

(following is an except from NYC DoITT "Notice to Proceed," pages 9-10.)



July 25, 2016

Daniel Amzallag - Chief Executive Officer  
Ivalua Inc.  
702 Marshall Street, Suite 520  
Redwood City, CA 94063

**Re: Notice to Proceed – Ivalua Inc. – Design, Implementation, Deployment and Management of a Vendor Management, Solicitation, Contracting and Procurement Solution  
Contract No: 858 20161425412 (EPIN: 85815P0007001)**

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**5.3 Performance Bond**

**5.3.1** No less than fifteen (15) days prior to the date of contract registration with the City's Comptroller, Contractor must deliver a performance bond, in a form approved by and for the benefit of the City, to serve as security for Ivalua's timely performance of its obligations under this Agreement, in the penal sum of up to the lesser of Services Fees paid to Contractor or twenty five million dollars (\$25,000,000); Contractor must maintain its performance bond for the first two years of the Agreement.

**5.3.2** For each performance bond, the "City of New York" will serve as the sole obligee. The attorney-in-fact who signs the performance bond must file with the bond a certified copy of his/her power of attorney to sign the bond.

**5.3.3** Neither Contractor's obligations under this Agreement nor its liability for non-performance of any such obligations are limited in nature or amount by the acceptance or availability of the performance bond provided pursuant to Section 5.2.1.

**5.3.4** As more specifically set forth in the Performance Bond Letter, dated April 28, 2016

[Redacted] Public June 16, 2016 DA  
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OF [Redacted]  
6/23/16

(the "Performance Bond Letter") if Contractor is in default, then the City may at its discretion and without further notice or an opportunity to be heard exercise the City's rights under the Contractor's performance bond. Notwithstanding any of the foregoing, in the event that the terms and conditions of this section conflict with the terms and conditions of the Performance Bond Letter then the terms of the Performance Bond Letter shall control.

**5.3.5** Failure to maintain the performance bond in accordance with the provisions of this Section 5.2, constitutes a material breach of the Agreement.

**5.3.6** The City's failure to exercise its right to the bond as contemplated herein or in the Performance Bond Letter in good faith shall constitute a material breach of the Agreement.