

General Purchase Terms and Conditions

1. Definitions

The Purchase Order/ PO- the purchase order and all appendices and documents attached thereto and incorporated therein by reference, including, but not limited to, these general purchase terms and conditions.

The General Purchase Terms and Conditions - the conditions set forth below.

The Special Terms and Conditions - special terms and conditions that are included in the PO, and any additional mutually agreed terms in writing relating to the Product.

The Purchaser - Golden Number Solutions Ltd. and/or Golden Number Solutions Aviation Ltd and/or Golden Number Solutions Technic Ltd. and/or Achzakot 2000 - Bedek Aircraft (98) Ltd and/or any other entity issuing a Purchase Order in which there is a reference to these General Purchase Terms and Conditions or in which it is indicated that it is subject to these General Purchase Terms and Conditions.

The Supplier - the person, corporation and/or entity entering into this PO with the Purchaser. **The Product** - anything that has been ordered pursuant to this PO, including goods, services and know-how.

For the avoidance of doubt, any reference to "days" within this PO shall mean calendar days.

2. Preamble

2.1 The PO will take effect upon the first to occur of the following: (i) receipt by the Purchaser of the PO signed by the Supplier; (ii) PO approval by the Supplier on the Purchaser's on-line purchasing system; or (iii) Supplier's commencement of performance of work under the PO.

2.2 Unless expressly accepted in writing by the Purchaser, additional or differing terms or conditions proposed by the Supplier or included in the Supplier's acceptance of this PO are rejected by the Purchaser and shall have no effect.

2.3 In the event of a contradiction and/or discrepancy between the General Purchase Terms and Conditions and the Special Terms and Conditions, the provisions of the Special Terms and Conditions shall take precedence.

3. Representations of the Supplier

3.1 The Supplier hereby represents and warrants that it is competent to perform its obligations under this PO and that it conforms to the standards and has the know-how, expertise, resources, licenses, permits and certifications required to fully perform and comply with the Supplier's obligations under this PO.

3.2 The Supplier represents that it holds all licenses required for the performance of the Supplier's obligations under this PO. The Supplier shall maintain such licenses and comply with all applicable laws and regulations pertaining to the performance of this PO, including, but not limited to, those related to employment.

4. Performance of the PO

4.1 The Products shall strictly conform to the specifications, statement of work, if applicable, and all other requirements set forth in the PO.

4.2 Unless otherwise mutually agreed in writing, all equipment, materials and tools (including dedicated devices and parts) required for the performance of the Supplier's obligations under the PO shall be under the sole and exclusive responsibility and expense of the Supplier.

5. **Packing, Shipment and Delivery**

- 5.1 The Supplier shall pack and load the Products in accordance with best commercial practice and as specified in the specifications, statement of work or as otherwise directed by Supplier (the "**Shipping Directions**"). All Products shall be packed in containers provided by Supplier which are suitable for protection of the Products during shipment and storage, and which are in accordance with best commercial practice and the Shipping Directions. Damage to any Products resulting from improper packing or loading shall be the responsibility of the Supplier.
- 5.2 Each container shall be marked with the Purchaser's PO number using barcode markings in accordance with the Purchaser's directions. Each container of a multiple container shipment shall be identified (i) to show the number of the container and the total number of containers in the shipment; and (ii) the number of the containers in which the packing list has been enclosed. All shipments to the Purchaser by Supplier must include, in a conspicuous and easily accessible place on the inside of the shipping container, a packing list, containing Purchaser's PO number, quantity, part number/size, description of the goods shipped and appropriate evidence and confirmation of inspection, including required acceptance test reports, material test certificates, certificates of conformance and/or serviceability tags, and any other documents required under the PO. In addition, a duplicate set of the aforementioned documentation shall be provided in a conspicuous and easily accessible place on the outside of the shipping container and shall simultaneously also be e-mailed to the Purchaser's point of contact.
- 5.3 Containers containing hazardous materials or containers that require special transportation and/or storage shall be marked as required under applicable law and regulation.
- 5.4 The Supplier shall deliver the Products to the Purchaser at the time and place indicated in the PO. Unless provided otherwise in this PO, unencumbered title to each Product shall transfer to the Purchaser upon delivery to the delivery point designated under this PO, as evidenced by the relevant shipping documents. The delivery of the Product does not constitute acceptance of the Products by the Purchaser or indicate that the Product complies with the requirements of this PO.
- 5.5 The following documents and information must be included with all shipments to Purchaser of the Products. Full compliance with these requirements is critical in preventing unnecessary costs, delays and complications in connection with the Israeli customs clearance of the Products.
- 1) Invoice: The invoice must be addressed to Purchaser. The invoice must be a commercial invoice and not a pro-forma invoice. The invoice must include:
- (A) "PO Number" (and the Purchaser's line-item number per the Purchase Order, if applicable),
 - (B) Number of delivered units of the Products,
 - (C) Part Number utilized by the Supplier,
 - (D) Part Number utilized by the Purchaser,
 - (E) Serial/batch number of the Product (if applicable),
 - (F) The invoice must also include a detailed textual description of the Products shipped. This description must enable the customs broker and customs officer to categorize the Products for customs (tariffs/duties if applicable) and other regulatory purposes. In addition to the textual description, the invoice must include a Harmonized System Code as the Supplier determines to be applicable. Incomplete, unclear or inaccurate descriptions of the Products may lead not only to delays in customs clearance but also to unnecessary duties/tariffs and other costs.
 - (G) The value of the Products specified in the invoice must reflect the Purchase Order price for such Products,
 - (H) For Products that are being returned from repair, the invoice must state whether the repair is under warranty or not. If not under warranty the invoice should reflect the repair value, and
 - (I) For all shipments from the USA, the ECCN number.

- 2) Packing List: A packing list must be provided if more than 1 package is included in the same delivery;
- 3) Air Way Bill: The air way bill shall be addressed to Purchaser;
- 4) Certificate of Origin: The shipment shall include all documentation required to support the requirements of the applicable free trade agreement (if any), and/or signed and stamped declaration on the commercial invoice as required under the applicable free trade agreement; and

6. **Changes**

6.1 Except as expressly provided in this Article, no order/instruction, statement or conduct of any person (including any employee or representative of Purchaser) shall be treated as a change under this Article or entitle Supplier to an equitable adjustment under this PO. Purchaser may, at any time, exclusively, by a written order signed by its authorized representative referencing this Article, and without notice to sureties, make changes within the general scope of this PO, including, without limitation, changes which affect the (i) technical requirements and descriptions, specifications, statement of work, drawings or designs; (ii) methods of shipment or packing; (iii) place of inspection, performance, delivery or acceptance; (iv) time schedule and/or quantities, and/or (v) terms and conditions of this PO required to meet Purchaser's obligations under law and/or its contracts with its customer, and Supplier shall comply therewith. Any request for a change shall be accompanied by the relevant document with the requested change clearly indicated (e.g., a change to the Product shall be shown in the relevant drawing and/or specification).

6.2 Supplier shall inform the Purchaser within fourteen (14) days of the impact (increase or decrease) of any such change to the cost of or the time required for performance by Supplier of this PO, and Purchaser may make an equitable adjustment with respect to the price and/or schedule. Any claim by Supplier for adjustment under this Article must be asserted in writing to Purchaser not later than thirty (30) days after the date of receipt by Supplier of the written change authorization. Such claim shall be in the form of a complete and substantiated change proposal fully supported by factual information, including the effect of the change upon the price and/or schedule, if any (including any reduction in price and/or acceleration of schedule). Pending any such adjustment, Supplier shall, if directed by Purchaser, diligently proceed with this PO as modified by such change. The parties shall negotiate such a change proposal in good faith. The failure of the parties to agree upon any adjustment shall not excuse Supplier from performing in accordance with Purchaser's direction and Purchaser shall pay any amount that is not in dispute. Disagreement regarding any proposed adjustment shall be resolved in accordance with [Article 38](#) below.

7. **Inspection and Acceptance**

7.1 The Purchaser shall accept or reject the Product following its inspection. Such inspection shall not relieve Supplier of its obligations to furnish and warrant all Products in accordance with the requirements of this PO or derogate from the right of the Purchaser to reject the Product at a later date if it is discovered that the Product and/or any part thereof does not conform to the requirements of this PO, and such non-conformance was not discovered at the time of inspection of the Product. The acceptance or rejection of the Product does not prejudice any other right of the Purchaser pursuant to this PO and/or under applicable law.

7.2 If a defect is discovered in the Product and/or in any part thereof (the "**Deficient Item**"), the Purchaser shall have the right to one or more of the following:

- 1) Require Supplier, at Supplier's expense, to repair the Deficient Item or replace the Deficient Item with a new Product.
- 2) Require Supplier to reimburse the Purchaser for all payments made for the Deficient Item.
- 3) Repair the Deficient Item itself and/or using a third party and the Supplier shall bear the cost of such repair.

- 4) Accept the Deficient Item (i.e., not return it to the Supplier) together with an equitable reduction in the price of the Deficient Item.
- 7.3 The foregoing does not derogate from the duty of the Supplier to bear all costs that will be sustained by the Purchaser as a result of the delivery of a Deficient Item.
- 7.4 The Supplier shall examine the Deficient Item and shall report to the Purchaser the source/cause of the deficiency and shall perform corrective and preventive activity within fourteen (14) days of receipt by the Supplier of either (i) the Deficient Item (ii) Purchaser's analysis report.
- 7.5 The remittance of any payment to the Supplier before inspection or performance of the acceptance tests shall not constitute acceptance nor be deemed as a waiver of any other right of Purchaser under this PO and/or applicable law.
8. **Notice of Delay**
It is agreed that time is of the essence in the performance of this PO by Supplier and Supplier shall strictly adhere to the time schedule.
Supplier shall immediately notify Purchaser of any circumstances that may cause delay in performance and/or delivery hereunder and all relevant information with respect thereto, including the probable length of any anticipated delay and the reasons for the same. Supplier shall, at Supplier's expense, make every effort to avoid or minimize such delay to the maximum extent possible.
In the event of a notification of an anticipated delay or of an actual delay, Purchaser may, in addition to all other available remedies, require Supplier, at Supplier's expense, to make partial shipments and/or ship the Products via expedited shipping to avoid or minimize delay and/or provide a recovery plan explaining the cause of the actual or anticipated delay, corrective action taken or planned, recovery commitments, and any such other assurance and information pertinent to the delay.
9. **Liquidated Damages for Delay in Performance**
9.1 If the Supplier is in delay in the delivery of a Product and/or the performance of any other payment milestone in accordance with the time schedule set forth in this PO, the Purchaser may, at its sole discretion, require Supplier to pay to Purchaser, or Purchaser may set-off from the payment to the Supplier, as liquidated damages (and not as a penalty), 0.5% of the price of the Product or the payment milestone, as applicable, in delay for each week of delay and/or part thereof. Notwithstanding the foregoing, the cumulative amount of liquidated damages under this PO shall not exceed 10% of the total price of this PO.
- 9.2 For the purposes of computing the liquidated damages under this Article, the delay shall begin on the Sunday following the original contractual delivery date or payment milestone, as applicable, and, thereafter, a fraction of a week shall be counted as a full week for purposes of calculating liquidated damages hereunder.
- 9.3 Purchaser's rights and remedies under this Article are in addition to all of its other rights and remedies available under this PO or otherwise under applicable law.
10. **Stretch-Out and Acceleration**
10.1 The Purchaser shall have the right, at no additional cost to the Purchaser, by written notice to Supplier, to stretch-out the time schedule set forth in this PO for a period of up to six (6) months.
- 10.2 The Purchaser shall have the right to accelerate by written notice to Supplier the time schedule for the deliveries set forth in this PO in accordance with the provisions of this Sub-Article. Such acceleration shall be at no additional cost to the Purchaser provided that the date set for delivery is at least not within four (4) months of the date of the notice to the Supplier. The Purchaser will be allowed to ask for a change that advances the schedule other than in accordance with this paragraph, in which case the provisions of Subsection 6.2 above will apply concerning the required updates to the schedule and price.

- 10.3 The Purchaser shall have the right to purchase additional quantities of Products (up to 20% of the quantity prescribed hereunder) at the prices stated in this PO and in accordance with the terms and conditions of this PO.
11. **Stop-Work Orders by the Purchaser**
- 11.1 The Purchaser shall have the right, at no additional cost to Purchaser, by written notice to Supplier, to require the Supplier to stop all or any part of the work performed under this PO for a period of up to ninety (90) days from the day of delivery of such notice to the Supplier and for any additional period as may be mutually agreed by the parties.
- 11.2 Upon receipt of a stop-work order, Supplier shall immediately comply with its terms. Within the stop-work period specified in the stop-work order delivered to Supplier, or within any extended period to which the parties shall have agreed, Purchaser shall either:
- (a) cancel the stop-work order; or
 - (b) terminate the work covered by the stop-work order in accordance with the Termination for Default provisions (if grounds for default exist) or the Termination for Convenience provisions.
12. **Warranty**
- 12.1 Supplier warrants that all Products, and any part thereof, delivered hereunder shall be new and not used/refurbished, and shall conform to the requirements of this PO (including all descriptions, specifications and drawings made a part of this PO) and such Products, and any part thereof, shall be merchantable, fit for their intended purposes, free from defects in materials and workmanship and, to the extent not manufactured pursuant to detailed designs furnished by Purchaser, free from defects in design. Purchaser's approval of designs or specifications furnished by Supplier shall not relieve Supplier of its obligations under this warranty.
- 12.2 For each of the Products, and any part thereof, the Supplier's warranty shall expire upon the earlier of:
(i) twelve (12) months from delivery of the Product to Purchaser's customer or (ii) eighteen (18) months, from the date of final acceptance of the Product by the Purchaser (hereinafter, the "Warranty Period").
- 12.3. There shall be no limitation on Supplier's warranty period in the event of a latent defect.
- 12.4 The Supplier shall repair and/or replace the defective Products, or any part thereof, within fourteen (14) days of receipt of such defective Products at the Supplier's premises. If Supplier fails to replace/repair the Products within the above-described turn-around time, Purchaser shall be entitled to repair/replace the defective Products on its own or by a third party. Accordingly, the Supplier shall indemnify the Purchaser for all costs and related losses incurred by the Purchaser as a result of such repair/replacement.
- 12.5 The Supplier shall correct any fault or mistake found in documentation provided by the Supplier under this PO within ten (10) days from notice by Purchaser regarding the same.
- 12.6 The Warranty Period for a Product repaired/replaced shall be extended by period of time equal to the time period commencing on the date of notice by Purchaser of the subject defect to the Supplier and the date that the Purchaser receives the repaired/replaced Product at the Purchaser's or Purchaser's customer's premises, as applicable, provided that the Warranty Period shall in no event be extended for period which is less than six (6) months.
- 12.7 The Supplier shall be responsible for shipping the defective Products from and back to the Purchaser's or Purchaser's customer's premises, and all costs with respect to the same shall be borne by the Supplier.

- 12.8 The aforesaid express warranties shall be in addition to any standard warranty or guarantee of the Supplier of and any warranties otherwise created by operation of law or contract. All warranties and guarantees shall run to Purchaser and Purchaser's customers/end-users.
13. **Quality**
- 13.1 The Supplier represents that Supplier is AS9100 certified and/or ISO 9001 certified in accordance with the latest version of such quality assurance standards. The Supplier shall maintain such certifications and Supplier shall maintain quality assurance processes to the Purchaser's satisfaction.
- 13.2 The Supplier's quality control system shall be in accordance with the current state of the art and shall meet the highest quality control standards in its industry.
- 13.3 The Supplier warrants and confirms that the Product shall be new and not refurbished and/or repaired, unless otherwise agreed in writing.
- 13.4 The Supplier warrants that the Product shall be manufactured to the best of the knowledge, skill and professionalism commonly practiced in the relevant industry, and shall strictly comply with all requirements and standards set forth in this PO.
- 13.5 All documents provided by Supplier to Purchaser under this PO shall be up to date, precise and error free, and shall enable the Purchaser and/or Purchaser's customer to operate and maintain the Product as set forth in this PO.
- 13.6 Supplier shall retain and maintain all documentation and records related to this PO for a period of not less than seven (7) years after the date of the last delivery under this PO. At no additional cost, Supplier shall, upon request, timely provide access to such documents/records to the Purchaser and/or Purchaser's customer.
- 13.7 The Supplier shall flow down the provisions of this Article in its contracts with its subcontractors and suppliers performing work related to this PO.
- 13.8 All raw materials and components acquired by Purchaser in connection with this PO and all special processes implemented by Purchaser in connection with this PO shall be only with suppliers and subcontractors that have been certified and approved by the Purchaser. The list of suppliers approved for special processes appears on the Purchaser's Suppliers Site. This requirement also applies to the Supplier's subcontractors and the Supplier must flow-down this requirement to its subcontractors. Purchaser's certification or approval of any such supplier or subcontractor shall not relieve Supplier from any obligation imposed by this PO or impose on Purchaser any responsibility for the work to be performed by such supplier or subcontractor.
14. **Non-conformances**
- 14.1 The Supplier shall not use nor have the right to approve the use of items/materials that do not conform to the specifications and other requirements set forth in this PO, and the Purchaser reserves the exclusive right, at its sole discretion, to instruct the Supplier to use such non-conforming items/materials (hereinafter "the Defective Items").
- 14.2 The Supplier must perform a root cause analysis to identify the cause of the non-conformance and implement a process for preventing recurrence of such non-conformance.
- 14.3 In the event of significant non-conformance which may have impact on one or more of the following properties: Form, Fit, Function, Service life, Safety and health of users and operators and weight (Class I non conformances), such non-conformance shall be reported to the Purchaser and resolved by Purchaser's Material Review Board (MRB).

- 14.4 The Supplier shall, upon Purchaser's request and at Purchaser's sole discretion, pay to Purchaser One Thousand USD (\$1,000) for Purchaser's cost of each MRB required due to Supplier's and/or Supplier's subcontractors' fault in the event of a Class I non conformance.
- 14.5 In the event of a non-conformance, the Supplier shall have the right, at its own cost, to take the following actions only: correction of the defective parts in order for them to conform to the appropriate specifications and/or drawings and/or replace the defective parts and/or destroy the defective parts (except for equipment that belongs to the Purchaser that the Supplier is not allowed to destroy without receiving prior approval from a qualified representative of the Purchaser's quality assurance department).
- 14.6 The foregoing shall not derogate from any of the Purchaser's rights under this PO or under applicable law.
15. **Manufacturing File (this Article shall not apply to the purchase of commercial off-the-shelf items)**
- 15.1 "manufacturing file" means all drawings, planning documents, work methods, design of tools, lists of parts, software, encoding and burning files, instructions and procedures related to design and/or manufacturing, assembly, quality inspection, acceptance tests and inspection of all Products ordered by the Purchaser.
- 15.2 The manufacturing file will be in a form to be agreed by the parties. The Supplier shall maintain a current, detailed manufacturing file, that shall be updated by the Supplier as required (such as in the case of obsolescence, modifications to manufacturing processes, change in materials, tools, etc.), no later than 60 (sixty) days from the occurrence of the event requiring such update.
- 15.3 Upon Purchaser's request, the Supplier shall deposit the manufacturing file with a trustee in order to allow the Purchaser (or a third party on its behalf) to perform and complete the Supplier's obligations should the Supplier be in breach them of the same for any reason. The mechanism for depositing the file in trust shall be agreed between the parties promptly not later than 60 (sixty) days following signature of this PO.
16. **Obsolescence**
- The Supplier shall immediately notify the Purchaser upon the earlier announcement or becoming aware that any item that is included in the Product will become obsolete and/or discontinued, in order to allow the Purchaser to make a last buy of that item.
- Obsolete and/or discontinued items that are unavailable with the original manufacturer / licensed dealer shall be purchased from a source that is approved in advance (in writing) by the Purchaser.
17. **Counterfeit Goods**
- 17.1 The Supplier shall not furnish Counterfeit Goods to the Purchaser under this PO. For the purpose of this PO, "**Counterfeit Goods**" include (a) any item that is or contains or is suspected of containing unlawful or unauthorized reproductions, substitutions, or alterations that have been mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer and (b) any item for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the item is authentic. Unlawful or unauthorized substitution includes used items represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.
- 17.2 The Supplier shall purchase items to be delivered to the Purchaser or incorporated into the Product only from the original equipment/component manufacturer ("OEM"), or through an OEM authorized distributor chain. The Supplier may use another source only if (i) the foregoing sources are unavailable, (ii) the Supplier inspects and uses other counterfeit risk mitigation processes to ensure the authenticity of the item, and (iii) prior written approval of the Purchaser is obtained.

- 17.3 The Supplier shall maintain counterfeit risk mitigation processes in accordance with industry recognized standards and with any other specific requirements identified in this PO.
- Such counterfeit risk mitigation processes shall include, *inter alia*, (i) when Supplier purchases from an OEM, the Supplier shall provide the Purchaser with original certificates of conformance (CoC); (ii) when the Supplier purchases from an authorized supplier of an OEM, the Supplier shall provide the Purchaser with a CoC of the OEM or a CoC with OEM's approval; or (iii) when the Supplier purchases from another source (that is approved in accordance with 17.2 above), the Supplier shall conduct appropriate laboratory tests that shall ensure that the Product is original.
- 17.4 Upon Purchaser's request, the Supplier shall provide documentation that authenticates traceability of the Products (or any part thereof) to the applicable OEM.
- 17.5 The Supplier shall immediately notify the Purchaser upon the Supplier becoming aware that it has delivered Counterfeit Goods to Purchaser. The Supplier shall at no additional cost to Purchaser cooperate with the Purchaser in conducting any investigation regarding the delivery of Counterfeit Goods. In the event that Products delivered under this PO constitutes or contain Counterfeit Goods, the Supplier shall promptly replace (even following the expiry of the Warranty Period) such Counterfeit Goods with genuine Products conforming to the requirements of this PO. In addition, and notwithstanding any other provision in this PO, the Supplier shall be responsible for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation the Purchaser's costs of removing Counterfeit Goods, of installing replacement items and of any testing necessitated by the reinstallation of such replacement items. The remedies contained in this Article are in addition to any remedies the Purchaser may have at law, equity or under other provisions of this PO.
- 17.6 The provisions of this Article are in addition to and are not altered, changed, or superseded by any quality provision, specification, statement of work, regulatory flow-down, or other provision included in this PO addressing the authenticity of the Product. The Supplier shall include the provisions of this Article in its contracts with its subcontractors and suppliers of items that will be included in the Products delivered to Purchaser under this PO.
18. **Inspection**
- 18.1 The Purchaser, its customer and/or representatives thereof may inspect, upon prior notice, at any time, any place at which work related to this PO is being conducted in order to verify that such work is being performed in accordance with this PO and the instructions prescribed herein and perform tests in connection therewith. The Supplier shall, at no additional cost to Purchaser, provide all information, facilities and assistance requested by the Purchaser, including the equipment and a suitable site for executing the inspections/tests at the Supplier's premises. The provisions of this Article do not detract from any other obligations and/or responsibilities of the Supplier.
- 18.2 The Supplier shall provide to the Purchaser, upon Purchaser's request and in any event at least once a quarter status reports concerning the progress of the work under this PO.
- 18.3 The Supplier shall include the provisions of this Article in its contracts with its subcontractors and suppliers. The Supplier shall supervise and inspect the work performed by its subcontractors and suppliers and maintain appropriate inspection and review processes with them.
19. **Payment**
- 19.1 The prices set forth in this PO are firm fixed prices and, unless specified otherwise in this PO, include all applicable taxes, duties, tariffs, charges, fees or deductions of any nature whatsoever. All prices are stated in United States Dollars, unless otherwise specified herein. No additional amounts shall be paid unless otherwise mutually agreed in writing.

- 19.2 Payment to the Supplier shall be made on the first standard payment dates of Purchaser applicable at the time of payment that occurs thirty (30) days after the last of the following has occurred:
- 1) The Product that is the subject of the invoice is delivered to and accepted by the Purchaser, before the submission of the invoice.
 - 2) The scheduled delivery date of the Product (unless otherwise agreed).
 - 3) The documents set forth in Sub-Article 19.3 below have been received by the Purchaser.
- 19.3 The Supplier shall submit the following:
- 1) Shipping document and or Certificate of Acceptance signed by the Purchaser.
 - 2) In the event Purchaser has provided to the Supplier any equipment and or materials to the Supplier - a report detailing the use of such equipment and or materials.
 - 3) Each invoice shall include the following details: (a) the Order number, (b) the line items will appear on the invoice in the same order as they appear in the Order, (c) the full name of the Purchaser and the name of the Purchaser's division that issued the Order, (d) the registration number of the Purchaser and of the Supplier.
- 19.4 The Purchaser shall deduct from each payment that it shall pay related to this PO taxes and/or mandatory payments and/or other duties, at the rates that the Purchaser shall have to withhold at source under the law, unless the Supplier produces to the Purchaser, before starting the procedure for remitting each of the aforementioned payments, written instructions, as required by law, from a competent authority concerning a decrease in and/or exemption from such withholding tax.
- 19.5 Upon Purchaser's request, the Supplier shall allow the competent governmental agency in the country of the Purchaser's customer to inspect the Supplier's books and records for purposes of auditing the price and pricing, and the costs and expenses involved in performance of the Agreement.
- 19.6 Payment shall not be deemed acceptance of the Product by the Purchaser.
20. **Insurance**
- 20.1 The Supplier shall maintain, at its own expense, for the performance of this PO, the following insurance with a reputable insurance company acceptable to the Purchaser: third party liability insurance, workman's compensation (if applicable), employers' liability insurance, professional liability insurance and product liability insurance including completed operations as well as any other insurance required by law and/or is customary for Supplier's industry and in accordance with any other conditions and amounts set forth in this PO or otherwise agreed to by the parties.
- 20.2 Prior to commencing performance of work under this PO (and at any other time upon Purchaser's request) and as a precondition to any payment to Supplier hereunder, the Supplier shall provide to the Purchaser certificates of insurance evidencing the insurances required under this PO, signed by the insurers. At least thirty days (30) prior to the expiration or modification of any such insurance policies, Supplier shall provide to Purchaser the applicable certificates evidencing renewal or modification to such insurance policies. Failure of Supplier to furnish certificates of insurance, or to procure and maintain the insurance required under this PO or failure of Purchaser to request such certificates, endorsements or other proof of coverage shall not constitute a waiver of Supplier's obligations hereunder.
- Each certificate of insurance provided by Supplier shall include the following provisions:
- (a) A waiver of the Supplier's right of subrogation towards the Purchaser and anyone operating on Purchaser's behalf;
 - (b) The Supplier's insurance shall be primary and non-contributory to any insurance arranged by the Purchaser;

- (c) To the extent permissible by law, the Purchaser shall be named as additional insured in all liability policies for Purchaser's liability for any acts or omissions by the Supplier.
- 20.3 Notwithstanding the foregoing, the Supplier shall maintain the professional liability insurance and product liability insurance for at least 3 (three) years after the expiration of the warranty period hereunder or completion of services under the Agreement, whichever is later.
- 20.4 The Purchaser shall have the right to examine the certificates of insurance that the Supplier is required to provide in accordance with this PO, and the Supplier shall provide revised certificates of insurance containing any changes or amendments required in order for the certificates of insurance to conform to the requirements of this PO. The Supplier acknowledges that the Purchaser's right to examine the certificates of insurance and its right to require changes or amendments thereto, as set forth above, does not impose any obligation or responsibility on the Purchaser with respect to such certificates of insurance, or as with respect to the nature, existence, extent, absence and validity of the Supplier's insurance coverage, nor does it detract from any liability whatsoever imposed on the Supplier herein.
- 20.5 The Supplier shall be solely responsible for paying the insurance premiums and deductibles for all of the insurance coverage required under this PO. Furthermore, the Supplier shall comply with all conditions of such insurance coverage including full and punctual payment of the insurance premiums and shall arrange for and ensure that such insurance coverage is in effect in accordance with the Supplier's obligations under this PO.
- 20.6
- 20.7 The Supplier acknowledges that that the insurance amounts set forth in this PO do not limit Supplier's liability under this PO. Furthermore, such amounts are the minimum required and it is Supplier's responsibility to assess the relevant exposure and determine the amounts of insurance accordingly.
- 20.8 The Supplier and its insurers hereby waive all rights of recourse against and agrees to indemnify, defend and hold harmless the Purchaser and its subsidiaries and/or affiliated, contractors, subcontractors, insurers, employees, directors, shareholders, agents and anyone acting on their behalf (hereinafter in this Article collectively referred to as the "Indemnified Parties") from and against any all liabilities, claims, damages, losses, and judgments (whether in contract, tort, negligence of any kind, including strict liability, or otherwise), which may be suffered by, accrued against, be charged to or recoverable from an Indemnified Party or any or all of them under or in connection with this PO, including, without limitation, by reason of loss or damage to, or loss of use of any property of, or operated by, the Supplier and/or any third party, and/or by reason of any bodily injury and/or death to any third parties, any of its employees, clients or customers, their servants, agents and/or subcontractors. The Supplier shall flow down such waiver to its subcontractors engaged by Supplier for the performance of this PO.
- 20.9 Supplier shall flow down the insurance requirements of this PO to its subcontractors engaged by Supplier for the performance of this PO. For the avoidance of doubt, the foregoing shall not relieve Supplier of any of its obligations under this PO and the Supplier is the party that is responsible to the Purchaser with respect to any goods and /or services provided under this PO, including goods and/or services provided by Supplier's subcontractor. The Supplier shall indemnify and compensate the Purchaser for any loss and/or damage sustained, directly or indirectly, due to goods and/or services that are provided by Supplier's subcontractor, if sustained, notwithstanding whether or not such loss and/or damage is covered by any of Supplier's subcontractor insurance policies. Nothing in this Sub-Article 20.8 shall be deemed to allow Supplier to subcontract goods and/or services to a third party or derogate from any other requirements of this PO with respect to subcontractors.
- 20.10 Notwithstanding any other provision contained herein, Supplier shall be responsible for and shall defend, indemnify and hold harmless Purchaser, and its affiliates, customers, employees, agents, officers and directors from and against any loss, costs, fees (including reasonable attorney fees), damages, liabilities or claims (whether in contract, tort, negligence or otherwise) which arise out of or are in any way connected with the Product or result from Supplier's (including its employees' and

subcontractors') performance of this PO and the work hereunder except for damages caused by the willful misconduct or gross negligence by Purchaser or its affiliates, customers, employees, agents, officers and directors. In no event shall the Supplier's obligations and/or liabilities hereunder be limited to the extent of any insurance available to or provided by the Supplier or any subcontractor thereof.

21. **Guarantee**

If required elsewhere in this PO and for the purpose of securing Supplier's obligations under this PO, the Supplier shall, at Supplier's cost, furnish to Purchaser an irrevocable advance payment and/or performance bank guarantee or bond in by a bank or other financial institution acceptable to Purchaser and in form and terms approved by Purchaser. The receipt of each such guarantee / bond shall not derogate from any other rights of the Purchaser or obligations of the Supplier, whether statutory or pursuant to the Agreement.

22. **Termination for Default**

22.1 Purchaser may terminate all or any portion of this PO in the event of:

- 1) Failure of the Supplier to comply with the delivery schedule and/or any other schedule prescribed in this PO; or
- 2) Failure of the Supplier to comply with any other term or condition of this PO; or
- 3) Failure of the Supplier to progress with the work under this PO so as to endanger performance of this PO,

and, in such circumstances, Supplier does not cure such failure within fifteen (15) days (or such longer period as the parties may agree in writing) after receipt of Purchaser's notice of default specifying such failure.

In addition, Purchaser may by written notice to Supplier immediately terminate all or any portion of this PO in the event of (a) suspension of Supplier's business, (b) insolvency of Supplier, (c) institution of bankruptcy, reorganization, arrangement or liquidation proceedings by or against Supplier (and if against Supplier, such proceeding is not dismissed within fifteen (15) days), (d) appointment of a trustee or receiver for Supplier's property or business or (e) any assignment by Supplier for the benefit of creditors.

22.2 Notwithstanding anything else herein or under applicable law, in the event of termination of this PO by the Purchaser pursuant to Article 22.1 above:

- 1) Supplier shall not have any right to compensation, specific performance and/or any other remedy.
- 2) Supplier shall immediately pay and compensate Purchaser for (i) all expenses incurred by Purchaser in order to purchase the Products that were to be delivered under the terminated portion of the Agreement; and (ii) all other damages caused to Purchaser as a result of such termination.
- 3) Supplier shall immediately return to Purchaser all Purchaser furnished materials, tools and documentation.

Purchaser shall have the right to set-off all amounts of liquidated and other damages, costs and charges due and payable by the Supplier to Purchaser under the provisions of this Article 22.2, against any amounts due and payable by Purchaser to Supplier.

22.3 In the event that the Purchaser has terminated this PO as a result of a material breach of the Supplier, the Supplier shall, upon Purchaser's demand, pay to the Purchaser a sum equal to 10% of the total value of this PO, as predetermined compensation (and not as a penalty), without being required to prove any damages suffered. This predetermined compensation shall be in addition to any other rights and remedies the Purchaser has under this PO and/or under the law.

22.4 The termination of this PO in part or in full by the Purchaser shall not exempt the Supplier from any of its obligations and liability for the Product that has been delivered and accepted by the Purchaser prior to such termination.

- 22.5 Purchaser may withhold any amount due to the Supplier under this Article until such time that Supplier fulfills its obligations, including but not limited to, delivery of the Products and/or return to the Purchaser the Purchaser's Assets (as per Article 31 below) and Know How.
- 22.6 The Supplier shall immediately return to the Purchaser any payment that has been paid to it on account of the items and/or the work and/or the services that have not been provided by the Supplier and accepted by the Purchaser, plus interest at the prevailing market rate at that time.
- 22.7 The rights and remedies of the Purchaser and the liabilities of the Supplier under the provisions of this Article are in addition to, and without derogating from, any other rights, remedies and liabilities elsewhere in the Agreement and/or under applicable law.
23. **Termination for Convenience**
- 23.1. The Purchaser, by means of a written termination notice, may terminate the whole or any portion of this PO, at Purchaser's convenience. Immediately upon receipt of such a termination notice, Supplier shall (save as otherwise directed by Purchaser in writing):
- (a) stop work on the terminated portion of this PO;
 - (b) cancel its subcontracts and purchase orders to the extent that same relate to the terminated portion of this PO;
 - (c) take such other action as may be necessary to minimize the cost of the termination;
 - (d) return to the Purchaser any property and data of the Purchaser in Supplier's possession; and
 - (e) transfer to the Purchaser completed or partially completed Products, if directed by the Purchaser.
- 23.2. Supplier's termination claim, if any, must be submitted to the Purchaser within thirty (30) calendar days after receipt of the termination notice. Supplier's termination claim shall contain sufficient detail to support the amount being claimed, including detailed inventory schedules and a detailed and separate cost breakdown of all costs being claimed, such as materials, purchased parts, finished products, labor, general and administrative expense, reasonable profit not exceeding five percent (5%), and the basis of allocation of all other costs. Purchaser or the Purchaser's customer shall have the right to audit Supplier's termination claim prior to payment.
- 23.3 Supplier's total termination claim and Purchaser's total liability in the event of a termination for convenience under this Article shall not exceed the consideration to which the Supplier would have been entitled to according to this PO and according to any maximum liability termination schedule that is part of this PO or agreed to by the parties in writing.
- 23.4. Except for Supplier's termination claim expressly provided for in this Article, Purchaser shall not be liable for any loss or damage resulting from any termination, and Supplier shall indemnify Purchaser against any claims made against Purchaser by any subcontractor or supplier of Supplier in respect of the termination.
24. **Force majeure**
- 24.1 In the event that:
- (a) Delivery or performance under this PO is delayed by any unforeseen event or circumstance which is beyond the control and without the fault or negligence of Supplier (hereinafter an "**Event of Force Majeure**"); and
 - (b) immediately upon the Supplier becoming aware of the occurrence of an Event of Force Majeure and not later than within five (5) days of the actual occurrence of such Event of Force Majeure, Supplier gives Purchaser a written notice of such Event of Force Majeure, advising Purchaser that same may or will delay Supplier's performance under this PO; and
 - (c) as soon as is reasonably possible following the occurrence of such Event of Force Majeure, Supplier gives Purchaser evidence satisfactory to Purchaser which substantiates how, and to what extent, such Event of Force Majeure has delayed or will delay performance; and

- (d) Supplier uses its best efforts to minimize the adverse effects of the aforementioned Event of Force Majeure (including in the case of delays by subcontractors or suppliers, obtaining the delayed supplies or services from other available sources),

then, subject to Sub-Article 24.2 below, the contractual dates for performance by Supplier of those of its obligations which are adversely affected by the aforementioned Event of Force Majeure shall be extended for such mutually agreed period as is reasonable under the circumstances.

- 24.2 If in this PO, delivery or performance is delayed by any Event of Force Majeure which justifies an extension of time under Sub-Article 24.1 above for a period exceeding three (3) consecutive months, then Purchaser shall be entitled notwithstanding anything to the contrary set forth to terminate, partially or completely, this PO, whereupon Purchaser shall have no further liability or obligation to Supplier. In the event of such termination, if Supplier has received payments from Purchaser under this PO in excess of the Agreement price of the completed Products delivered to and accepted by Purchaser under this PO, Supplier shall immediately refund to Purchaser the full amount of said excess.
- 24.3 The parties agree that labor disputes, except for general strikes, are not considered Force Majeure.

25. **Intellectual Property**

- 25.1 **"Know-how"** - is information of any kind, including technological, commercial or other information, inventions, patents (whether registered or not), patent requests, licenses, designs (whether registered or not), trade secrets, discoveries, techniques, methods, data, engineering knowledge, biological and chemical knowledge, know-how concerning manufacturing processes, manufacturing methods, testing methods, specifications, product files, manufacturing files, drawings, charts, printouts, lists of parts, information, plans, expressions, passwords, symbols, codes, improvements, refinements, ideas, trade names, details and any other information, whether written or oral or on any printed, optical, electronic or other media.

"Background Know-how" - Know-how generated, developed or acquired by a party to this PO prior to the date of this PO or independent of the performance of this PO.

"Foreground Know-how" - Know-how generated, developed or acquired by a party to this PO for the purposes of performing or as a result of this PO.

"Intellectual property rights" - any intellectual property right, including copyrights, registered and unregistered trademarks (including service marks), registered or unregistered models, trade names and commercial secrets.

- 25.2 The Supplier represents that it owns or has a license to the intellectual property rights of the Background Know-how that is required for its performance of this PO and that there is no statutory or other impediment to the license of such Background Know-how for use by the Purchaser as set forth below.
- 25.3 The Supplier hereby grants the Purchaser a perpetual, irrevocable, nonexclusive, royalty-free, world-wide, sub-licensable license to use the Supplier's Know-how necessary or desirable to use, develop, manufacture, modify, maintain, support, service, market and sell the Purchaser's products incorporating the Product and/or provision of services for those products.
- 25.4 The Purchaser may, to the extent require and under the sole and exclusive discretion of the Purchaser, grant the Supplier a license to make use of any Purchaser's Background Know-how and Foreground Know-how disclosed in connection with this PO solely for the purposes of Supplier's performance of this PO and not for any other purpose. The Supplier shall not disclose any of Purchaser's Know-how to a third party without the Purchaser's prior written approval.

- 25.5 The party granting a license to its Background Know How hereunder shall remain the owner of all intellectual property rights to such Background Know-how that is the subject of such license.
- 25.6 The intellectual property rights to Foreground Know-how that is generated, developed or acquired in the performance of this PO shall be exclusively owned by the Purchaser immediately upon its creation, with no additional consideration to the Supplier.
- 25.7 The Supplier shall notify the Purchaser of the existence of any Foreground Know-how that is generated, developed or acquired in the performance of this PO and shall assist the Purchaser in the registration of its ownership of the intellectual property rights to such Foreground Know-how and to assist in the protection of such intellectual property towards third parties.
26. **Confidentiality**
- 26.1 Any Know-How provided by Purchaser to Supplier shall remain Purchaser's (or Purchaser's customer's) property and shall be held in confidence by Supplier. Supplier shall utilize such Know How only in performance of this PO and shall return any material relating to the same to the Purchaser upon Purchaser's first written request. Such Know How shall not be reproduced, reverse engineered, decompiled, used, or disclosed to any third party by the Supplier without Purchaser's prior written consent and shall be returned to Purchaser upon completion of this PO or upon demand.
- 26.2 Should Supplier wish to furnish any Know-How provided by the Purchaser to any of the Supplier's subcontractors or suppliers, Supplier shall first obtain Purchaser's written permission to furnish such Know How. Supplier's furnishing of such Know How to a subcontractor or supplier approved by Purchaser, as aforesaid, shall only be on a strict "need-to-know" basis and shall be subject to the Supplier entering into a confidentiality/non-disclosure agreement with the said subcontractor/supplier on terms not less strict than those provided hereunder.
- 26.3 The Supplier acknowledges that it has been informed that the Purchaser is a "reporting corporation" as defined in the Securities Law, 5728-1968 and that Know-How of the Purchaser that will be forwarded to the Supplier may constitute "inside information" as defined in the said law. The Supplier undertakes to treat such Know-How according to the provisions of the aforementioned Law.
- 26.4 The Supplier shall not to issue or publish any news release, public announcement, advertisement, publicity and/or other information related to this PO and/or any document related to and/or stemming from this PO, without the Purchaser's prior written consent.
- 26.5 If the parties have signed a non-disclosure agreement (NDA), the non-disclosure agreement shall constitute an integral part of this PO.
27. **Information Security**
- 27.1 The Supplier shall comply with all instructions provided by the Purchaser with respect to security restrictions and regulations related to information disclosed by the Purchaser (including information belonging to Purchaser's customer as well as any Purchaser or Purchaser's customer information to which the Supplier may have access to), including, but not limited to, security arrangements, means/methods/procedures relating to the securing of such information. The Purchaser shall have the right, at any time and on a coordinated basis, to audit/inspect the Supplier's compliance with the above.
- 27.2 The Supplier undertakes to immediately rectify any security related deficiencies identified. The Supplier shall report any corrective actions it has or intends to undertake, and the Purchaser shall have the right to request any further corrective action.
- 27.3 The Supplier shall immediately report to the Purchaser any breach of the Supplier's information systems.
28. **Intellectual Property Rights of Third Parties**

28.1 The Supplier represents and warrants that the use of the Product and/or the know-how that it has developed during the performance of the Agreement does not infringe the intellectual property rights or other third-party rights and that the Supplier owns or has a license for the intellectual property rights required for the performance of the services and its other obligations under this PO.

28.2 Supplier shall indemnify and hold harmless the Purchaser and Purchaser's customer against all claims, expense, demands, suits, loss and liability (including attorney's fees) for any actual or alleged infringement of any patent, trademark, copyright, or trade secret arising from or related to the use, sale, manufacture or disposal of the Product or any part thereof. Upon receipt of notice of any claim or suit alleging such infringement, Supplier agrees to defend the Purchaser and Purchaser's customer at Supplier's expense. During the pendency of any such claim or suit, and (where necessary) upon settlement thereof, Supplier shall, at Supplier's expense, and subject to the prior written approval of the Purchaser either (i) substitute fully equivalent, non-infringing goods, or (ii) modify the goods so that same no longer infringe but remain equivalent, or (iii) obtain for Purchaser and/or Purchaser's customer the right to continue to use the Product in accordance with the terms of the Agreement.

29. **Export Control**

29.1 Supplier shall be responsible for and shall obtain and maintain (in a timely manner) all licenses, permits and other governmental approvals required for the performance of its obligations under this PO and for the export of the Products to Israel and/or the Purchaser's customer's country ("**Export License**"). The Supplier shall provide the Purchaser with a copy of the Export License and any documents related thereto.

For purposes of Article 29, non-receipt, delay in receipt or revocation/cancellation of a required license, permit or other governmental approval necessary for the performance of Supplier's obligations under this PO shall not be considered a Force Majeure Event and Supplier's failure to obtain or maintain all required export licenses shall be deemed a breach of this PO.

29.2 Within thirty (30) days of the date of this PO, Supplier shall notify Purchaser of any export control restrictions, including, but not limited to any restrictions under the Export Administration Regulations ("EAR") of the U.S. Department of Commerce, the International Traffic in Arms Regulations ("ITAR") of the U.S. Department of State, the U.S. Customs & Border Protection Regulations, the Harmonized Tariff Schedule, the Foreign Assets Control Regulations and any other anti-boycott and embargo regulations and guidelines as set forth in the EAR and in the U.S. Department of the Treasury, Office of Foreign Assets Control and European Union controls on exports of dual-use items and technology. Such notification shall include any relevant classification of the Products (e.g., a section in the equipment list, USML category, ECCN, etc.), including subsections, and Supplier shall update Purchaser in the event of any changes to such information. In the event that there are no restrictions, the Supplier shall notify Purchaser of the same.

The Supplier shall provide, from time to time, declarations to the Purchaser concerning the foregoing at the Purchaser's request.

The Supplier shall be solely responsible for the correctness and validity of any document related to this Article which is signed by the Supplier.

29.3 Technical information disclosed by the Purchaser to the Supplier in connection with this PO may be subject to Israeli and/or foreign export control laws, and therefore:

- 1) The Supplier shall use the said technical information only for the performance of this PO;
- 2) The Supplier undertakes to include the content of this Article in its agreements with subcontractors and suppliers related to this PO and Supplier shall remain responsible for the compliance with this Article by such subcontractors and suppliers.

The foregoing shall not derogate from Supplier's obligations under Article 26 (Confidentiality).

30. **Open-Source Code and Unauthorized Code Restrictions**

30.1 The Supplier warrants that the Products do not include open-source code software, whether in the Products or in any part thereof, and are not subject to any open source code license conditions/restrictions. Supplier shall not include open-source code software in the Products or in any part thereof and the Products shall not be not subject to any open source code license conditions/restrictions without the prior written approval of Purchaser, such approval, to be granted or withheld at the Purchaser's sole and exclusive discretion.

The Supplier shall indemnify and hold harmless the Purchaser and Purchaser's customer from and against any claims, damages, losses, costs and expenses (including reasonable attorney fees) relating to the use by Supplier of open-source code software in connection with this PO or the Products for which no approval was granted by the Purchaser as set forth herein.

30.2 The Supplier warrants that the Product/s and every part thereof are free of and shall not contain any Unauthorized Code (as defined below).

Under this Article 30, "**Unauthorized Code**" means any virus, trojan horse, worm, logic bomb or other software routine or hardware components designed to permit unauthorized access, to disable, erase, or otherwise harm software, hardware or data.

The Supplier shall indemnify and hold harmless the Purchaser and Purchaser's customer from and against any claims, damages, losses, costs and expenses (including reasonable attorney fees) relating to the inclusions of Unauthorized Code in the Product, including, but not limited to, the cost of removing the Unauthorized Code from any systems owned or otherwise used by the Purchaser and Purchaser's customer and recovering any lost or damage data or software caused by such Unauthorized Code.

31. **Purchaser's Assets in the Supplier's possession**

Supplier shall keep all tools, fixtures, jigs, material and/or other equipment (collectively "property") furnished by Purchaser and all property, to which Purchaser or the Purchaser's customer, if applicable, acquires title by virtue of this order, segregated and clearly marked and will maintain a complete inventory thereof. Title and right of immediate possession of all such property shall remain vested in Purchaser/the Purchaser's customer. The Supplier shall not sell, assign, transfer or dispose in any manner the Purchaser's property to any third party and shall maintain such property free of any liens. The property shall be maintained and replaced, if necessary, by Supplier at no additional cost to Purchaser/the Purchaser's customer. Supplier assumes all risk of loss, destruction or damage to such property while in Supplier's custody or control. Supplier will immediately notify Purchaser in writing of any such loss, destruction or damage. Supplier may use Purchaser's property solely for the purpose of this PO and shall not permit the use of such property by any third party, without the Purchaser's prior written consent. Upon termination or completion of this contract, Supplier will deliver such property, as directed by Purchaser, in good condition subject to ordinary wear and tear.

32. **Safety, Health and Environmental Protection**

The Supplier shall in the performance of this PO comply with all applicable safety, health and environmental protection laws, and shall obtain and maintain all permits and licenses required for safe, correct and sustainable operation of the Product. The Supplier shall promote health, safety and protection of the environment, including, without limitation, taking necessary pollution prevention measures, such as the use of environmentally friendly methods and materials in the manufacturing and packaging process. The Supplier shall also reduce transportation distances to the extent possible.

In the event that the Supplier is performing any of the work under this PO on the premises of Purchaser or any other site in Israel, the Supplier shall provide a certificate from a safety instructor authorized by the Israeli Ministry of Economics evidencing that the Supplier has received the required safety instructions within the past year. Prior to the commencement of any such work, Supplier shall obtain safety instructions from Purchaser's and obtain a certificate from Purchaser evidencing the completion of such safety instruction.

33. **Labor Laws**

33.1 The Supplier shall in the performance of this PO comply with all labor laws applicable to it, its employees and/or agents.

33.2 The Supplier is an independent contractor with respect to all its operations and activities related to this PO. The employees used by Supplier in connection with this PO shall be Supplier's employees exclusively and there will not be any employer-employee relation between such employees and the Purchaser. The Supplier shall indemnify and hold harmless the Purchaser from and against any claims,

damages losses, costs and expenses (including reasonable attorney fees) relating to any demand and/or claim of any of its employees and/or agents against the Purchaser on any grounds, including a claim that an employer/employee or subcontracting relation exists.

34. **Prohibition on Bribery and Corruption**

34.1 The Supplier agrees that in consideration of this PO, neither Supplier nor any agent or representative of Supplier has nor will pay any fees, commissions, percentages, brokerage fees or other sums to persons contingent upon or resulting from execution of this PO nor has or will Supplier extend or offer any form of compensation or remuneration (including money, services or any other benefit), directly or indirectly, to Purchaser's employees for the purposes of securing this PO, or obtaining favorable treatment with respect to Supplier's performance of this PO.

34.2 In the event of breach or violation of Sub-Article 34.1 above, Purchaser shall have the right at its option to terminate this PO for default without liability, or at its option may deduct from amounts that otherwise may be owed to the Supplier the full amount of any such fees, commissions, remuneration or other sums. Such rights and remedies of Purchaser shall be in addition to any other rights and remedies provided by law or under the terms of this PO.

34.3 The Supplier warrants that it shall not perform any action, directly or indirectly, in contravention to the provisions of the Israeli Penal Law and other applicable legislation concerning prevention of bribery and corruption concerning a public servant and/or foreign public servant.

34.4 **Conflict Minerals**

Supplier represents and warrants that it and its supply chain are currently in compliance, and it covenants that it and its supply chain shall continue to comply, with existing and future applicable law relating to "conflict minerals" (as defined by the Dodd-Frank Wall Street Reform Act - of the United States). Supplier shall be responsible for and shall release, defend, indemnify and hold harmless Purchaser and Purchaser's customer from and against any liability resulting from the breach of the aforementioned representation and warranty and covenant.

35. **Remedies**

The rights and remedies of Purchaser under this PO are cumulative, and are in addition to any other rights or remedies that Purchaser may have at law or in equity.

36. **Waiver**

The failure of the Purchaser to enforce at any time any of the provisions of this PO, or to require at any time the performance by the Supplier of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this PO or any part hereof, or the right of the Purchaser thereafter to enforce each and every provision of this PO.

37. **Assignment**

The Supplier shall not assign or otherwise transfer any of its rights or obligations under this PO to any third party without the prior written consent of the Purchaser and any attempted assignment or transfer without such prior written consent shall be null and void. For purposes of this PO, a change of control of the Supplier or the sale of substantially all the business of the Supplier as part of a corporate merger, share acquisition, corporate reconstruction, spin-off, rearrangement or similar change shall be deemed to be an assignment.

38. **Applicable Law and Jurisdiction**

38.1 This PO shall be governed, construed and interpreted solely in accordance with the laws of Israel (without giving effect to its principles governing choice of law). All disputes arising as a result of or relating to this PO shall be resolved exclusively in the competent courts sitting in Tel Aviv-Jaffa and each of the Parties hereby submits irrevocably to the jurisdiction of such courts.

38.2 Notwithstanding anything to the contrary herein contained, in the event a dispute between the parties arises under this PO, the Supplier shall continue to fulfill its obligations under this PO and Supplier shall proceed with the performance of the work hereunder (including delivery of Products), pending resolution of the dispute.

39. **Miscellaneous**

39.1 This PO contains the entire agreement between the Purchaser and Supplier with respect to the subject matter hereof and is not subject to variation, irrespective of the wording of Supplier's acceptance, without the prior written agreement by the Purchaser. Any additional or different terms of Supplier's acceptance are hereby expressly rejected. This PO becomes a binding agreement including all terms

and conditions contained herein and/or contained in documents incorporated into this PO, when it is accepted by the Supplier, either by acknowledgement or the commencement of performance hereof.

- 39.2 In the event that any provision of this General Purchase Terms and Conditions shall be held invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect upon, the remaining provisions of this PO, provided that the effect upon the remaining provisions does not substantially change the designated interests of the Purchaser. In the event such severance substantially changes such interest, Purchaser and Supplier shall endeavor to agree upon a mutually acceptable alternative provision.
- 39.3 The Supplier shall promptly notify the Purchaser in advance and in writing with respect to the following: change in ownership and/or corporate re-organization, cancellation or suspension of certifications (e.g., quality, export, etc.), changes in key personnel, plant relocation and any significant change that may affect the performance of the Supplier's obligations under this PO. In the event that any such change requires recertification of Supplier as an approved Supplier of Purchaser, all costs related to such recertification (including Purchaser's costs) shall be the sole responsibility of the Supplier.
- 39.4 The Purchaser shall have the right to set off any amount owing at any time from Supplier to Purchaser or to any of Purchaser's affiliated companies against any amount payable at any time by Purchaser to Supplier in connection with this PO and/or any other agreement or transaction, without giving a setoff notice. The Supplier shall have no right of setoff, offset, lien, hypothecation and/or pledge of any kind or degree, for any reason, with respect to the Product and/or any part thereof and/or the Purchaser's assets.
- 39.5 The Purchaser shall have the right to postpone any payment to the Supplier in the event that the Supplier does not fulfill its obligations under this PO or any other agreement between the parties. The Supplier shall have no right to interest and/or linkage with respect to such postponed payments.
- 39.6 The Supplier shall retain all financial records and documents pertaining to the Products and performance of this PO for a period of no less than three (3) years after final payment under this PO. Upon the request of Purchaser's customer, the Supplier shall allow inspection of such records and documents by the relevant entity of the government of the Purchaser's customer.
- 39.7 Captions and headings, as used in this PO, are for convenience of reference only and shall not be deemed or construed in any way as limiting or extending the language of the provisions to which such captions and headings may refer.
- 39.8 Any notice required or permitted to be given under this PO shall be in writing and delivered in one or more of the following ways:
- 1) Hand delivery or recognized international courier (such as FedEx).
 - 2) "Registered" mail to the addresses referred to in the Agreement; a notice delivered by registered mail will be considered as having been received by the counterparty 72 hours after its delivery.
 - 3) By email; a notice that has been sent by email will be considered as having been received by the counterparty only after confirmation of the counterparty, by reply email, that it has indeed received the email.