



## **GENERAL PURCHASE ORDER TERMS AND CONDITIONS**

### **1. Definitions:**

The "Company" – Filt Air Ltd.;

The "Company Address"/ the "Company Premises" - 1 Avshalom Rd., Zikhron Yaakov;

The "Supplier" – an individual or a corporation of any kind, whether it has become incorporated in Israel or abroad, that has contractually engaged with the Company to sell a product and/or a service;

The "Parties" – the Supplier and the Company;

The "Quotation" – a document by the Supplier that describes the product and/or service offered to the Company and its costs and payment terms;

The "Purchase Order" – a document issued by the Company that describes the product (including through drawings, bills of quantities, etc.) and/or the service purchased by the Company from the Supplier, the number of units, the costs, shipping and/or delivery terms, including installation and activation, if necessary, and the payment terms agreed upon by the Company;

An "Authorized Company Representative" – an authorized executive Company officer;

The "Goods" – the product and/or service specified in the Purchase Order;

The "General Terms" – this document;

The "Company Policies and Objectives" – [the Beth-El Industries Company policies and objectives document](#).

### **2. General:**

A. The Purchase Order from the Company to the Supplier is subject to the terms set forth below.

B. The General Terms set forth below are an inseparable part of any Purchase Order the Company issues. No other terms set by the Supplier will be valid and no other terms will apply to the Purchase Order, other than these General Terms, even if the Supplier forwards its terms to the Company after the Purchase Order is issued and the Company does not expressly reject the Supplier's terms. No change the Supplier makes to these Terms will be effective, including any deletion or addition, without the Company's written consent. In any case of a contradiction or a conflict between the provisions of the General Terms and the terms of the Purchase Order and/or any attachment to the Purchase Order, an explicit provision shall supersede a general provision.

### **3. Compliance with the Company's requirements:**

A. The Supplier warrants that it has received and understood the Company's requirements and that it has the capacities and skills for performing that set out in the Purchase Order and that it has the knowledge, professional level, and resources, including staff, licenses, and required certifications, and it complies with the required standards to fulfill the instructions of the Purchase Order in full and to the best of its ability, and that it employs its employees legally and that its employees have been trained and certified, and they have the permits and licenses required by law to perform their work.

B. The performance of the Supplier's undertakings pursuant to the Purchase Order shall not violate any statutory provision and/or any contractual obligation.

### **4. The Supplier's licenses and the quality of the Goods:**

A. The Supplier is an authorized manufacturer or distributor of the supplied Goods and otherwise, it must notify the Company in advance and obtain its approval.

B. The Supplier undertakes to provide the Goods at the highest quality of performance according to the custom in its field, skillfully and effectively, on schedule, while maintaining a high standard of workmanship, documentation, and reporting to the Company's satisfaction, and it warrants that the Goods will be manufactured with the best customary and required knowledge, skill, and professional level, and will comply with the requirements and with any required standard under the Purchase Order, whether or not it stipulates any provisions regarding quality, material, description of the work, or other details relating to the product.

C. The supplied Goods and/or any part or unit thereof shall be new and not refurbished and/or used, unless agreed otherwise in writing.



- D. The Supplier warrants that it has agreed to deliver, along with the Goods, all relevant paperwork required for the Goods' proper operation and maintenance, including manuals and/or user instructions, in their most recent and accurate version, and it must ensure that no error or omission appears in these documents.
- E. The Supplier confirms and warrants that the ordered Goods/services will function properly regardless of when they are activated.

**5. Employment of workers:**

- A. The Supplier must comply with the worker employment requirements in accordance with standard legal criteria, including the employees' ages, their wages, compulsory payments, and fringe benefits in accordance with the requirements of any binding law, including collective agreements. The Supplier is exclusively liable for compliance with these terms toward its employees and/or anyone else it hires.
- B. The Supplier shall act in accordance with the Labor Supervision Organization Law and the Work Safety Ordinance and/or the provisions of any applicable law, and shall execute the work in accordance with the aforementioned safety provisions. Within this, the Supplier warrants that the equipment and tools it uses to execute the Parties' engagement will comply with the safety rules stipulated in these statutes. The Supplier undertakes to ensure the safety and well-being of all its employees when performing the work to execute the Purchase Order, using safe work methods in accordance with the provisions of any law. It is clarified and emphasized that the performance of the work in accordance with the order will be subject to the provisions of any applicable law, including the Supplier's compliance with the required safety instructions.

**6. Ethics:** The Supplier shall be proficient in and will strictly adhere to all laws and regulations regarding the prohibition of bribery, corruption, and unlawful business conduct. The Supplier shall conduct its affairs fairly, appropriately, ethically, and impartially, including, but not limited to, in the following matters: human rights, child labor, prohibition of human trafficking (including by coercion or under a labor contract), modern slavery, harassment, and the prevention of discrimination.

**7. Performing the Purchase Order:** The Goods specified in the Purchase Order will be provided to the Company and will be of the kind, quality, dimensions, types of material, description, and processing specified in the Purchase Order and/or any other document the Company attaches to it, and/or will be identical to the models and/or samples the Supplier has presented to the Company and that the Company has authorized. In any case, the Goods shall be of the highest-quality materials and professional workmanship and shall comply with all the standards the Company requires, as specified in the Purchase Order, including the provisions of any official standard and the provisions of any law.

**8. The Supplier's quality management system:** The Supplier must be certified in accordance with the AS9100 or ISO 9000 international quality management standards.

**9. Sample audit:**

- A. The Supplier must carry out a sample audit in accordance with its internal protocols, inform the Company of the protocols according to which the sample audit is performed, and obtain its approval.
- B. If the Supplier does not have a method for carrying out a sample audit, or if the Supplier's method has not been authorized by the Company – for each production series, an initial test must be performed at the C=0 level (which means that one deviation requires an increase of the examination scope to 100%), 4% according to the Squeglia standard. A separate examination shall be conducted for each production series. Critical items or key characteristics shall be audited as required by the Company's final customer. Unless stated otherwise, 100% of the critical items will be inspected from the beginning, and key characteristics will be managed according to the AS9103.

**10. First article inspection (PRR and FAI):**

- A. Before the Supplier commences the serial production of the Goods, the Supplier shall carry out a production readiness review (PRR), in order to ensure that the Supplier can comply with the Purchase Order requirements.
- B. After passing the PRR or if two or more years have passed from the most recent serial production and/or if a material change is made to the product at the Company's request – the Supplier will perform a First Article Inspection ("FAI").

- C. The Supplier shall commence serial production only after the Company authorizes the first article.
- D. The Supplier warrants to perform any corrective action the Company's representative requires within a reasonable time, as the Company shall allot it.
- E. After passing the FAI, the Supplier is not permitted to make any change to the product or the production process, and the Supplier may not assign the items' production to any entity other than the entity that passed the FAI.

**11. Traceability:**

- A. The Supplier must have a method in place to ensure traceability of the supply chain of the Goods it supplies and/or their components, from the component manufacturer to the Company's site.
- B. The Supplier must forward to the Company all documents that prove the supply chain's traceability, from the manufacturer's original component to the direct source from which the Supplier purchased the item, and attach the original certificate of conformity (COC, COT, COA) issued by the manufacturer for each item it supplies.
- C. Records accompanying the item's production, such as raw materials certificates, process tags, measurement reports, various color treatments, coating; the Supplier will keep the original copies in an orderly item file.
- D. A "Serviceable" tag will be attached to each item provided by the Supplier, and the Supplier will keep a photocopy of the "Serviceable" tag.
- E. The Supplier shall keep the quality records for five years from the date of performing the Purchase Order, or otherwise, as specified in the Purchase Order.
- F. Unless stated otherwise, the items and their documents, including the production documents that are not forwarded to the Company, will be identified in a manner that enables traceability between the parts/materials and the relevant production records and of the records of the raw materials used in the production and the Purchase Order documents.
- G. Each item will be identified with a serial number upon special request in the drawing or in the order and its attachments.

**12. Labeling the items:**

- A. The Goods and or the Goods parts will be labeled as required in the drawing or in the Purchase Order and its attachments. If the label's content and/or location are not defined in the drawing or in one of the other Purchase Order documents, the content and location will be arranged in advance between the Supplier and the Company's quality manager.
- B. Numbering management / tracking will be arranged between the Supplier and the Company's quality manager.
- C. Duplicate serial numbers are prohibited.

**13. Wiring and cabling:** Unless stated otherwise in the Purchase Order, the Supplier must comply with the IPC620 Standard or prove compliance with it for any item it provides that requires electrical wiring.

**14. Thermal treatment, coatings and painting, and other actions that require approval:** The Supplier is not permitted to perform any of the following processes as part of the Purchase Order, except with parties the Company approves in advance and has examined as Parties that meet relevant quality conditions/standards: chemical processing, coatings, thermal treatment, material testing, surface polishing and/or unconventional milling, welding.

**15. Prevention of counterfeit parts:** The Supplier will take all necessary measures to prevent the supply of counterfeit components and/or components that infringe on intellectual property rights in any other way. Accordingly, the Supplier will purchase raw materials from the original manufacturer or the original manufacturer's licensed franchisee or distributor. The Supplier shall present the Goods' certificate of conformance (CoC) to the Company, and shall present the manufacturer's licensed supplier certificate. If the Supplier buys the Goods from a non-authorized supplier, the Supplier must present proof that the Goods are original as a condition for completing the Purchase Order. If it is found, at any time, including after the end of the warranty, that the Supplier has supplied a counterfeit and/or a suspected counterfeit component to the Company (hereinafter, the "**Counterfeit Component**"), the Supplier shall replace the Counterfeit Component

with another original component that meets the Purchase Order requirements at once, without prejudice to any other right the Company has. The Supplier shall bear all direct and indirect costs of finding,

1. removing, and replacing the Counterfeit Component, including the installation of the original replacement, that must be authorized by the Company.

**16. Export Control:**

- A. The Supplier certifies that it agrees to comply with all applicable export control laws and regulations.
- B. The Supplier warrants that it is not present on any Denied/Restricted List, is not owned by or have any persons in its employ present on any Denied/Restricted List of the UN, USA, EU, Israel and/or any other applicable country.
- C. The Supplier certifies that none of its components is purchased from, supplied, transferred or exported, directly or indirectly by itself, its agents or affiliates to or from any embargoed or sanctioned country or to or from any person, entity or body if this is prohibited by economic or financial sanctions or trade embargoes imposed, administrated or enforced by the United Nations, the United States of America, the European Union and/or any other country's applicable export control laws.
- D. The Supplier certifies that it will update and inform the company on any restrictions / regulations on controlled items, including but not limited to ITAR / EAR or any other applicable export restriction.
- E. Russia Sanctions: The Supplier warrants compliance with (EU) No. 833/2014.

17. **"Conflict minerals":** The Supplier must declare if it uses minerals ("conflict minerals" – tin, tungsten, tantalum and gold) in any of the products ordered in the Purchase Order. The Supplier will ensure that these minerals, when used in products intended for the Company, do not originate in the Democratic Republic of the Congo or neighboring countries.

18. **Date of delivery of the Goods:** The Supplier shall supply the Goods in full on the date or dates set forth in the Purchase Order (hereinafter the **"Date of Delivery"**). The Supplier is not permitted to move up the Date of Delivery or postpone it, except with the Company's express written consent in advance. In the event of a delayed supply for any reason, the Company may refuse to accept the Goods or any part thereof, without prejudice to any other right the Company has under any law. The Company may also return, at the Supplier's expense, Goods whose supply has been brought forward without the Company's consent.

19. **Delivery method:** As necessary, the Supplier shall deliver and/or install the ordered Goods/services at the Company Premises, at the time and according to the applicable working arrangements, or at any other place and time, as the Company orders in the Purchase Order, at the Supplier's expense and liability. The Goods' delivery at a place other than the place specified in the Purchase Order shall not constitute delivery.

**20. Packaging and transportation:**

- A. The Goods will be packaged and transported in accordance with Company protocol.
- B. Packaging materials, the packaging work, as well as all the Supplier's expenses for moving and transporting the Goods, including loading and unloading them, and any other action until the Goods' complete delivery to the Company's satisfaction, are an inseparable part of the Purchase Order and no additional consideration will be given to the Supplier for them, unless otherwise stipulated in the Purchase Order.
- C. The Supplier shall prevent any damage to the Goods during transportation, production, and storage.
- D. If Company protocols do not specify the packaging method – the parts will be packaged on a surface/box that matches the parts' size and shape.
- E. The parts will not protrude from the surface in any way that could cause damage.
- F. Wood surface/ boxes/frames will be from treated wood only.
- G. The maximum height of the surface, including the Goods, may not exceed 1.20 m.
- H. The maximum weight of the surface, including the Goods, may not exceed 2.5 tons.
- I. The parts will be packaged in a way that will prevent corrosion and mechanical impact.



- J. The parts will be packaged in a way that will facilitate the quick and certain verification of the count of parts at Beth-El.
- K. A sticker will be affixed to each package, indicating the product's catalog number, the Supplier's name, and the exact number of parts in the package.
- L. Each shipment will be accompanied by audit reports, an invoice that includes the order number, the catalog number, and edition number, at least.
- M. Within the packaging processes, the Supplier will ensure there is no foreign object damage (FOD) inside the package.

**21. The Company's assets:** All the materials, whether raw or processed, and all the equipment, instruments, plates, and dies that the Company periodically provides to the Supplier and/or bears their purchase cost for the purpose of performing the Purchase Order, as well as any specification, model, drawing, or other technical knowhow that somehow relates or refers to performing the Purchase Order, as said above (hereinafter the "**Company's Assets**"), are and shall remain the sole property of the Company, and the Supplier is not prohibited from using them for any other purpose whatsoever, except for the purpose of performing the Purchase Order. The Supplier shall return them to the Company immediately upon its first demand and/or immediately upon completing the Purchase Order's performance and/or upon the termination of the Parties' contractual engagement, at the Company's choice and/or notice.

**22. Nondisclosure:**

- A. The Supplier undertakes, both during the performance of the Purchase Order and thereafter, not to disclose any knowhow that is included among the Company's Assets, as well as any other piece of information and document related to the performance of the Purchase Order, and/or the Company's business, products, work methods, etc., that may reach it in any way, and not use such information and documents for any purpose without the Company's prior written consent. The Supplier undertakes to bring the provisions of this clause to the attention of each of its employees and/or its subcontractors, and shall be responsible for these parties' nondisclosure.
- B. The Supplier represents that it is aware that information it obtains from the Company, which is considered technical information on the military and defense-related items appearing on the US list of items pursuant to the US International Traffic in Arms Regulations (Title 22, Code of Federal Regulation, parts 120-130) (hereinafter "ITAR"), will be subject to the ITAR (hereinafter "Regulated Data Under the ITAR"). The Supplier warrants that without the Company's prior written permission, it will not disclose, share, reveal, or transfer any Regulated Data Under the ITAR to a third party and/or any of its employees and/or anyone on its behalf who holds any non-Israeli citizenship, in any way, unless this is expressly authorized by the US government.

**23. Compensation for delay:** For any delay in the supply of the Goods on the dates set forth in the order that exceeds seven working days, the Company is permitted to offset a total of 2% of the value of the delayed Goods from the payment to the Supplier, as liquidated damages, for each additional calendar week in which the delay persists and/or any part thereof, and up to no more than 8% of the total Purchase Order. The Company's right to such liquidated damages is in addition to any relief and/or remedy it may seek under these Terms and/or under any law, and such damages shall not prejudice any such relief and/or remedy.

**24. Inspection of the Goods:**

- A. The Company is permitted to inspect the Goods, including and without limitation, at the Supplier's site and/or the Company Premises and/or a certified inspection institute, at the Company's sole discretion, and accept or reject the Goods following the inspection. The Supplier shall permit the Company to perform these inspections at any time, at the Company's discretion, and for this purpose, among other things, the Supplier shall do everything that must be done to allow the Company's representatives to enter its premises at the Company's request and according to its schedule, and shall provide the Company with all the necessary assistance to fulfill the visit's objectives, and/or provide, as necessary and without consideration, suitable samples that will be delivered to the Company at its first request, and in any case – within a reasonable time to allow the Company to inspect and approve the samples (if they are deemed suitable) within the Goods' supply schedule. Performing such an inspection shall not prejudice the Company's right to reject the Goods at a later date if it is discovered that the Goods

and/or some of them do not meet the Purchase Order requirements and that non-compliance was not discovered when the Goods were inspected. The Goods' acceptance or rejection does not prejudice any other right the Company has under these General Terms and/or by law.

- B. If a non-conformity and/or a defect is discovered in the Goods and/or some of them (hereinafter, the "Defect"), the Supplier must perform one or more of the following corrective actions at the Company's request (hereinafter the "Corrective Actions"):
- i. Repair the Defect or replace the item in which the Defect was discovered with a new one, by the Supplier and at its expense.
  - ii. Restitution of the entire monetary consideration that the Supplier has received from the Company for the item or the Goods in which the Defect was discovered.
  - iii. The Company is permitted to repair the Defect itself and/or through a third party, and the Supplier shall bear the cost of the repair.
  - iv. If the Company asks to retain possession of the item in which the Defect was found, a reduced price will be charged for it according to the Parties' consent.
  - v. The foregoing does not detract from the Supplier's obligation to bear all the costs the Company incurs due to the Defect, including costs due to inspection, repair, engineering adjustments, procurement inspections, etc.
  - vi. The Supplier must perform the Corrective Action(s) within the deadline the Company sets for it upon discovering the Defect.
- C. No payment made to the Supplier shall be considered the Company's confirmation to the Supplier of the Goods' good working order and/or a waiver of any other right it has under these Terms and/or the Purchase Order and/or under any law.

**25. Acceptance of the Goods/services:** The Company is permitted (without prejudice to its other rights) to refuse to accept the Goods, in whole or in part, or return them to the Supplier, if it believes that they do not meet the terms of the Purchase Order or that they are otherwise defective. The Supplier declares that it is aware that a confirmation of the Goods' acceptance in accordance with Company protocols is a prerequisite for payment of the consideration due to the Purchase Order. For the avoidance of doubt, a confirmation of the Goods' acceptance or a payment shall not exempt the Supplier from any of its obligations under the Purchase Order that have not yet been fulfilled and shall not constitute evidence that the accepted Goods are in good working order.

**26. Warranty:**

- A. The Supplier shall provide warranty for any Defect and/or malfunction and/or non-conformity discovered in the Goods and/or any part thereof, and/or in any product and/or work and/or other service and/or any part thereof, contained in the Purchase Order, for a period no shorter than twelve (12) months from the date the Goods are delivered at the Company's warehouses, unless the Parties agree on another warranty period, as specified in the Purchase Order.
- B. Without detracting from the Supplier's warranty under any law and in addition to this warranty, the Supplier will be held solely and completely responsible for any direct damage caused by it and/or its employees and/or its representatives, in the process of, due to, and/or in connection with the Purchase Order's performance.
- C. The Supplier shall be liable under any law for any bodily harm and/or property damage caused to any Company employees and any person in the Company's service and/or acting on its behalf that results from the Goods' faulty structure and/or installation, in whole or in part.
- D. Subject to the Company employees' proper and conforming use, the Supplier shall also be liable for the proper functioning and quality of performance of all the separate units of the Goods and/or all units as a single piece of equipment, insofar as they are integrated into systems that have not been installed or supplied by the Supplier.
- E. If the equipment's operation is not of the quality the Company requires, the Supplier undertakes to demonstrate, using operators on its behalf, how the equipment work, so that it fulfills the Company's requirements. The Supplier's demonstration, as said above, shall be performed no more than seven days of the Company's first demand, and shall not detract from any other redress the Company has due to any non-conformity and/or Defect.



- F. If the Defect or non-conformity cannot be detected by reasonable inspection, the Supplier shall be liable for it, even if it is detected after the end of the warranty period specified in the order and/or in any other document submitted and approved by the Company, without detracting from any right or claim the Company may have under any law. The latent non-conformity provisions of the Israeli Sale Law, 5728-1968, that limit the Company's rights in the event of non-inspection or failure to give such notice shall not apply to the Purchase Order.

**27. Indemnification:** The Supplier warrants to indemnify the Company upon its first demand for any amount that the Company will be required and/or obligated to pay for any damage or loss that the Supplier is responsible for under the terms of this order or under any law.

**28. Insurance by the Company:**

- A. Without detracting from the Supplier's liability and without the Company assuming any liability toward the Supplier, the Company is permitted to obtain a contract work insurance policy that will include a property insurance chapter, a third-party insurance chapter, and an employer liability insurance chapter for the work. In such case, the name of the insured person in the contract work insurance policy shall include the Supplier, and the Supplier shall pay 0.7% of the value of the works as the insurance participation fee, or that amount shall be deducted from the consideration owed to the Supplier, at the Company's discretion.
- B. The Supplier shall review the Company's insurance. The Supplier undertakes to study the policy's content and be familiar with all its terms before commencing the work. The Supplier undertakes to notify the Company immediately of any incident that may be considered cause of action under the contract work insurance, and the Supplier also undertakes to cooperate with the Company, as necessary, for the realization of an insurance claim under the contract work insurance.
- C. For the avoidance of doubt, if the Company obtains such insurance, obtaining the Company's insurance shall not impose any liability on the Company, and the Supplier is not permitted to rely on the Company's insurances, and the Supplier hereby represents and certifies that it will be precluded from raising any claim, lawsuit, or demand of any kind regarding the existence of the Company's insurances, their content, or their scope, or their very preparation.
- D. The Supplier shall pay the deductible in accordance with the Company's decision.

**29. Insurance by the Supplier:**

- A. **Contract work:**
- i. If the Purchase Order orders contract work, the Supplier shall purchase contract work insurance. The contract work insurance policy shall include the following insurance chapters:
    - Chapter (1) – Property insurance – physical and unexpected loss or damage caused to the work on the site during the insurance period, at the full value of the work.
    - Chapter (2) – Third-party liability – third-party liability for bodily injury or property damage incurred during the performance period at a limit of liability no lower than ILS 5,000,000 per event and per insurance period.
    - Chapter (3) – Employers' liability insurance – at a limit of liability no lower than ILS 20,000,000 per event and per insurance period.
  - ii. The name of the insured person in the contract work insurance will be extended to include the Company and/or its employees and/or anyone on its behalf. The policy shall include a cross-liability clause and a waiver of subrogation toward the Company, and it shall take precedence over any policy issued by the Company.
  - iii. Moreover, the policy shall also include a 12-month maintenance period.
- B. **Additional insurances:**
- The Supplier undertakes to keep, at its own expense and for as long as it is responsible by law:
- i. A **product liability insurance** policy that covers the supplied Goods, at a limit of liability no lower than ILS 4,000,000 per event and per period, which shall be in effect at the time of the Purchase Order. The insurance policy shall name the Company as an additional insured person under the policy for the acts and/or omissions of the Supplier, and shall include a cross-liability clause and a waiver of subrogation toward the Company. The policy shall take

precedence over any policy issued by the Company. Moreover, the policy shall also stipulate a 12-month detection period clause and shall continue to be in effect for 7 years after the end of the contractual engagement period.

- ii. A **professional liability insurance policy** for the works, at a limit of liability no lower than ILS 2,000,000 per event and per period. The insurance policy shall name the Company as an additional insured person under the policy for the acts and/or omissions of the Supplier and shall include a cross-liability clause and a waiver of subrogation toward the Company, and shall take precedence over any policy the Company issues. The policy shall also stipulate a 12-month detection period clause and shall continue to be in effect for 7 years after the end of the work period.
- C. The Supplier bears the obligation to verify the existence of such insurances with its insurance Company.
  - D. The Supplier must cover, at its own expense, its liability under the terms of this order and under any law, with these insurances: insurance for the property brought into the site and car insurances. The insurance policies shall name the Company as an additional insured person, subject to a cross-liability clause, and shall include a clause stipulating a waiver of subrogation toward the Company, and shall take precedence over any policy issued by the Company. If the Supplier believes that additional and/or supplemental insurances are needed, the Supplier shall obtain and maintain such insurances.
  - E. It is clarified that the Supplier's liability, as said above, shall also apply to damage caused by any act and/or omission by subcontractors the Supplier retains for the purpose of performing the works or part thereof, and the Supplier shall make sure such subcontractors have adequate insurance.
  - F. If the Supplier believes that there is a need to extend the scope of the insurances mentioned above or to obtain any additional and/or supplemental insurances, the Supplier shall obtain and maintain such supplemental and/or additional insurances at its own costs.
  - G. Every such additional and supplemental property insurance shall include a clause stipulating the waiver of the right of subrogation toward the Company and those on its behalf, and the insured's name shall be extended to include the Company, subject to a cross-liability clause.
  - H. If the Supplier purchases additional insurances, the Supplier warrants that the policies to be issued in its name shall state that the insurers agree that any clause in the policies (if any) that somehow revokes or reduces or limits the insurer's liability in any way if another insurance is in place, shall not be exercised against the Company.
30. **Changes to the order:** The Company is permitted to change the terms of the Purchase Order as it deems fit, and the Supplier shall perform the Purchase Order in accordance with such changes. If the change results in a change in the price of the Goods and/or services, the Supplier shall bring this to the Company's attention as soon as possible. The Company shall not be charged any additional consideration beyond that stated in the Purchase Order, unless it has given its prior written consent, even if such an addition results from changes that the Company has requested.
31. **Fixed price:** The prices specified in the Purchase Order are final and are not subject to unilateral change. As long as the Company's prior written consent has not been given, the Company will not pay the Supplier anything extra as a result of any change and/or price increase, including and without limiting the generality of the above, in the cost of living index, exchange rates, an increase in raw material prices and/or other components' prices, production overheads, wages, taxes, compulsory payments, etc.
32. **Patents and trademarks:** The Supplier declares that it owns the property rights required for the production and/or supply of the Goods, and that it does not infringe and/or violate another's patent, trademark, or copyright in connection with the production of the ordered Goods/services, and the Supplier further warrants to compensate the Company, at its first demand, for any legal action due to the infringement of a patent, trademark, copyright, etc., in connection with manufacturing the Goods or supplying them to the Company.
33. **Permits and licenses:** It is the Supplier's responsibility to obtain all production, transportation, and labor permits and all licenses required to perform its obligations pursuant to this order.





34. **Quality requirements:** Such shall take effect immediately and remain in effect until the complete acceptance of the Goods, as defined by the Company.
35. **Document retention:** It is the Supplier's responsibility to retain project documents/procedures material/system quality certificates, as required by the Company and/or the authorities. Such documents shall remain legible and accessible at all times, and the Company may receive them when the Purchase Order's performance is complete and until the end of the warranty/work period, as applicable. If it becomes known to the Supplier that there is a malfunction or a change in the product/service, the customer's representatives must be notified immediately.
36. **Discontinued components:** The Supplier must constantly verify the market availability of the Goods it supplies and any part thereof. In the event that any item specified in the Purchase Order and/or any part of such an item and/or any necessary spare part is discontinued or expected to be discontinued, for any reason, the Supplier must notify the Company immediately upon learning of this and ensure that the Company has adequate time to purchase a sufficient quantity of the above items/parts before they are discontinued and/or a market shortage occurs and/or locate a suitable substitute.
37. **Transfer of rights:** The Supplier shall not transfer the Purchase Order's performance, in whole or in part, to any third party, without the Company's prior written consent. The Company's consent shall not release the Supplier of its responsibility toward the Company for performing the Purchase Order under its terms and under any applicable law. The Company may, without the need for the Supplier's consent, assign all its rights under this order to a third party.
38. **The Supplier's duty to notify of changes:** The Supplier shall update the Company in advance and in writing in any event of a change of ownership, a cancellation or suspension of its quality certification, and/or any other change that may affect its compliance with its obligations.
39. **Offset:** The Company is permitted to offset any amount owed to it by the Supplier against any amount it must pay to the Supplier in accordance with this Purchase Order and/or any additional Purchase Order, without issuing an offset notice. The Supplier shall have no right of offset, lien, pledge, and/or charge of any kind whatsoever, for any reason, on the Goods and/or any part thereof and/or on the customer's assets.
40. **Lien:** The Company is permitted to withhold payment to the Supplier if the Supplier fails to meet its obligations to the Company in relation to the Purchase Order. No linkage and/or interest shall be paid due to such withheld funds.
41. **Simultaneous obligations:** Without prejudice to any other right it has, the Company is permitted to withhold the performance of its obligations to the Supplier if the Supplier has failed to meet its obligations to it in accordance with the Purchase Order and/or these General Terms, until the Supplier has fulfilled its obligations.
42. **Waivers:** No waiver, avoidance of action, extension, or any other conduct on the Company's part shall be deemed a waiver of any of the Company's rights under the Purchase Order and under any law, or as its waiver of or consent to any breach or default thereof, unless expressly made by the Company's authorized representatives in writing.
43. **Cancellation of the Purchase Order as a result of the Supplier's omissions:**
- A. Without prejudice to any right under the law and/or these General Terms, the Company is permitted to cancel the Purchase Order, in whole or in part, without any prior notice, upon the occurrence of any of the following:
    - i. Any delay on the part of the Supplier in the supply of the deliverable required from it and/or the Goods in accordance with the Purchase Order, that exceeds a period of seven working days;
    - ii. The Supplier's non-compliance with the terms and/or the quality requirements under the Purchase Order;

- iii. The Supplier's entry into insolvency proceedings, including liquidation and/or bankruptcy, and/or a stay of proceedings and/or the appointment of a receiver for the Supplier and/or the termination of its business activity and/or if the Supplier is a corporation – in the event of a change in control of the corporation that the Company believes jeopardizes the Supplier's ability to comply with the terms of the Purchase Order, and these proceedings have not been lifted within 15 days from the date of commencement and/or the date the Company becomes aware of them.
- B. In each of the above cases, the Company shall also be entitled, without obtaining any additional authorization, to enter the Supplier's premises and seize possession of the Goods and remove them.
- C. The Company's termination of the agreement under these circumstances shall not entitle the Supplier to seek damages, enforcement, and/or any other relief, and will not prevent the Company from continuing to perform the Purchase Order through any other party, and the Company is permitted to offset any payment that the Company must make to complete the Purchase Order through such another party out of any consideration owed to the Supplier.
- D. If the Company so requires, the Supplier shall assign to the Company all its contractual engagements with subcontractors and/or suppliers in connection with the Purchase Order's performance.
- E. The Purchase Order's cancellation, in whole or in part, shall not exempt the Supplier from its liability for the Goods or any part thereof delivered prior to such a cancellation and/or any work it has performed.
- F. The Supplier shall refund the Company for any payment made to it on account of any component of the Purchase Order that has not been delivered.

**44. Cancellation of the Purchase Order under other circumstances:**

- A. The Company is permitted to cancel the Purchase Order, in whole or in part, at any time and for any reason, at its sole discretion, by written notice to the Supplier, 30 calendrical days prior to the date of cancellation.
- B. Immediately after receiving the company notice, The Supplier shall act to reduce its expenses due to the Purchase Order's cancellation, in whole or in part, as noted by the company.
- C. The Supplier shall deliver to the Company, upon its demand, the items whose production was completed in whole and/or in part, and shall return to the Company any item or information or any other proprietary asset or intellectual property that the Company has provided it with to perform the Purchase Order.
- D. Due to the Purchase Order's cancellation under this section, the Supplier shall be paid for the goods it had delivered to company prior the cancellation and accepted by the company. If the supplier purchased items for future production or delivery of goods to the company in accordance with the purchase order, than the supplier shall be entitled to a reimbursement of the direct costs it has incurred due to the purchase of this items, up to the date on which the Company sends the cancellation notice, and after these alleged costs are proven to the Company by the Supplier and approved by the company. In any case, the amount that the Supplier receives may not exceed the consideration that it would have been entitled to under the Purchase Order and in accordance with the rate/timetables stipulated between the Parties, had it been performed.

- 45. Force majeure:** If a party is unable, as a result of an event that is reasonably beyond its control, to perform all its obligations under the Purchase Order and/or part of it due to "force majeure," including a state of emergency, war, a global pandemic, a flood, wildfires, a strike, a lockout, or any sanctions taken by Company employees or others, and so on and so forth, that occurred after the Purchase Order is received (hereinafter "**Force Majeure**"), neither party shall owe the other party compensation for non-compliance with the terms of the Purchase Order. The Supplier undertakes to notify the Company of its inability to meet its obligations immediately upon becoming aware of the Force Majeure. The Supplier must prove to the Company that the delay and/or nonperformance is the result of Force Majeure and that it has taken all necessary measures to meet its duties despite such circumstances. The Company is permitted to decide whether to proceed with the Purchase Order or cancel it in accordance with section 44 above. If the Company decides to proceed with the Purchase Order, the Supplier shall act to fulfill it as soon as possible, once it is able to.

46. **Independent supplier:** The Supplier declares that it performs the work and its other duties under the Purchase Order as an independent supplier, and there shall be no agency relationship and/or employment relationship between it and the Company and/or between the Company and the Supplier's employees and/or any other party on its behalf.
47. **The Supplier's representatives:** The signature of a driver, an employee, or another agent of the Supplier or anyone on its behalf shall bind it for all intents and purposes with respect to the Purchase Order.
48. **Non-exclusivity:** The Company is permitted to contractually engage with any supplier and/or anyone else with respect to the type of services and/or goods that are similar or identical to the Goods the Purchase Order concerns, and the Supplier shall have no claim against the Company as though it is its exclusive supplier.
49. **Notices and alerts:** All notices in connection with the Purchase Order shall be made in writing and delivered by hand, by mail, and/or by email, according to the addresses specified in the Purchase Order.
50. **Priority between documents:** To adjudicate disputes regarding the Purchase Order, the decisive document shall be the Purchase Order and these General Terms; then, the Company's technical specifications; then, the purchase order, and lastly, the quotation.
51. **Void provisions:** If any provision or part of any provision of the Purchase Order and/or these General Terms is found to be illegal, invalid, or unenforceable, or becomes such in any respect whatsoever under any applicable law, it shall not affect the other parts of the provision and/or the Purchase Order and/or these General Terms in any way. The Parties agree that any provision that is found to be invalid and/or illegal and/or unenforceable by any applicable law shall be replaced with another provision that is compatible with the applicable law and/or legally enforceable, which allows for the fulfillment of the originally intended outcome as closely as possible.
52. **Miscellaneous:**
- A. Section names and headings in these General Terms are for convenience only and are not binding.
  - B. The Company's silence regarding a deviation and/or non-conformity in the fulfillment of the Purchase Order's provisions or these General Terms shall not constitute acceptance of a modification of the Purchase Order and/or the General Terms, shall not set a precedent, and shall not be considered an implicit modification of the Purchase Order and/or these General Terms.
53. **Applicable law and arbitration clause:** The Parties' contractual engagement is governed by Israeli law, Without regard to conflict of law principles. The Parties shall seek to resolve their disputes amicably. If the Parties cannot reach consensus within 30 days, the subject shall be submitted to an arbitrator. If no consensus is reached on the arbitrator's identity within seven days of the date of failing to resolve the dispute, as said above – their identity
54. will be determined by the Head of the Haifa District Bar Association. The arbitration will take place in the Haifa District, Israel. This section constitutes consent to arbitration for all intents and purposes, and by accepting the Purchase Order, the Supplier effectively confirms its consent to the arbitration process.