

## APPENDIX E

### TOLL TARIFFS

#### 1. THE TOLL TARIFF

The Toll Tariff comprises of various components and will be calculated in accordance with the provisions of this Appendix E (*Toll Tariffs*).

##### 1.1 Base Toll Tariff (BTT)

Regular Vehicles will be charged for using Toll Sections, according to the following table and according to Section 1.2 (*Actual Payment of Toll and Collection Fee*).

**Table 1: Base Toll Tariffs**

<b>Peak/Off Peak hours</b>	<b>Section 7 of Highway</b>	<b>Section 3 of Highway</b>
Peak hours	3.5 NIS	2.5 NIS
Off –Peak hours	2 NIS	1.5 NIS

The Base Toll Tariff will be referred to as: Component “**BTT**”.

##### 1.2 Actual Payment of Toll and Collection Fee

The actual Payment of the Tolls and Collection Fee shall be calculated in accordance with the provisions of Section 1.1 (*Base Toll Tariff (BTT)*) and Sections 1.2.1 (*Adjustment for Heavy Vehicles*) - 1.2.3 (*Subscribed Vehicles*), below. Hence, the Actual Payment of the Toll Tariff and Collection Fee per Vehicle per use of the Toll Sections shall be calculated in accordance with the following formula:  $(BTT * A * B) + C$ .

###### 1.2.1 Adjustment for Heavy Vehicles

The Base Toll Tariff for Heavy Vehicles (“Base Toll Tariff for Heavy Vehicles”) shall be equal to the Base Toll Tariff for Regular Vehicles multiplied by a factor of two (2).

The Adjustment for Heavy Vehicles will be referred to as: Component “A”.

A = 2 for a Heavy Vehicle; and

A = 1 for a regular Vehicle.

#### 1.2.2 **Discount Factor for Using Two Toll Sections**

In the event a vehicle uses two Toll Sections consecutively, it shall be entitled to a twenty percent (20%) discount of the Base Toll Tariff.

This Discount factor will be referred to as Component “B”.

B = 0.8, for a Vehicle that uses two Toll Sections consecutively;

B = 1, for a Vehicle that does not use two Toll Sections consecutively.

For the purpose of this Section 1.2.2 (*Discount Factor for Using Two Toll Sections*), use of two Toll Sections consecutively shall mean the traveling along both Section 7 and Section 3 of the Highway, during a period which shall not exceed 30 minutes.

#### 1.2.3 **Subscribed Vehicles**

Every Vehicle shall have the option of becoming a Subscribed Vehicle, as provided in Volume 7 (*Marketing, Advertising and Customer Service*).

The Concessionaire is entitled to charge Collection Fees from any vehicle, using the Toll Road, which is not a Subscribed Vehicle. The Collection Fee will be the amount of one (1) NIS.

As provided in Section 1 of the Toll Road Law, the Collection Fee is uniform per use and shall not be impacted from the number of Toll Sections used.

The Collection Fee will be referred to as Component “C”.

C = 0, for a Subscribed Vehicle;

C = 1, otherwise.

### 1.3 **Emergency Vehicles**

According to Section 10 of the Toll Road Law, the Concessionaire shall not be allowed to prevent entry, or prevent or delay the use of the Toll Road by emergency and rescue Vehicles, while on duty.

### 1.4 **Exemption from Toll Due to Traffic Event**

In the event that the occurrence of a traffic event on the Highway caused a traffic stoppage of over 20 minutes, on either Section 3 or Section 7, then the Vehicles which were delayed due to such stoppage shall be exempted from the payment of Tolls and the Concessionaire shall not be permitted to collect Tolls from such vehicles.

## **2. ADJUSTMENT OF TOLL TARIFFS AND COLLECTION FEE**

### 2.1 **Linkage to the CPI**

2.1.1 The Toll Tariffs and the Collection Fee shall be linked to the CPI from the Bid Submission Date until the end of the Concession Period.

2.1.2 The linkage shall be applied at the following dates:

(a) On the date of the Interim Permit to Operate for the Partial Operation and Maintenance of Sections of the Highway, the Toll Tariff and the Collection Fee shall be adjusted according to the change in the CPI compared to the Base CPI. Adjustment to the CPI shall be based on the ratio between the last Known CPI on the date of the issuance of the Interim Permit to Operate for the Partial Operation and Maintenance of a Section of the Highway and the Base CPI.

(b) The Toll Tariff and the Collection Fee shall be adjusted, twice a year, on April 1st and October 1st of each Year. Adjustment to the CPI shall be based on the ratio between the last Known CPI on the relevant adjustment date and the Base CPI.

2.1.3 Notwithstanding the aforesaid, the Implementing Authority reserves the right to instruct the Concessionaire to refrain from linking the Toll Tariffs and Collection Fee to the CPI at any time during the Contract Period. In the event the Implementing Authority exercises its aforesaid right, the following provisions shall apply:

- (i) the Toll Revenue Target shall not be linked for the same period in accordance with Section 2 (*Toll Revenue Target*) Appendix D1 (*Toll Revenue Guarantee*);
- (ii) such instruction shall not be considered as a Change Order, and the Concessionaire's sole remedy shall be the Toll Revenue Target in accordance with Section 2 (*Toll Revenue Target*) Appendix D1 (*Toll Revenue Guarantee*);
- (iii) the Concessionaire shall not be entitled to contest such decision and the determination of the Implementing Authority with respect to the Toll Tariffs and Collection Fee adjustment shall be final and conclusive.

2.1.4 Notwithstanding the aforesaid, there will be no Toll Tariff and Collection Fee adjustments for the period commencing upon the date of the Interim Permit to Operate for the Partial Operation and Maintenance of a Section of the Highway, and ending on the adjustment date (either April 1<sup>st</sup> or October 1<sup>st</sup>) following a twenty four (24) months period.

2.1.5 Changes to the Toll Tariffs and Collection Fee shall be approved by the Implementing Authority at least eight (8) days prior to the dates specified in Section 2.1.2.

2.1.6 The Concessionaire is required to notify the public about the Toll Tariff changes in the manner instructed by the Implementing Authority.

### **3. CHANGE OF TOLL TARIFFS AND COLLECTION FEE**

#### **3.1 Changes in Toll Tariff and Collection Fee by the Implementing Authority**

3.1.1 The State and the Implementing Authority reserves the right to instruct the Concessionaire to change the Toll Tariff and Collection Fee with respect to any aspect, including, Days of the week, change in the determination of Peak/Off Peak hours, number of Sections used consecutively, Subscription of the Vehicle, and the type of Vehicle at any time during the Contract Period.

3.1.2 The State or the Implementing Authority may alter the Toll Tariffs and Collection Fee once every hundred and eighty (180) days.

3.1.3 Any change of the Toll Tariffs and Collection Fee will be made in accordance with this Section 3 (*Change of Toll Tariffs and Collection Fee*).

3.1.4 In the event the State or Implementing Authority exercises its right to change the Toll Tariffs or the Collection Fee, the following provisions shall apply:

- (i) The Toll Revenue Guarantee shall be adjusted as to reflect the Change and ensure that the Concessionaire shall be in a “no better no worse” situation due to such Change.
- (ii) such instruction shall not be considered as a Change Order, and the Concessionaire's sole remedy shall be the adjustment of the Toll Revenue Guarantee in accordance with Section 5 (*Changes in Toll Tariffs*) Appendix D1 (*Toll Revenue Guarantee*).
- (iii) the Concessionaire shall not be entitled to contest such decision and the determination of the Implementing Authority with respect to the changes in the Toll Tariffs and Collection Fee shall be final and conclusive.

#### **4. CURRENCY OF THE TOLL AND COLLECTION FEE**

Tolls and Collection Fees shall be charged and collected in Israeli Currency (NIS).

Toll Tariff and Collection Fee mentioned in this Appendix E (*Toll Tariff*) do not include VAT.

VAT will be added to the Toll Tariff, in accordance with all applicable Laws.

#### **5. ORDER OF PRECEDENCE<sup>1</sup>**

In any event of conflict between the provisions of this Appendix E (*Toll Tariffs*) and the provisions of the Knesset Economic Affairs Committee Approval of the maximum Toll Tariffs and Concession Period, dated April 15, 2012, attached to the Contract Documents as part of Appendix P (*Decisions of the Government and approvals of the Knesset Economic Affairs Committee with respect to the Project*), the Concessionaire shall be obligated to comply with the stricter provision, to be determined by the State at its sole discretion.

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<sup>1</sup> Addendum no.1.

## 6. TIME OF DAY

<b>Time of Day</b>	Hereinafter is the following division of the day into Peak hours and Off-Peak hours;				
	Beginning	End	Sun-Thu	Friday & Israeli Holidays eve	Saturday & Israeli Holidays
	00:00	06:00	Off-Peak	Off-Peak	Off-Peak
	06:00	07:30	Off-Peak for Regular Vehicles Peak for Heavy Vehicles		
	7:30	13:00	Peak	Peak	Peak
	13:00	17:00		Off-Peak	
	17:00	21:00		Off-Peak	
	21:00	24:00	Off-Peak	Off-Peak	Off-Peak

### Examples

1. During Peak hours a subscribed Regular Vehicle used Section 3. The Toll Tariff for this Vehicle is 2.5 NIS for Section 3. In total 2.50 NIS + VAT.
2. During Peak hours a subscribed Regular Vehicle used Section 3, exited the Toll Road, and returned after 45 minutes, in order to drive on Section 7. The Toll Tariff for this Vehicle will be 2.5 NIS for Section 3, and 3.5 NIS for Section 7. In total 6 NIS + VAT.
3. During Off-Peak Hours, a Subscribed Heavy Vehicle travelled consecutively on Section 3 and 7. The Toll Tariff for Section 3 is  $2 \times 1.5 = 3$  NIS, and the Toll Tariff for Section 7 is  $2 \times 2 = 4$  NIS, which add up to 7 NIS. The discount factor applicable for the use of both Sections is 20%. In total 5.60 NIS + VAT.
4. During Peak hours an unsubscribed motorcycle traveled both sections consecutively. The Toll Tariff for Section 3 is 2.5 NIS, and the Toll Tariff for Section 7 is 3.5 NIS, which add up to 6 NIS. The discount factor applicable for the use of both Sections is 20%, which reduces the payment to 4.80 NIS. The motorcycle is not a Subscribed Vehicle, therefore it will be charged a Collection Fee of 1 NIS. In total 5.80 NIS + VAT.