

## General Terms and Conditions for Sale

### 1. General Conditions and Applicability

- a. Unless explicitly waived in writing by *FILT AIR*, our **General Terms and Conditions for Sale** apply to all activities between the “*Buyer*” and *FILT AIR* Ltd., (hereinafter referred to as *FILT AIR* or “we”) or collectively referred to as “*Parties*”. The General Terms and Conditions of the *Buyer* are explicitly excluded, regardless even if his purchase order has stipulated them (unless specifically agreed otherwise in writing between the *Parties*) and precede as well any written orders from *Buyer*. Doing the business transaction with *FILT AIR* means that the *Partner* explicitly accepts *FILT AIR*’s **General Terms and Conditions for Sale** exclusively as the only applicable Terms and Conditions for the business transaction and that his own General Terms and Conditions are waived.
- b. Even if on written agreement other General Terms and Conditions are agreed between the *Parties*, *FILT AIR*’s **General Terms and Conditions for Sale** are applicable as well. In case of contradiction between the specifically agreed Terms and Conditions of a contract and *FILT AIR*’s **General Terms and Conditions of Sale**, the specifically agreed Terms and Conditions of the order take precedence, but only if the recognition of them and their acceptance as preceding has been specifically confirmed in writing by *FILT AIR*.
- c. In case that *FILT AIR* has specifically accepted in writing the Terms and Conditions Purchase of the *Buyer*, they are in addition to *FILT AIR*’s **General Terms and Conditions for Sale** of contradiction between the *Buyer*’s Terms and Conditions and *FILT AIR*’s **General Terms and Conditions for Sale**, *FILT AIR*’s **General Terms and Conditions for Sale** take precedence (if not specifically agreed otherwise in writing between the *Parties*).
- d. The failure to enforce at any time any of the provisions of *FILT AIR*’s **General Terms and Conditions for Sale**, or to require at any time the performance by *Buyer* 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 *FILT AIR*’s **General Terms and Conditions for Sale** or any part hereof, or the right of *FILT AIR* thereafter to enforce each and every provision of *FILT AIR*’s **General Terms and Conditions for Sale**.

## 2. Quotations, quotation documents, order confirmation

- a. Unless specifically stated in writing, quotations are non-committing and subject to change without notice.
- b. An order of a *Buyer* shall be only binding, if confirmed in writing by *FILT AIR's* authorized personnel.

## 3. Delivery dates

- a. The delivery dates specified in the order of the *Buyer* are binding only, if they are confirmed in writing by *FILT AIR's* authorized personnel.
- b. If there are delays or omissions from *Buyer* during performance of the order (including, but not limited to missing approvals for interfaces or concepts, missing specifications etc.) the delivery dates will be extended accordingly.

## 4. Ownership reservation

- a. Items delivered remain *FILT AIR's* property until full payment has been received. *Buyer* agrees and is obliged to take all necessary measures to protect *FILT AIR's* right of ownership or any other rights mentioned above.
- b. If our goods or articles are integrated into another system, platform, product, documentation or processed with other objects, or is intermixed inseparable with parts or materials not belonging to us, or became a common documentation, *FILT AIR* shall acquire co-ownership of the new article proportional to the value of our goods at the time of delivery.
- c. With regards to *FILT AIR's* property, no pledging or assignment by way of security shall be permissible. If *Buyer* is in default with its payment to *FILT AIR* more than 6 (six) months, and/or if *Buyer* is insolvent and/or if its imminent insolvency becomes apparent from objective criteria, *FILT AIR* may claim the return of any unpaid or partially paid products. The collection or return of such products to *FILT AIR* does not require prior rescission of the order / contract.

## 5. Pricing, Terms of Payment and other Commercial Terms

- a. Prices are (unless otherwise agreed in writing), EXW (Incoterms 2010 ® ) Zikhron Yaaqov, excluding VAT, taxes and duties or any other surcharges which may apply.
- b. Unless agreed specifically otherwise, the terms of payment for a first-time customer are 100% payment in advance of the order sum, via a major Israeli bank.
- c. All bank charges for payments are on account of the *Buyer*.
- d. For long term customers with a good and proven payment track record, the advance payment may be waived, in such a case the typical payment terms are either CAD or a wire transfer within 30 days net from invoice date.

- e. Deviation from the standard Terms of Payment require the co-signature of the head of the sales department on the quotation, otherwise the quotation is invalid.
- f. If the agreed payment date is elapsed, the buyer shall be in default. In such a case, *FILT AIR* is entitled to charge interest for any delay in payment schedules of 1 % of the payment sum per delayed month, calculated on the 1<sup>st</sup> day of the month in delay.
- g. The buyer may not withhold or offset any payments, regardless of the circumstances, unless confirmed prior in writing by *FILT AIR*.
- h. If, for any reason, there is an early payment discount, the date of invoice and the date of actual receipts of funds are the binding dates to establish whether the payment is eligible and within the window for early payment deduction.
- i. In case that *FILT AIR* becomes aware after signing a contract or during its performance, that there are doubts, actual problems or a deterioration in the creditworthiness of the *Buyer*, *FILT AIR* may unilaterally change payment terms regardless of the conditions stated in the contract, including but not limited to demanding advance payments for shipments, or holding back shipments until full payment or advance payment is reached.
- j. In case of delayed payments from the *Buyer*, *FILT AIR* is entitled to cancel the contract/the order in part or in full and is eligible for compensation from the *Buyer* for the costs incurred.
- k. In case that *Buyer* requests technical or other changes to the products or conditions, both *Parties* will agree commonly on updated pricing of such articles or conditions. Both *Parties* have to conclude the changes and updated pricings in writing to become binding for both *Parties*.

## 6. Technical Specifications, Drawings, Descriptions

All information regarding technical specifications, including but not limited to weight, power consumption etc. as well as brochures, advertising is for guidance only and will only be binding on *FILT AIR* if *FILT AIR* has specifically confirmed them in writing or if they are part of a written agreement / contract.

## 7. Transportation, Risk, Acceptance of Goods, Quality Acceptance Inspection

- a. Unless otherwise agreed between the *Parties* in writing, the risk passes to *Buyer* with handling shipment dispatch.
- b. *Buyer* has to perform acceptance of goods within 1 (one) week from receipt of the goods. If *Buyer* has not risen any objection or rejection within 1 (one) week or failed to accept or to announce to have accepted, goods shall be deemed to have been accepted by *Buyer*.
- c. In case Quality Acceptance Inspection in *FILT AIR*'s facility is agreed in the order/contract, it is the responsibility of *Buyer* to arrange for such inspection (if nothing has been agreed specifically in writing, such inspection must take place the week before the shipment date). In case of failure to arrange such inspection on time, *Buyer* has no right to delay / postpone the agreed shipment date.

## 8. Labelling, Packaging and Environment

- a. Products are labelled with standard labelling. *FILT AIR* is not obliged to apply special labelling of the customer and is not responsible for any legislative labelling required by non Israeli legislation. In case *FILT AIR* specifically agrees to provide customized labelling according to *Buyers'* specifications, extra costs may be charged.
- b. Unless otherwise stated, prices are given in standard industrial packaging, which is not returnable. Environmentally sound disposal of the packaging and the products are the responsibility of the buyer.
- c. The industrial packaging is suitable for dry indoor storage only, according to storage instructions.
- d. Special packaging, return of packaging or other special requirements are only binding when confirmed in writing and at extra cost.

## 9. Documentation and Publications

- a. All products are delivered with documentation at company standard. Any further documentation on ILS, maintenance above user level etc. is extra and not included in the standard documentation.
- b. *Buyer* may not reproduce in any way, translate or integrate in its own publications any documentation (or parts of it) without prior written approval of *FILT AIR*.
- c. In case that *Buyer* (with *FILT AIR*'s prior approval in writing only) is altering, translating, integrating in own documentation or modifying the original documentation of *FILT AIR*, it is on *Buyers own responsibility and risk*.
- d. *FILT AIR* is not responsible for any documentation, explanation, movie or any other form or sort of publication which is generated or done by *Buyer*. Any other or additional publication, which is not done by *FILT AIR*, will be strictly the responsibility and liability of the *Buyer*.

## 10. Warranty

### General

- a. *FILT AIR* warrants for a period of 12 months after the date of the invoice of purchase, that its products are free from defects in material and workmanship.
- b. Within that period, *FILT AIR* will, at its option, repair or replace the product or refund your purchase price, if *FILT AIR* ascertains that the product either does not conform to *FILT AIR*'s specifications or is defective in material or workmanship.
- c. This warranty does not apply to any damages, connected with the system or arising from the system (for instance, any damages resulting from a defective system to the platform into which the system is integrated in), apart from the defective system itself, its function and material.

- d. The Warranty explicitly excludes indirect causes of defects or compensation for non-availability of the parts/systems, any turn-down time or any other consequential damages which might arise.
- e. Warranty will be provided only to the initial *Buyer*. Second-hand or sold-on items are excluded from Warranty.

**Additionally the Warranty excludes explicit defects resulting from:**

- f. Normal wear and tear or deterioration
- g. Abuse, misuse, excessive usage
- h. Missing or improper or insufficient maintenance, negligence
- i. Unprofessional, incorrect or improper transportation, integration / installation, storage,
- j. If the system or any part has been repaired by unauthorized personnel, unprofessionally or in any way that has, in FILT AIR's judgment adversely affected its performance or reliability
- k. Has been used in an application or for a purpose for which the product was not designed or under stresses or conditions exceeding those specified for the product
- l. Has been opened, damaged or altered after leaving *FILT AIR's* facility.
- m. Has been serviced or maintained by unauthorized personnel, or the required maintenance has not been properly and traceably recorded to give evidence to *FILT AIR* that maintenance has been performed according to manufacturer's instructions
- n. If parts in the system are found or exchanged which are not original parts from the manufacturer
- o. If the system was improperly connected or connected to improper power sources, or integrated improperly or with improper interfaces.
- p. In case of fire, lightning or other disasters
- q. If the system has been used in combat, combat conditions or security operations
- r. In case of intended damage, incorrect or careless treatment, incorrect chemical, electrical, mechanical or other technical or natural influences.

**Place of Warranty**

- s. The place of repair or replacement of any part or system is exclusively in Zikhron Yaaqov, Israel. Costs for repair or replacement outside Zikhron Yaaqov will be invoiced to the customer (including, but not limited to travel costs, shipment costs, customs and taxes etc.).
- t. Warranty or repair can only be accepted if the above mentioned conditions are met, if maintenance has been performed and documented properly in a traceable way by trained and qualified personnel in the intervals specified by *FILT AIR* in the user manuals given with the product.

### Exclusion of any other warranties

- u. This limited warranty is exclusive and is in lieu of all other warranties, expressed or implied, including any warranty of merchantability or fitness for a particular purpose.

### Unjustified Claims

- v. In case *Buyer* claims a warranty defect, which in the end turns out as an unjustified reason, *Buyer* will reimburse *FILT AIR* for the costs incurred in connection with the alleged defect (including, but not limited to inspection time etc.)

## 11. Installation

- a. *Buyer* is responsible for the professional and suitable integration of any products bought from *FILT AIR*, as well as for its professional installation.
- b. In case *Buyer* is performing the installation, *FILT AIR* does not take any responsibility or risk for improper installation of any product. In case that *FILT AIR* is undertaking the installation, the responsibility of *FILT AIR* is limited to the professional conduct of the work.
- c. As the integration is done by *Buyer*, *FILT AIR* disclaims any and all responsibility for integration, including but not limited to improper, unsuitable or unprofessional integration, unforeseen cost of labour and material or additional parts required to complete the installation, any other risk or danger associated with the integration of any product. This is applicable as well in case *FILT AIR* assisted or advised *Buyer* on possible ways of integration as *Buyer* is the only entity who has the full knowledge of the platform, application or place of installation.

## 12. Product Liability

- a. FILT AIR Ltd. disclaims all other liabilities and obligations, including non-contractual liability for personal injury, death, direct or indirect property damage or consequential damages based upon its negligence, strict liability, incidents, all other effects from malfunction of the system or any other ground. Regardless of whether liability is asserted on the basis of breach of warranty, negligence, strict liability, breach of contract or otherwise, FILT AIR Ltd. shall not be responsible for special, incidental, consequential or punitive damages, including loss of property, loss of profits or revenues, downtime costs and the cost of substitute equipment.

### Liability is strictly excluded in the following cases:

- b. If *FILT AIR* has not sold the product directly
- c. The product has been adapted/customized particularly to meet a customer demand or to comply with customers/buyers specification

- d. The defect /failure was not possible to detect at the status of the (technical) knowledge and/or available scientific level at the time the product was sold
- e. If it could be accepted or reasonably expected that the failure was so evident at the time the product was sold, that with reasonable inspection the buyer could have detected the defect.
- f. On negligence or intention by the *Buyer*

#### **Liability limitation**

- g. In no case the accumulated and aggregated liability of any defect can exceed the value of the product in question, or in case of a systematic failure the sum of the relevant contract.

### **13. Confidentiality and Intellectual Property**

- a. *FILT AIR* reserves all rights on intellectual property and copyright to any and all information, including, but not limited to technology and data, samples, manufacturing processes, formulae, methods, know-how, test results, way of conducting business, software, source-codes, business information and methods, inventions, discoveries, models, manufacturing specifications, sketches, designs, drawings, policies, costs, profits, margins and any other documents, ideas or reports (or copies, extracts, or translations thereof) whether oral, written or stored in electronic or other recordable media, or which can be obtained by examination, testing, visual inspection or analysis of any material, equipment, product, spare part, hardware or component part thereof as well as information like price lists, procedures, quantities of supplies ordered and/or received, business and financial policies and/or trade and business secrets (including the business relationship between the parties), analyses, compilations, studies and other material, which contain or otherwise reflect or are generated from any such information or products, product samples, serial deliveries of products, handbooks, spare parts etc. and cost estimates, quotations, drawings, calculations, samples and any other information in any form which is not generally accessible
- b. By providing *Buyer* with any data or data media, *FILT AIR* shall not be deemed in any way, neither to have disposed of any Intellectual Property Rights it may have therein, nor to have parted with its title in such media.
- c. *Buyer* shall maintain all such information in the strictest confidence and shall not make any use of such information (including, but not limited to use of such information for any patent filings and/or for implementing or influencing any patent, research, development, reverse engineering, manufacturing), for itself or for any third party.
- d. Moreover, *Buyer* shall not divulge any Confidential Information to any third party, any person, corporation or other entity without the prior expressed written consent of *FILT AIR*, except that *Buyer* may afford its employees, agents and/or consultants access to such Information to the extent, and only to the extent, required by them for the proper performance of their duties.

- e. *Buyer* further acknowledges that it will have access to information and products of a unique nature and value which were developed by or for *FILT AIR* at a significant cost, and that the disclosure or misuse of such information may cause irreparable damage to *FILT AIR*, for which *FILT AIR* may not have an adequate remedy at law. *Buyer* further agrees that *FILT AIR* shall be entitled to enjoin such misuse or disclosure, or any anticipated misuse or disclosure, and shall be entitled to seek any and all legal remedies including injunctive relief in addition to monetary damages, which may not be an adequate remedy.
- f. *Buyer* shall sign an NDA in an appropriate timeframe.
- g. *Buyer* shall use any information as defined above only for rightful purposes and shall not provide any information as listed above to any competitor under any circumstances.

#### 14. Force Majeure

- a. The following circumstances shall be considered to constitute grounds of discharge from commitments or liabilities and not deemed as a breach of the order / contract, if they occur after signing of a contract / confirming an order and actions for correct execution therein are prevented as well as not removed by *FILT AIR* not taken into consideration when entering the contract or confirming the order, and whose consequences *FILT AIR* could not reasonably have avoided or surmounted: Acts of God, general labor disputes, every other circumstance such as explosions, acts of terrorism, fire, acts of unusually severe weather, earthquakes, floods, war, mobilization or unforeseen military induction of corresponding scale, requisition, commandeering, insurrection and rebellion, general shortage of qualified manpower, general shortage of transportation, general shortage of goods, general and lasting reduction in regarding prime movers as well as delays in deliveries from subcontractors deriving from such circumstances, regarding this section when *FILT AIR* or subcontractors has/have not themselves brought about or contributed to the obstacle (hereinafter called "Force Majeure").
- b. When grounds for discharge from commitments or liabilities have ceased to exist, *FILT AIR* shall inform *Buyer*, as possible, when activities postponed due to the grounds of discharge from commitments will be resumed, and what the effects on delivery dates or other consequences are.
- c. *Buyer* may neither cancel a contract nor withdraw from it or to impose any consequences to *FILT AIR* on ground of Force Majeure. *FILT AIR* shall use its best efforts, to minimize the impact of Force Majeure on the performance of its duties with regards to the contract / order of *Buyer*.

#### 15. Law and Jurisdiction, Severability

- a. The laws of the State of Israel will apply exclusively to these **General Terms and Conditions for Sale** and the entire legal relationships between *FILT AIR* and the *Buyer*, including, but not limited to, the Law of Commercial Torts.



- b. *Parties* shall negotiate in good faith all disputes in order to resolve them amicably, and shall refer the disputes in the first instance to the *Parties'* respective managing directors for resolution.
- c. In case parties are not able to resolve the disputes amicably, the place of jurisdiction for all disputes, arising from this document or any contractual or other legal relationships, whether directly or indirectly, is Haifa / Israel. However, *FILT AIR* shall be entitled to file an action against any entity, or enforcing injunctive relieve at any place.
- d. The UN convention on contracts involving the international sale of goods (CISG) is excluded in the entire legal relationship between *FILT AIR* and the *Buyer*
- e. If one or more paragraphs or provisions of these **General Terms and Conditions for Sale** is held to be illegal, invalid or unenforceable, in whole or in part, under present or future laws, such provision will be ineffective to the extent of such illegality, invalidity or unenforceability. The *Parties* will replace the ineffective provisions a mutually acceptable alternative provision with the closest possible to the initial meaning, which is legal, valid and enforceable under current law without invalidating the remainder of such provision or the remaining provisions of these **General Terms and Conditions for Sale**. The same applies in the event of a gap in the event of this **General Terms and Conditions for Sale** or the contract / order.

## 16. Advertising

- a. *Buyer* agrees and confirms, that *FILT AIR* may use *Buyer's* name, company logo, *Buyers* product, photos of *Buyers'* product (where *FILT AIR's* systems are integrated or products similar to the ones where *FILT AIR's* products are integrated), the project or project name etc. as sales reference in advertising, press releases, presentations, brochures, articles or on *FILT AIR's* website.
- b. Such usage of photos from products of *Buyer* shall be limited to publicly available photos, or on not publicly available photos with the consent of *Buyer* to the usage.

## 17. Restrictions, Miscellaneous

- c. In case that the products sold to *Buyer* are integrated in another product, platform or system, *FILT AIR* shall have no restrictions to sell including, but not limited to consumables, spares, maintenance or services to the final customer of *Buyer* or any other integrator.
- d. *FILT AIR* shall not be deemed in default, unless a written notice is sent to the appropriate person within *FILT AIR*. In case of delays by *FILT AIR*, a grace period shall be reasonable and typically exceed 30 days.