.
- 3.8 The system will facilitate changing users in the process and will also support the chain of signatures among the relevant office holders, in order to change the status of selected objects in the system.
- 3.9 The system will facilitate identification against the Bank's existing AD and will provide authorizations according to the existing AD group in the Bank. The system will be linked with the Bank's identity management system.
- 3.10 The system will facilitate an ability to define classified tasks / documents / information that are to be exposed only to defined office holders, according to the type of object and the object's life cycle.
- 3.11 The system will enable users to concentrate audit tasks and to document them according to accepted IIA standards on the basis of a work framework, on the basis of COSO, or some equivalent.
- 3.12 The system will support the application of international audit standards that will be determined by the IIA from time to time. The system will provide operational tools for the management and monitoring of task status.
- 3.13 The system will, to whatever extent possible, support compliance management processes.
- 3.14 The system will, to whatever extent possible, support Israeli SOX processes, including the description of processes, process management, control matrices, status execution and documentation, walkthrough, report production, etc.
- 3.15 The system and the activity with the bidder will meet the requirements specified in Regulation 15 of the Privacy Protection Regulations (Information Security), 5777–2017.

4. Technological requirements of the system:

4.1 Mandatory characteristics

A **mandatory characteristic** – A characteristics that exists in the system being proposed to the Bank at the time of the submission of the bid, in the version being proposed to the Bank, as standard functionality:

#	Type of characteristic	Description of characteristic
1	Information security	The system supports Single Sign On (SSO) based on Kerberos.
2	Information security	The system has initial access control and management of authorizations in an application according to LDAP or AD groups.
3	Information security	The system supports SSL browsing from the users to the application.
4	Information security	The system has the ability to harden the application server.
5	Technological	The system supports on-premises installation at the Bank, and the information will be stored on the Bank's servers.

4.2 Requested characteristics

A requested characteristic – A characteristic that is requested for the system being proposed to the Bank at the time of going live but is not necessarily required when submitting the bid and can be developed up until the date for going live at the expense of the bidder. The bidder must specify in his bid if the characteristic exists in the system or that it can be developed and the expected time for development. The date for actual development will be coordinated with the Bank:

#	Type of characteristic	Description of the characteristic
1	Technological	The system will be required to distribute a complete Hebrew system (within and GUI). The system will support writing in Hebrew (from right to left) and right alignment; the titles will be completely automated in Hebrew and with right alignment, including the user interface, which includes reports.
2	Technological	The system will interface with the Active Directory in order to define and manage authorizations and users and will support the management of authorizations according to functions and populations defined by the Bank.
3	Technological	The system will enable the generation of user-friendly reports for all system users, which will facilitates dynamic definition of reports, forms and queries and their storage for repeat generation, including drill down reports. All of the data will be exportable to Excel and to other

		familiar formats, including the ability to analyze data by means of analytical tools such as Tableau. If requested by the Bank of Israel, the winning company will provide the data model specified for the Bank of Israel and will assist the Bank in understanding the data model.
4	Technological	The operation of the system by the end users will be by means of a browser and will not require the installation of Client.
5	Technological	The system will facilitate the definition of alerts (reminders and warnings) by end users and the sending of notifications by means of the organization's email server, without the need for intervention by a programmer.
6	Technological	The system will enable the definition of automatic rules that will make it possible to allocate a task or announcement by means of the organization's email, when the precondition for the rule is met.
7	Technological	The system will be based on the Oracle or SQL Server database.
8	Technological	The database to be created as part of the project will be accessible for maintenance to the DBA staff.
9	Technological	Hebrew support in the database: the code required in the Oracle database is the IW8ISO8859P8 Character Set. In SQL Server, it is Collation+Hebrew_CI_AS.
10	Technological	The batch processes at the Bank of Israel are run by way of Control M. The bidder will ensure the running of the batch processes in a form that allows for their definition in Control M without the need to define a password when connecting to the database.
11	Technological	The system will have a mechanism that enables the transfer of data from the production environment to the test environment in order to check for problems in the system during a time that does not exceed two hours.
12	Technological	The system has an audit mechanism that facilitates historical monitoring of the end user's activity in the system
13	Technological	The system has an ability to manage historical data with defined ranges according to the Bank of Israel's request.
14	Technological	The system should include a central log for the monitoring of activity and failures in the system.
15	Technological	The user environment will include full support for Windows 10 and higher and Office 2016.
16	Technological	The solution is compatible with touch screens.
17	Technological	The solution can be defined by users without an IT background (without coding or scripts) and without any involvement of the supplier.
18	Technological	The solution should have an administrator who can approve changes in the configuration of the system without that user having access to the Audit data.

19	Technological	Support for the Chrome or Edge browser (from the five most recent versions or higher).
20	Technological	The supplier will define two environments (test and production) for the Bank, which will be used during the project and after going live during the course of the entire contractual relationship.
21	Technological	It will be possible to maintain the system independently over time without being dependent on the system's supplier, in activities such as defining new WFs, changing existing WFs, defining fields, forms, etc.
22	Technological	The specific modifications developed for the Bank will allow for future upgrades or revisions and installation of new versions of the system by the Company without additional development.
23	Technological	The system includes open interfaces for other software which enable built-in integration, such as an interface to SAP – to BI tools including the BI existing at the Bank – Tableau 21.04.
24	Technological	The system will be based on an off-the-shelf product. The supplier will be required to convert the data from the existing system into the new system.
25	Technological	Instead of installation at the Bank or in addition to it, the Bank can implement the product by installation on the cloud and/or a hybrid solution.

4.3 Optional characteristics

An **optional characteristic** – The existence of the characteristic and the possibility of the bidder developing it, subject to the required time for development, is an advantage. The bidder will specify in his bid whether the characteristics exists in the system or whether it can develop the characteristic, the duration of the development and the price of the development. The Bank can order the develop of the characteristic from the bidder according to the implementer hours specified by the bidder in his bid, in coordination with the supplier an any stage prior to the system going live and even subsequent to that:

#	Type of characteristic	Description of the characteristic
1	Technological	The system will provide a mechanism for defining and monitoring the SLA of various entities connected to the Bank, according to levels and/or functions in the organization. The definitions and the monitoring need to be executable by the authorized users without having to involve a programmer.
2	Technological	<p>The system will support the production of operational reports subject to the Bank of Israel's organizations levels, from the level of manager (responsible) of the project up the aggregative level of the entire organization. The main types of reports can be differentiated as follows:</p> <ul style="list-style-type: none"> a. Various operational and managerial reports for project managers: including deviations from milestones (current and future), deviations from a timetable, deviations of current costs and deviation of expected costs, planned activities for various horizons. b. Various operational and managerial reports for the organization's unit managers: these reports will make it possible to audit the collection of projects and tasks under their responsibility. c. Managerial reports for the Bank of Israel management: <ul style="list-style-type: none"> 1. Reports that will make it possible for the Bank's management to obtain an overall picture of the main activities and projects in the Bank and the state of their progress. 2. Reports that will present the Bank's overall workplan, from the level of long-term targets up to the level of tasks and the resources allocated to each of them.
3	Technological	The system will support the retrieval of past planning and execution information.
4	Technological	The system will facilitate an ability to work from mobile phones and tablets (subject to information security procedures).
5	Technological	The system will have an additional module that provides a response to public enquiries, which will make it possible to receive enquiries from the public that are addressed to the Internal Audit Department, manage them, and deal with them.

5. Other priced options and services

The Bank has the right to acquire additional services from the winner in order to expand the system. The winner will modify the system in order to exercise that option, and when building the system the supplier will also take into account the ability to expand the system and to exercise the various options. In addition, the system will facilitate the integrative and mutual connectedness between the internal audit and risk management processes that are managed within it and each option separately and between each of the options themselves, as described in Part II – The Financial Bid. The various functions will provide the system with all of the existing functionality to meet the needs of Internal Audit and risk management.

6. Reports and queries

The Bank will be able to produce reports from the system according to its needs and the system will make it possible to produce all of the managerial and operational reports and queries requested by the Bank of Israel from the system's data.

7. Topics to be described in the bidder's response

In his response, the bidder will describe the solution he is proposing and will also describe, among other things, the following points:

- 7.1 How the proposed solution meets the requirements of survivability and redundancy.
- 7.2 The mechanism for investigating the logs and the user interfaces.
- 7.3 The hardware and software requirements at the Bank's site in order to implement the proposed solution.
- 7.4 In a full manner, the hosting format in cloud services (if in the future the Bank seeks to transfer to that platform, whether in part or in full or in hybrid) including:
 - 7.4.1 The supplier of cloud services.
 - 7.4.2 The operating systems.
 - 7.4.3 The communication characteristics.
 - 7.4.4 The security measures that are implemented.
 - 7.4.5 The names of products that are in use, including the versions.
 - 7.4.6 The encryption mechanisms.

Mechanisms that ensure operational continuity in an emergency (DR).

- 7.5 If the solution supports the validation of XML files according to the XSD scheme (according to the requirements to be defined during the stage of characterizing the solution), then the bidder should describe the solution.
- 7.6 The bidder is to fully describe the information security solution with emphasis on the following points:

- 7.6.1 Standards – beyond the required ISO 27002:2013 standard, with what additional standards does the bidder comply.
- 7.6.2 Information storage – A description by the supplier of the infrastructures in which the information is stored, with attention paid to the information required to be stored within Israel.

7.7 Data security

- 7.7.1 Is it possible to synchronize data between the customer's personal computers and how that synchronization is accomplished;
- 7.7.2 A description of how the bidder verifies that his other customers cannot read or change another customer's data by means of the application/service;
- 7.7.3 A description of the possibility of accessing the data of customers not by way of the application but by way of a different interface (API) and how the bidder secures the provision of such access.
- 7.7.4 A description of the encryption in the customer's' encryption key if there is one.

7.8 Application security:

- 7.8.1 A description of the methodology according to which developers receive guidance/instruction in secure development (SDLC, OWASP).
- 7.8.2 A description of identification for the application by MFA.

8. Ongoing warranty and maintenance services

- 8.1 If the winner is not the producer of the system or parts of it, he will be required to obtain confirmation that all of the components for which the Bank has acquired maintenance services are to found in a back2back agreement with the producer, including a description of the components, within 14 business days from the receipt of the order from the bank, in other to, among other things, ensure an accessible inventory of parts for failures of various types.
- 8.2 If the producer declares an end-of-service date for the license or a particular device, the winner will notify the Bank of this at least 360 days ahead of time.
- 8.3 Since the systems are used on an ongoing basis by the Bank, some of the installation work will be carried out after hours, according to the sole discretion of the Bank, without any additional proceeds.
- 8.4 The work on the system will be carried out only on the premises of the Bank and an external connection to Bank's system will not be possible, whether in order to deal with a failure or the retrieval of logs from the system.
- 8.5 For each of the products to be acquired, the winner will provide warranty services, starting from the end of the installation of the product at the Bank and for a period of one year, without any additional proceeds (hereafter: the "warranty period" or

the “**warranty services**”), as defined below and they will be provided in the manner described in this paragraph and with the same response times, even if the producer of the product, despite his obligation, decides to terminate his support.

- 8.6 The maintenance service will include a guarantee of the system and the applications that were developed, including software updates, revisions and the correction of bugs, with the goal of ensuring the integrity and continuity of the system’s operations, including overall support and preventative maintenance activity in the system.
- 8.7 The winner will provide efficient and continuous maintenance services, while using manpower to the satisfaction of the Bank.
- 8.8 In order to remove any doubt, it is hereby clarified that during the warranty and maintenance periods all of the agreement instructions will apply to its appendixes.
- 8.9 The maintenance services will include the following:
 - 8.9.1 **Corrections** – A correction of errors and problems that emerge in the operation of the system.
 - 8.9.2 **Routine maintenance** – Any action required in order for the system to operate in a normal manner and on a continuous basis.
 - 8.9.3 **Support services** – Providing a response to the Bank’s requests by means of a manned support center and providing a response (by telephone, fax, email, etc.) in order to obtain routine assistance, advice, instructions, solutions to problems, information on possible new options and their implementation, the optimal operation and configuration of licenses and the existing devices in the Bank, consultation regarding technological alternatives and providing responses to any other question that arises among the Bank’s users and which is required for the efficient and optimal operation of the system.
 - 8.9.4 **Installation of versions or upgrades to the system’s hardware and software** – The guarantee of the provision and installation of new versions or upgrades of software and hardware components (including upgrades to the operating system, the backup software, etc.) will apply to the winner as part of the maintenance services on a quarterly basis. The upgrades will include software updates. The date for carrying out updates / upgrades to more advanced versions (including the decision of whether to carry out an update / upgrade) will be decided on by the Bank, such that sufficient time prior to the update, the winner will provide the Bank with the details of the update and its timing. In order to remove any doubt, the Bank will have the right not to adopt the upgrade if there is concern about damage to the system’s ongoing functioning or the absence of full compatibility of the version to the Bank’s systems that are involved in the business processes.

- 8.9.5 The maintenance services include updates of hardware, software, and licenses, as well as the upgrade of software and of firmware for hardware devices.
- 8.10 The winner is obligated to carry out the required corrections or repairs in a timely manner without delay and to complete them within as short a time as possible.
- 8.11 For the purpose of providing maintenance services, the winner will make available to the Bank a manned call center with various means of communication (telephone, fax and email) that are available to receive messages, from Sunday to Thursday from 8:00–17:00 and on Friday from 8:00–13:00, apart from Jewish holidays as defined in paragraph 1 above. When opening a call at the center, the problem / question will be recorded in an organized fashion and it will be possible to track by means of a call number that will be received on opening the call.
- 8.12 The maintenance services will include a support center for the Bank's suppliers that operates from Sunday to Thursday, from 8:00–17:00, for the provision of support, instruction and consultation services to the Bank's suppliers, in both Hebrew and English.
- 8.13 The winner is obligated to provide reaction times as follows:
- a. Breakdowns – A professional telephone response will be provided within 30 minutes of the receipt of the call and a telephone response will be provided by a product expert within one hour. The product expert will arrive at the Bank's premises and will begin to deal with the problem within 4 hours of the call.
 - b. Problems other than breakdowns – A professional telephone response will be provided within one regular working hour from the time of the call and similarly a telephone response from a product expert will be provided within two hours of the time of the call. In the event that the problem remains unresolved for more than 120 hours, the Bank will have the right to demand that the winner send a technician to the Bank's premises. The Sabbaths and Jewish holidays will not be included in the 120 hours for purposes of this paragraph.
 - c. A call by the bank's representative or someone authorized to do so by the Bank to the call center will receive a human response within 10 minutes.
- 8.14 In the event of a breakdown in a hardware device that is not resolved within 96 hours, the winner will provide replacement equipment until the correction of the problem. The winner will activate a hardware replacement procedure within 12 hours of the report of the problem. The repaired or replacement system

must operate in its previous format within 168 hours. Sabbaths and Jewish holidays will not be included in the number of hours for the purposes of this paragraph.

- 8.15 If the problem is not a breakdown and was not resolved within 72 hours, the Bank will have the right to demand that the winner open a call with the producer. Sabbaths and Jewish holidays and their eves will not be taken into account for the purposes of this paragraph.
- 8.16 The winner can attempt to provide a telephone response in order to solve problems that arise; however, this does not exempt him from providing a solution or delaying the timetable appearing above.
- 8.17 The representative of the Bank or anyone authorized by the Bank for this purpose will classify the problems according to his sole discretion and he will provide confirmation that the problem has been dealt with. The aforementioned does not detract from the winner's responsibility to identify the problems and resolve them.
- 8.18 The winner will employ, whether directly or via a subcontractor, at least two workers who have undergone training in the system installed at the Bank, during the entire period of contractual relations.
- 8.19 The workers designated to support the Bank's system must undergo security checks as described in paragraph 8 of the agreement.
- 8.20 The winner will appoint a contact person on his behalf to provide a response to the Bank's representative. The aforementioned does not detract from the winner's obligation to provide a response by means of the support center.
- 8.21 The winner will provide the Bank's representative with a list of contact people for the purpose of escalation in the event that a problem is not properly resolved. The winner will ensure that the list possessed by the Bank remains up to date for the entire period that services are provided.
- 8.22 The maintenance services will be provided at all sites of the Bank at which the devices or software are operated. It should be emphasized that the provision of remote support to the site of the Bank **will not be possible**.
- 8.23 If the winner's experts do not succeed in solving the problem, the winner will use the expert services of the producer as needed.
- 8.24 In order to remove any doubt, it is hereby clarified that a service call by a technician to the Bank's premises in order to solve a problem within the framework of maintenance services as defined above will not result in any additional proceeds.
- 8.25 If the connection between the producer and the Company is terminated, whether due to the Company's decision or the producer's decision, the Bank

can, according to its sole discretion, terminate the relationship with the winner and acquire the services from a different company.

Two-Stage Automated Public Tender no. 31/23

For the provision of a system for the management of Internal Audit and Risk Management

Appendix D1 – The System Requirements

- This section describes the functionality requirements of the system in order to assess the quality of the bid as described in the tender documents. The Bank will have the right to verify the fulfillment of these conditions in the stage of the feasibility check as described in the procedure for evaluating bids.
- The bidder is to relate to each paragraph and to clearly state how the solution he is proposing fulfills each of the requirements and sub-requirements appearing below.

Description of the main processes

1. The Audit task / the audit follow-up task / the employees' complaint task (ombudsman role)

Requirement	Description	Comments/examples
Opening of an Audit task / assessment / employee or anonymous complaint file task / other task	<ul style="list-style-type: none">• Opening of a task in the system by the Chief Audit Executive.	
Letter of notification to the auditee	<ul style="list-style-type: none">• Notification of an opening of an audit task.• Request for a contact person.• Request and receipt of material.• In the case of employees' complaints – a request for a response to the complaint letter.	

Pre-survey and audit plan	<ul style="list-style-type: none"> • Structured paragraphs in the presurvey. • Some of the audit plan items are structured. • Retrieval risk survey data and failure events' data from the risk survey module. • Possibility for an audit follow-up report. • Manager's approval. 	
Fieldwork	<ul style="list-style-type: none"> • Filing of working papers and discussion summaries. • Possibility of email correspondence within the system. • Manage of a request and receipt of material from the auditee. • Task management – what has been carried out in the audit plan, including a list of minor tasks. 	

Draft report	<ul style="list-style-type: none"> • A fixed format for the draft structure, including main headings. • The ability to retrieve findings from the fieldwork. • Design of an identical draft: <ul style="list-style-type: none"> a. Audit tasks; b. Follow-up audit tasks; c. Examination report following a complaint. d. Summary of the examination following a complaint. • Comments by the Internal Audit management. • Approval by the Internal Audit management. • Sending a request for a response from the auditee with a click. • Response of the auditee by way of the system. 	<ul style="list-style-type: none"> • If there are findings in the document received / the summary of the discussion, there will be the possibility of classifying them into the correct section of the draft. • Font, letter size, alignment. • A fixed form letter for responding to the auditee.
Reminders	<ul style="list-style-type: none"> • Reminder to the auditee to submit their response, comments and/or material. 	

Final report	<ul style="list-style-type: none"> • Sending a final report to the relevant list of correspondences with a click. • Response to the complainant (in the complaint file). 	<ul style="list-style-type: none"> • The Governor, the Secretariat of the Supervisory Council, the Chairperson of the Supervisory Council / the Chairperson of the Audit Committee, the Deputy Governor, the Director General, the Audit Committee, Risk Management, Executive Management, the auditee.
Documentation and filing of documents	<ul style="list-style-type: none"> • Possibility of filing according to the audit plan items. • Storage without the possibility of making changes to the original document. 	In paragraph 1 of the audit plan, it is written to obtain procedures / material; when the procedures are received, there will be an option to file them in paragraph 1 with a click.

Audit task dashboard	<ul style="list-style-type: none"> • Dashboard for managers. • Dashboard for auditors. • Dashboard for the auditees. • Dashboard for Risk Management. 	<ul style="list-style-type: none"> • Task status. • Detailed task status. • Meetings that were held, meetings that are scheduled; dates when materials or responses are meant to arrive. • Sending of reminders. • Monitoring of the receipt of requested materials.
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2. Follow-up of implementation of Audit recommendations

Requirement	Description	Comments/examples
List of reference persons	<ul style="list-style-type: none"> • Creation of a reference person for each division / department. • Change of reference persons by the individuals responsible for following-up. 	
List of findings and recommendations attached to the report	<ul style="list-style-type: none"> • Retrieval of findings and recommendations from the final audit report, including degree of importance, division responsible, person responsible for implementation, and the date for implementation of the recommendations. • Additional fields that are not found in the report (such as professional classification). 	Ability to easily change data for a number of recommendations. For example: a new employee is appointed as responsible for follow-up, such that the change can be made in all of the recommendations in which the previous employee was responsible of.
List of findings and recommendations in the audit follow-up report	<ul style="list-style-type: none"> • Transfer of recommendations automatically from the original report to the follow-up report for the purpose of checking the implementation of the recommendations. 	

Inputting of updates	<ul style="list-style-type: none"> • Management of requests for updating the recommendations' implementation status from reference people / system participants. • Inputting of updates by all of the participants in the system. • Approval of Internal Audit to close a finding. • Possibility of attaching documents to recommendations. 	Attachment of a document by the person responsible for implementation as a proof that the recommendation was implemented.
Reminders	<ul style="list-style-type: none"> • Reminders to the person responsible for implementation, the reference person, the auditor and the person responsible for following-up at set intervals to input updates into the system. 	
Recommendations' follow-up dashboard	<ul style="list-style-type: none"> • Dashboard for Internal Audit management. • Dashboard for auditor. • Dashboard for reference person. • Dashboard for person responsible for implementation. • Dashboard for Risk Management. 	<ul style="list-style-type: none"> • A list of open and closed reports. • A list of open and closed recommendations. • Possibility for a reference person to see the reports under the responsibility of his Division with a click, as well as the findings and recommendations from outside his division.

3. Internal Audit workplans

Requirement	Description	Comments/examples
Preparation of a multiyear workplan	<ul style="list-style-type: none"> • Support for the process to formulate risk-based workplans. • Dashboard for viewing data from the Risk Survey and failure events from the risk management module. • Comparison to previous multiyear workplan. • Linkage to the Bank's objectives. • Coverage of all of the Bank's divisions. • Possibility to set the frequency of an Audit task in each process. • Resource planning according to the workplan (human resources). 	Option of retrieving relevant data from the risk management module (relevant risks, relevant failure events, etc.).
Preparation of an annual workplan	<ul style="list-style-type: none"> • Retrieval of data from the multiyear workplan. • Linking a task in the workplan to the auditee responsible. • Planning of support budget resources. 	
Updating of annual workplan	<ul style="list-style-type: none"> • Option of updating the plan. • Writing of arguments in favor of changes within the system. 	

Workplan dashboard	<ul style="list-style-type: none"> • Dashboard for Internal Audit management. • Dashboard for auditors. • Dashboard for auditees. • Dashboard for Risk Management. 	Retrieval of data from the Internal Audit dashboard with respect to the status of a task in the workplan – the current stage of the task.
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4. Annual/semi-annual Internal Audit report

Requirement	Description	Comments/examples
A list of the various Audit tasks, divided according to the Audit tasks' plan, the follow-up plan, the quality plan, other tasks, employee complaints and public complaints.	<ul style="list-style-type: none"> • Status of execution. • Executed tasks – dates of the report publication, discussion in the Audit Committee and discussion in the Supervisory Council. • Possibility of presenting planned vs actual. 	Retrieval of data from the workplan dashboard.
Presentation of data on the recommendations for following-up according to the date of their recording	<ul style="list-style-type: none"> • Recommendations being followed up at the beginning of the year – how many were closed and how many remain under follow-up, by division. • Recommendations that were added during the year – how many were closed and how many remain under follow-up by division. • Summary of all of the followed-up recommendations by division. 	Retrieval of data from the recommendations' follow-up dashboard.

<p>Recommendations whose implementation date arrived</p>	<ul style="list-style-type: none"> • Recommendations that were closed – according to implemented / not implemented / closed / being followed-up. • Breakdown of the number of recommendations by division and degree of importance, how many were deferred and how many were implemented, including the rate of deferral and a graph, as well as a comparison to the previous two years. • The range of recommendation deferrals that were carried out and of the recommendations that have not yet been implemented, by degree of importance. • Number of recommendations that were deferred for two years or more, by division and degree of importance. • Reports and the subjects of recommendations that were deferred for two years or more. 	
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Appendices – a summary of the recommendations	<ul style="list-style-type: none"> • Recommendations arising from complaint reports that were closed and under follow-up, by division and report, as well as a list of recommendations that were deferred. • Recommendations that were closed / are followed-up. • Recommendations with a high degree of importance that were deferred for more than a year. • Recommendations that were deferred for two years or more. 	
Publication and distribution of the final report	<ul style="list-style-type: none"> • Sending to the relevant addressees with a click. 	The Governor, the Chairperson of the Supervisory Council / the Chairperson of the Audit Committee, the Deputy Governor, the Director General, the Audit Committee, Risk Management, Executive Management, Auditees.

5. Public enquiries to Internal Audit – Ombudsman Role concerning the activity of the Bank of Israel

Requirement	Description	Comments/examples
Files under the authority of Internal Audit and the Ombudsman role	<ul style="list-style-type: none"> • Name of the complainant. • Date of receipt of the complaint. • Date on which confirmation of receipt was sent. • Status of the complaint (open/closed). • Date on which a final answer was sent to the complaint. • The target of the complaint in the Bank of Israel. • The subject of the complaint. • Classification of the complaint: justified / not justified / not relevant / handled without taking a position. • Comments to the file. • Across-the-board issues. 	Structured enquiry form in the system that includes these fields.

Followed-up files	<ul style="list-style-type: none"> • Name of the complainant. • Date of receipt of the complaint. • Date on which the file was closed. • Status of the complaint (open/closed). • Handler of the complaint in the Bank of Israel. • Comments to the file. • Across-the-board issues. 	Structured enquiry form in the system that includes these fields.
Files that were opened as the result of an enquiry / complaint from the public and which are not under the responsibility of Internal Audit	<ul style="list-style-type: none"> • Name of the complainant. • Date of receipt of the complaint. • Date on which the file was closed. • Comments to the file. 	Structured enquiry form in the system that includes these fields.
Annual and semiannual report	Presentation of a list of enquiries received during a specific period, all of the enquiries that were closed during a specific period, by various cross sections (the target of the complaint, classification of the complaint, etc.). Information should also be provided with respect to subjects that were classified as systemic.	Retrieval of data from the structured forms.

Documentation and filing of documents	<ul style="list-style-type: none"> • Documentation of documents for every type of enquiry, which can be accessed from the enquiry itself. • Storage without the possibility of changing the original document. 	
Public enquiries dashboard	<ul style="list-style-type: none"> • Dashboard for managers. • Dashboard for the targets of complaints. 	<ul style="list-style-type: none"> • Status of the enquiry. • Due date material or a response meant to arrive • Sending of reminders.

6. Risk management

Requirement	Description	Comments/examples
Management of the process life cycle	Creation of new processes, changes in process status, changes in the level of the process, editing ability and approval of all information in the process.	

Management of risk life cycle	<p>Creation of new risks, changes in risk status (and approval of a change that was made by others), changes in the level of the risk (and approval of the change that was made by others), ability to edit all of the information on the risks and internal controls and the status of the internal controls. Ability to view changes (which the system will automatically tag) made to information on risk.</p> <p>A methodology for risk ranking is: ranking a root risk of the process and ranking of risk related to the process according to likelihood and a scale of magnitude (residual risk given the internal controls).</p> <p>Comment: the system should support the management of more than one scale of impact– under the management of a business administrator. Storage of a static copy (“freezing”) of risk data for each division as of the end of the reporting period.</p>	
Documentation of internal controls	<p>Creation of new controls and their linkage to a risk, changes in control status (and approval of change that was made by others), changes in the ranking of a control (and approval of the change that was made by others), ability to edit all of the information on the controls and their status. Ability to view the changes (which the system will automatically tag) that were made to information on the controls.</p>	

Event documentation (failure events)	Reporting and creation of new events (authorization for all employees) and their linkage to a risk, changes in event status (including the status that a particular event is not a failure event), changes in an event's level of impact, editing ability and approval of all information about an event.	
Management of the life cycle of a risk realization event (failure events)	Support for reporting and creation of new events in the operational stage of the event's management (flow of the relevant information to the office holders that need to act in order to manage the event). Possibility of reporting the actions carried out during the event as part of the reporting processes needed in the case of failure events. The system will make it possible for business users to deal with events, starting from the stage of detection until the completion of the event. The system will make it possible to create a distribution list of relevant entities who should know about and deal with the event. The reporting of a failure event will include all of the information gathered in the stage of dealing with the event. Not all events are necessarily failure events and they will be given the appropriate status.	
Management of the life cycle of an event examination	Reporting and creation of new examinations and their linkage to an event, linkage of an examination to an event, changes in the status of an examination, editing ability and approval of all of the information on an examination.	

Management of the life cycle of recommendations and decisions	<p>Creation of new recommendations and decisions, changes in recommendation status (and approval for the completion of handling of a recommendation carried out by others or a reopening), editing ability and approval of all information on the recommendation (every employee linked to the recommendation can update information on the recommendation).</p> <p>The recommendations will be linked to an entity, such as: process, risk, internal control, examination, event and audit report.</p>	
Documentation and filing of documents	Possibility to document an attached document to every entity in the system: process, risk, event, examination and recommendation.	
Dashboard management	Dashboard tailored to the main functions: risk management, key reference persons for risk management, division managers, “regular” employees, and key users from Internal Audit.	
Workflow processes	The system will facilitate controlled changes that are accomplished by a chain of signatures of the relevant office holders to change selected status values in the system, such as: processes, risks, events and recommendations. According to the chain of signature, the information will be transferred to and from the risk management entities and the divisions.	

Risk appetite	The system will include a risk appetite module in accordance with accepted methodologies: general declaration of risk appetite, appetite for risk at the risk level and at the process level. The system will support KRI management.	
Connection between Internal Audit and Risk Management (and other functions: compliance, Israeli SOX, etc.)	The system will facilitate various functions: internal audit, risk management, other second-line defense functions, such as: compliance and Israeli SOX, which will be independent and separate from other functions, and will facilitate the sharing of data according to a specific requirement.	

7. Management of organizational structure in the system in order to provide information to the relevant office holders

Requirement	Description	Comments/examples
Management of the organizational structure and the office holders in the system	<ul style="list-style-type: none">• Interfacing and link with the Bank's organizational management systems.• Management of the organizational structure and office holders in the risk management and internal audit system according to the interfaces.• Possibility of defining groups and office holders on the basis of need-to-know authorization management.	