

5.7.2020

DSIT SOLUTIONS LTD.
GENERAL TERMS AND CONDITIONS
FOR SALE AND SUPPLY OF GOODS AND SERVICES

1. GENERAL & DEFINITIONS

- a. This order is placed, subject only to the terms and conditions included herein and any statement of work, plans, specifications, and other documents, to the extent the same are incorporated by reference on the face of this order. The reference to any proposal from Supplier (if any), is only for the purpose of specifying basic information concerning price, the description of the supplies, quantities, terms of payment and delivery and then, only as such terms are consistent with the terms and conditions herein. In the event of contradiction between these general terms and conditions and specific provisions on the face of the order, or specific agreement between the parties, the specific provisions shall prevail.
- b. Any of supplier's terms and conditions which are in addition to or are construed as proposals for addition to this order will not be binding unless agreed to in writing by DSIT and appear on the order or in its referenced attachment. Supplier's commencement of performance under this order, or Supplier's signed acknowledgement or acceptance of any payment for the supplies or any part thereof, constitute Supplier's acceptance of these order terms and conditions.
- c. Specification of supplies
supplies are to be supplied complete in all respects in accordance with the order and in compliance with any applicable standards. DSIT may refuse to accept any supplies delivered which are not in accordance with original specifications or modified specifications agreed between the Parties in writing and/or not in compliance with the applicable standards and/or manufactured from materials not in compliance with the applicable standards. In such case DSIT shall have the right to return the goods and/or withhold payment for same. Notwithstanding the above, DSIT may request Supplier to promptly replace, if necessary, by most expeditious manner, such supplies, to supplies conforming to the proper and agreed specifications and/or standards in accordance with this order. All charges, including transportation expenses for such replacement, are to be borne by the Supplier.
- d. In such event, the Supplier may request DSIT to return the supplies incorrectly supplied, but in all cases the Supplier shall bear all expenses involved including any repackaging and/or transportation charges. Should the Supplier elect not to have such supplies returned, DSIT may dispose of them in any manner deemed suitable by DSIT. Should Supplier fail to promptly replace the supplies incorrectly supplied, with supplies of the proper and agreed specifications, or to make alternative arrangements mutually agreed upon in writing between the parties within a reasonable time, DSIT, at its option, may require the Supplier to indemnify DSIT for all losses or damages resulting therefrom, including without limitation, costs incurred by DSIT for the replacement or correction of such supplies. the foregoing is in addition to any other rights DSIT may have in contract or at law. Supplier shall not again tender rejected or corrected supplies unless Supplier discloses the former tender and rejection or requirement of correction.

As used throughout this Order, the following terms have the following meanings:

DSIT:	DSIT Solutions Ltd.
Supplier:	The legal entity specified in the Order Form to whom the order is addressed. Each of DSIT and Supplier are defined herein as "Party" and both of them as "Parties".
Goods:	The deliverable items are as detailed in the Order.
Services:	The activities and obligations to be carried out by the Supplier including without limitation the design and development of the Goods, provision of any and all documentation and production files in connection thereto, provision of training, warranty and maintenance support.
Work/ supplies:	The Supply of Goods and the performance of the Services by Supplier.
Order Form:	The document bearing the title Purchase Order (PO).
Order:	The Order Form, this GTC and all annexes attached to the Order Form.

2. INTEGRAL AND ENTIRE AGREEMENT

This Order supersedes all prior understandings and/or agreements of the Parties with respect to the Work and constitutions the entire agreement between the parties with respect to the subject matter herein. In the event of a contradiction or conflict between the provisions of this GTC, the Order Form and the annexes, the order of precedence between the documents shall be as follows, unless otherwise detailed in the Order: The Order Form, this GTC, the SOW, the remaining annexes by their order of appearance.

3. MANNER OF PERFORMING THE ORDER

- 3.1 Supplier shall supply the Goods and Services to DSIT in accordance with the terms of the Order.
- 3.2 Without derogating from the above, the Supplier is obliged to perform the Work in the highest professional manner.
- 3.3 The Supplier shall not change and/or deviate from the Order without DSIT's prior written approval.
- 3.4 In case this Order is being placed with Supplier in order to materialize DSIT's offset undertakings, Supplier undertakes to exert best efforts in order for DSIT to be credited with the maximum offset credit allowed by the Customer and to fully cooperate with DSIT in this regard.
- 3.5 *Intentionally left blank.*
- 3.6 The Supplier shall be responsible for compliance of export control laws or regulations and shall notify DSIT if any deliverable under this Purchase Order is restricted by export control laws or regulations. If any certificate or representation is required, the Supplier is obligated to receive an applicable certificate from DSIT, signed and in its original.
- 3.7 In the event Supplier shall not meet the terms of this Order to DSIT's satisfaction, so that it is prevented from manufacturing and supplying to DSIT the entire quantity of the Goods as scheduled, DSIT shall be entitled to change the Order terms and minimize the units of the Goods ordered and/ or Services performed and Supplier hereby waives any and all demands and/ or actions against DSIT in this regard.

4. PRICE AND PAYMENT

- 4.1 The Prices indicated in the Order represent the full and complete price to be paid by DSIT in relation to the Order and DSIT shall not be required to pay any further amounts without its prior written authorization.
- 4.2 The price(s) in the Order is/are the fixed, firm and final price(s) and is/are not subject to variation and is/are not subject to variation and is/are inclusive of, but not limited to the following:
Delivery at the delivery point, all inspections and tests, exercising the warranty, packing and packaging (which shall be considered non-returnable) including the material and labor for the same, taxes, duties and all charges and expenses incidental to the Order. It is agreed that all taxes and duties in Supplier's territory shall be borne exclusively by Supplier.
- 4.3 Unless otherwise specified in the Order, DSIT will make payment forty-five (45) days of receipt of Supplier's invoice, together with the packing list, signed Acceptance Test certificate(s), evidence of shipment of delivery in accordance with DSIT's instructions and such other documents as are specified in the Order, all in proper form.

5. SUPERVISION

- 5.1 DSIT's representative(s) and/or authorized personnel shall be entitled to monitor, inspect and/or audit the performance of the Work as and when requested by DSIT and to audit/inspect amongst others, the production process, quality of materials used, the rate of performance of the Work at each and every stage of performance, to test produced items and to be present at all test. The Supplier shall enable DSIT's representative(s) or authorized personnel to monitor the Work and shall provide them with any assistance they require. The Supplier shall place at DSIT's disposal, if so requested by DSIT, a suitable place in its facilities with suitable conditions and equipment, in order to enable DSIT's representative(s) to monitor the Work.
- 5.2 DSIT's right to monitor the Work does not in any way whatsoever derogate from the Supplier's responsibility to meet its obligations as set forth in this Order.
- 5.3 The Supplier shall report to DSIT, whenever so requested by DSIT and in manner so requested, on the progress of the Work and/or on any problems that arose during the performance of the Work and on the steps taken or intended to be taken by the Supplier to overcome said problems.

6. QUALITY CONTROL AND ACCEPTANCE TESTS

- 6.1 Where no quality control standards exist in the Order Form or its Annexes with respect to the Goods, Supplier's Quality Management System shall conform/be certified at the minimum to the appropriate ISO 9001 Quality Management System and perform all work with the highest quality control standards in use with respect to goods of the same or similar nature and construction.
- 6.2 Supplier warrants that the Goods and/or the components of the work to be supplied will be new and not used or reconditions or repaired.
- 6.3 The Goods shall conform all requirements as specified in the Order and all applicable documents and shall pass all Acceptance Test(s), as specified in the Order (the "Acceptance Test").
- 6.4 Except as otherwise specified in the Order, DSIT shall have the right to appoint representative(s) to attend all of the Acceptance Test/s.
- 6.5 Upon the satisfactory completion of an Acceptance Test, Supplier shall issue a Certificate of Acceptance, which shall be signed by the authorized representative(s) of DSIT and Supplier respectively, PROVIDED that where the authorized DSIT's

representative(s) did not attend the Acceptance Test, the Certificate of Acceptance shall be sent by Supplier to DSIT, accompanied by test data, which demonstrates successful completion of the Acceptance Test. DSIT shall sign the Certificate of Acceptance or give a notice of rejection to Supplier and its reason therefore within thirty (30) days of receipt of the Certificate of Acceptance.

DSIT's receipt of the Certificate of Acceptance shall not derogate from Suppliers responsibility and shall not affect DSIT's right to reject the Goods/ Services.

- 6.6 Without derogating from the foregoing, upon DSIT's request, Supplier shall postpone an Acceptance Test without being entitled to compensation as a result of such postponement.
- 6.7 If any defect exists at the time of completion of an Acceptance Test, DSIT shall not be obligated, and Supplier shall not be entitled to sign the applicable Certificate of Acceptance or accept the item until Supplier has corrected such defect to DSIT's satisfaction.
- 6.8 No delivery of any Goods and/or Services shall be deemed completed prior to such Good and/or Service having passed the Acceptance Test to DSIT's satisfaction.
- 6.9 In its fulfillment of this Order, the Supplier is required to abide by all legal requirements with respect of Conflict Minerals, including, but not limited to the Conflict Minerals Rule of the US Security and Exchange Commission. Necessary information to ascertaining Supplier abiding by such requirement shall be available for presentation to DSIT and/or its final customer within 30 days from DSIT's request.

Forms for reporting Supplier's fulfillment of the relevant legislation is available on the following web site:

<http://www.conflictreesmelter.org/ConflictMineralsReportingTemplateDashboard.htm>

- 6.10 If DSIT's prior written approval is given to the Supplier to subcontract, the Supplier shall include this Clause and all other Quality Control's requirements as specified in the Order and in all other applicable documents in all its subcontracts so as to provide the aforesaid rights to DSIT *vis a vis* Supplier's subcontractors.

7. PACKING, MARKING AND DELIVERY OF THE GOODS

- 7.1 Supplier shall pack and preserve the Goods in the manner normally used for shipment of the same kind of goods by sea or air, whichever shall be applicable, so as to protect them from damage or deterioration during transit and/or storage, subject to any specific packing instructions set forth in this Order. Wood packaging material shall comply with the latest ISPM 15 standard. Electronic parts (including remaining components of board assemblies) shall be stored and shipped in sealed anti-static moisture barrier bags, according to IPC/JEDEC J-STD-033 standard.
- 7.2 Supplier shall deliver the Goods as specified in the Order, provided that the Goods have duly passed their respective test and are accompanied by:
- (i) As per Order Form either Certificate(s) of Acceptance duly signed by both Supplier and DSIT or An original manufacturer Certificate of Compliance (CoC), including the following data: (a) DSIT purchase order number, (b) Customer name (DSIT Solutions, Ltd.) or the supplier name, (c) Details of all products shipped under said CoC: part numbers, quantities and item serial numbers/identification as applicable, (d) A statement declaring that the shipped parts are in full compliance with the requirements of this purchase order and its applicable documents, (e) CoC identification, (f) Date and signature of the supplier/manufacturer authorized representative.
 - (ii) a relevant invoice;
 - (iii) a valid export license from Supplier's country;
 - (iv) a serviceable tag; and
 - (v) all other applicable documentation as set forth in the Order, relating to the Goods.
 - (vi) The supplier/manufacturer shall include (by e-mail) material safety data sheet (MSDS) for any chemical substances supplied.
 - (vii) All electrical products shall include operating and safety instructions.
- 7.3 Delivery of the Goods shall be in accordance with the relevant Incoterms® 2020 specified in the PO.
- 7.4 Upon the delivery of the Goods in accordance with said Incoterms, title to and risk of loss of or damage to the Goods, shall pass from Supplier to DSIT, save in the event of loss or damage resulting from Supplier's act or omission which shall forever remain with the Supplier.
- 7.5 Delivery of the Goods shall not derogate from DSIT's right of inspection and rejection.
- 7.6 Acceptance and/or rejection of the delivered Goods and/or of any part or unit of the delivered Goods by DSIT shall not be deemed to alter or affect the obligations of Supplier or the rights of DSIT under the Warranty provisions.

8. DELAY IN DELIVERY

- 8.1 The Goods shall be delivered, and the Services shall be performed in accordance with the qualities and schedules specified in the Order. Time is of the essence in Supplier's performance of Supplier's obligations pursuant to this Order.
- 8.2 In addition to any other rights and remedies which DSIT may have under the law and under this PO, DSIT shall have the right to deduct from the PO price or to collect from the supplier as damages and not as a penalty, an agreed sum of 0.5% of the price of the goods not delivered and/or services not performed by the date specified in the PO for every week of delay, or any part thereof up to a total of 10% of the total PO price. A delay of up to 7 days shall not entitle DSIT to any damages, but thereafter and in the absence of any cure the damages shall be calculated as of the first day of the delay. This right shall be enforceable by the sole fact of delay without any previous notification to the supplier or other formalities or recourse to judicial proceedings.
- 8.3 Notwithstanding the above, DSIT in its sole discretion shall be entitled to instruct the Supplier to deliver the Goods by air or other fast transportation at Supplier's expense.

9. FORCE MAJEURE

- 9.1 Neither Party shall be liable for the failure to perform its obligations under this Order if such failure arises out of cases beyond the reasonable control and without any fault or negligence of the Parties. Such causes may include, but are not limited to, acts of God, or of the public enemy, acts of the government in either its sovereign or contractual capacity, fires, flood, epidemics, quarantine restrictions, strikes, freight embargoes, and usually severe weather, but in every case the failure to perform must be beyond the control and without the fault or negligence of the Parties ("Force Majeure"). No failure of Supplier's internal business systems related to the proper processing of the date information that result in any defect or failure in products or services, deliveries, or any other aspect of performance by Supplier of its subcontractors in connection with an Order excuse the performance of Supplier under the Order. Either Party shall notify the other Party in writing within two (2) calendar days of any and all events of Force Majeure.
- 9.2 If Force Majeure (which must be proven to DSIT's satisfaction) results in the delay of any delivery under this Order by more than ten (10) days past the schedule specified in this Order, DSIT may at its sole discretion terminate the Order affected thereby or in whole or in part without any obligation or liability except that DSIT shall be responsible for payment for goods or services which have been delivered to and accepted by DSIT prior to Force Majeure notice receipt.
- 9.3 Subject to applicable law, COVID- 19 and any consequences or related effects thereof shall not be treated as Force Majeure, however if either party is subject to local lockdown regulations, directly affecting its performance and delivery in connection with this PO, it shall immediately inform the other Party, as applicable, in writing and the parties shall amicably try to resolve the matter, in the absence of which buyer shall be entitled to terminate the PO.

10. WARRANTY

- 10.1 For a period of twenty four (24) months commencing from the date of receipt and acceptance of the Goods (hereinafter "The Warranty Period") at DSIT's facility or as otherwise specified in the Order, the Supplier warrants that they will be free from defects in material, workmanship and design, shall meet the specifications as called for in this Order and will meet any performance criteria set forth in this Order. In the event that the Supplier was informed that the Goods are for an end customer other than DSIT the Warranty Period shall begin upon delivery to such end customer.

In case of defects in material and/or workmanship and/or design that could not be revealed by DSIT in a reasonable inspection after delivery ("Latent Defect"), the Warranty Period shall begin upon the day that such Latent Defect is discovered by DSIT and notice is sent to Supplier.

- 10.2 Upon notice of any defect, Supplier shall within a maximum period of thirty (30) days, starting from the date of Supplier receipt of DSIT's notice and ending upon DSIT's receipt and acceptance at DSIT's facility of the modified, replaced or repaired Goods, modify, replace or repair, at DSIT's facility or the Supplier facility, all according to the discretion of DSIT, any part or all of the Goods, which fails to meet the warranties set forth above. For the sake of clarity, said (30) days period shall include the transportation time of the Goods from DSIT's to the Supplier's facility and the return from Supplier's to DSIT's facility and the transportation time to Supplier's personnel to DSIT's facility, as the case may be. Supplier shall be responsible for the transportation of the Goods from DSIT to Supplier's facility and their return to DSIT's facility. Supplier shall bear all expenses whatsoever concerning the fulfillment of the warranty provisions and shall indemnify DSIT for all cost and damages incurred by DSIT due to the defect.
- 10.3 The Warranty Period will automatically be extended for a period equal to the period commencing with the notice of breach of warranty by DSIT to Supplier and ending with the receipt by DSIT at its facility of the repaired/modified/replaced item. In no event shall the remaining Warranty Period be less than twelve (12) months.
- 10.4 Documentation supplied by Supplier shall be complete, accurate, up-to-date, free from errors and/ or defects and/ or omissions and shall enable DSIT to successfully integrate and/ or operate and/ or maintain the Goods or any unit thereof, as the case may be and as specified in the Order. Upon notice of any error or defect in the documentation, the Supplier shall within twenty (20) days from the date of receipt of notice, correct any errors or defects therein. In the event any documentation incorporates information supplied by a third party, said information shall be supplied in the original form.

11. DSIT EQUIPMENT

- 11.1 All materials, tools and equipment that were delivered by DSIT to the Supplier and/ or were purchased by the Supplier for the performance of this Order and for which DSIT has paid for (hereinafter, "DSIT Equipment") are and will remain under the exclusive ownership of DSIT. The Supplier may use DSIT Equipment for the purpose of performing this Order only and for no other purpose and shall not transfer or make available said DSIT Equipment to any third party. The Supplier shall store the DSIT Equipment separately, in an appropriate manner and will mark said equipment in a manner that clearly identifies that said equipment belongs to DSIT.
- 11.2 The receipt of the DSIT Equipment by the Supplier is final proof that said equipment is of good quality and is suitable for the purpose of carrying out the Order, unless the Supplier informs DSIT differently in writing ten (10) days from the day of Supplier's receipt of said DSIT Equipment and provides DSIT with proof to DSIT's satisfaction supporting its claim. In the event that following such period Supplier shall find any defect and/ or deficiency in the DSIT Equipment, Supplier shall approach DSIT for the performance of any repairs and/ or replacement of said DSIT Equipment. The cost of any said repair and/ or replacement shall be borne by the Supplier.
- 11.3 The Supplier shall be responsible for DSIT's Equipment, for preserving and maintaining said equipment and for all losses and/ or damages to said equipment, whatever the reason is. Provided that the DSIT's Equipment is used, maintained and stored in accordance with DSIT's manual, DSIT shall be responsible for regular maintenance of said DSIT Equipment, including transport expenses in case of need. TAT shall be agreed between the Parties.

12. RIGHTS IN DATA AND KNOW HOW AND PROPRIETARY INFORMATION

- 12.1 Title to and all rights (including but not limited to intellectual property rights) in all information, know-how and data that is delivered by DSIT to the Supplier shall be and remain vested in DSIT only (hereinafter "DSIT Data").
- Title to and all rights (including but not limited to intellectual property rights) in all information, know-how and data designed and/ or developed and/ or acquired and/ or generated in connection with the performance of this Order by Supplier shall be owned by DSIT (hereinafter "Program Data").
- 12.2 Supplier shall be entitled to use the DSIT Data and Program Data (collectively the "Data") for the purpose of performing this Order only and for no other purpose. The Data shall be clearly marked as DSIT's property and to the extent feasible, segregated from similar items owned by the Supplier. The Supplier shall maintain the Data in confidence and secrecy and shall not disclose and/ or transfer and/ or reveal said Data to any third party. Supplier may make available the Data only: (A) to those of Supplier's employees who have a "need to know" in connection with the performance of the Order provided that such employees shall comply with the requirement of this Section (B) in order to comply with any applicable law provided that prior to making any such disclosure, Supplier shall notify DSIT of any proceeding of which it is aware which may result in disclosure and use reasonable effort to limit or prevent such disclosure (C) to the extent that the Data is or becomes publicly available through no fault of the Supplier; (D) to subcontractors of the Supplier approved in advance and in writing by DSIT and to the extent required only.
- 12.3 For the purpose of this Order, Data shall include but is not limited to copyrights, patents, sketches, planning documents, methods of work, tool designs, software, instructions and procedures relating to development, production, assembly, quality control for acceptance tests, including those which relate to production tools, tests and maintenance, production, operational and maintenance files and all other written material and information related to the development, production, tests, maintenance of the Goods, all ideas, systems, information, whether or not protected by patents, copyrights or any other legislation and regardless of form (such as magnetic media).
- 12.4 Any information proprietary to Supplier and disclosed in any Goods furnished to DSIT or Services performed for DSIT shall be deemed to have been disclosed as part of the consideration hereof and DSIT shall have the right to use same for any purpose and for any reason as DSIT may deem fit as if such information were DSIT's Data.

13. THE RETURN OF DSIT EQUIPMENT AND DATA

Upon the earlier of, DSIT's first demand or the completion of the performance of this Order or if the Order is cancelled, in whole or in part, for any reason whatsoever, the supplier shall immediately return or provide (as the case may be) to DSIT, as and when determined by DSIT, DSIT Equipment and the Data, in a good condition and fit for use, but in any event not in any worse condition as when received from DSIT, all at Supplier's expense.

14. EXPORT LICENSE

- 14.1 When applicable, DSIT's obligations to the Supplier under an Order dependent upon the issuance and maintenance by Supplier of a valid export license.
- 14.2 Supplier must obtain in time at its own risk and expense any export license, including re-export licenses, broker license or other official authorization and carry out, where applicable, all customs formalities necessary for the export, including the re-export, of items to DSIT and to any customer of DSIT of which the Supplier has been informed. Without derogating from the foregoing responsibility of the Supplier, the Supplier shall keep DSIT informed at all time as to the necessity of various export licenses and other authorizations and their status. Without derogating from the generality of the foregoing, Supplier shall inform DSIT in writing prior to the delivery of the first Goods and or the performance of the first Service as to the various export controls that shall apply with respect to the delivery of the Goods and or the performance of the Service to DSIT and its customer specify all

relevant export classification of the Goods and Services, e.g. ECCN or ITAR category. In case Goods and or the Services are delivered/ performed without a license and/ or without a re-export restriction, this must also be confirmed by Supplier in writing. Supplier must inform DSIT in writing about any license and license number applicable to the delivery of the Goods and or the performance of the Services. Supplier shall execute written declarations in this regard as per the DSIT's request from time to time. Supplier shall be solely responsible for the validity and accuracy of any document executed by Supplier and shall hold DSIT harmless from any liability in such regard.

14.3 Without derogating from the generality of anything stated in the Order, the Supplier hereby undertakes to refrain from authorizing and submitting any manner, whether in writing, orally or otherwise any version of an end user/ end use declaration requested by any third party related to this Order, without DSIT's explicit prior written consent.

14.4 Notwithstanding the delivery terms set forth in the Order, Supplier shall be deemed the exporter of record for all export control issues.

15. TERMINATION FOR CONVENIENCE

15.1 DSIT may from time to time and for any reason, at its discretion, terminate the Order in whole or in part. Supplier shall act in accordance with DSIT's notice of termination. Supplier shall be entitled, subject to proper mitigation of costs satisfactory to DSIT, to the following payments:

- (i) the Order price for completed Goods that are delivered to, accepted and retained by DSIT:
- (ii) the Order price for Services completed and performed; and
- (iii) all reasonable direct costs incurred for Work in process, up to the time and to the extent of termination, but not including costs caused by termination. In return, title to the Goods shall vest in DSIT and Supplier shall deliver to DSIT all the Goods or any part or unit thereof, in the manner and to the extent requested by DSIT.

15.2 No termination claim by Supplier shall include:

- a) any costs allocable to Goods not cancelled; or
- b) allowance for any profit that would have been realized on the terminated Goods and same not been terminated.

15.3 The payments detailed above, are the sole and exclusive payments which are due to the Supplier in the case of Termination for Convenience.

16. TERMINATION FOR DEFAULT

DSIT may by written notice to the Supplier and without prejudice to the DSIT's other rights and remedies under this Order or law, terminate the Order for the Supplier's default in whole or in part if Supplier fails to make progress so as to endanger the schedule of the Order or Supplier breaches any term of the Order or if Supplier cease to conduct its operations in the normal course of business (including inability to meet its obligations as they mature), or if any proceeding under bankruptcy or insolvency laws is brought by or against Supplier. In the event of termination, Supplier shall not be entitled to receive any further payment with regard to the Order and Supplier shall compensate DSIT for all costs, liabilities, losses, and damages of any nature whatsoever, incurred by DSIT (including, without limitation consequential damages). In addition, the Supplier shall return to DSIT all payments made in connection with the Order plus interest at the rate of LIBOR plus two percent (2%). The interest shall be calculated from the period commencing with the payment to the Supplier and ending with the repayment to the DSIT of the aforesaid DSIT, should it elect to do so, may retain any or all the Goods, delivered to and accepted by it and shall pay the Order price for said Goods to the Supplier.

17. PATENT RIGHTS

17.1 The Supplier warrants and represents that it owns or is licensed or otherwise has the right to use all the patents, trademarks, service marks, trade names, copyrights, contractual franchises, authorizations and other rights that are reasonable necessary for the operation of its business, without conflict with the rights of anyone else ("Proprietary Rights").

Supplier further undertakes that the Goods and/or Services or any part thereof do not infringe or allegedly infringe any Proprietary Rights of third parties.

17.2 If the Goods or any part thereof, infringes or allegedly infringes any Proprietary Rights, Supplier shall defend and indemnify DSIT and/or its customers and hold DSIT and/or its customers harmless, from any loss, expense, damage, claim, action or liability (including attorney's fees and legal expenses) whether direct, indirect, special, punitive or consequential, made by the owner of such Proprietary Rights by defending such claim, suit or proceeding, if so requested by DSIT and payment of any judgement therein or settlement thereof and all of DSIT's and/or its customers' losses, liabilities, expenses and damages as a result of such claim, suit or proceeding (including attorney's fees and legal expenses). With regard to defending such claim, suit or proceeding at DSIT's sole discretion, DSIT shall appoint its counsel to defend such claim, suit or proceeding, whose expenses shall be covered by the Supplier.

- 17.3 If as a result of the above mentioned claim, suit or proceeding, DSIT or its customers are prevented from using, possessing and/or selling the Goods or any part thereof, the Supplier shall as directed by DSIT, in addition to Supplier's obligations set forth in Sub Article 16 above and at Supplier's own expense either:
- (i) Procure for DSIT and its customers the right to continue using, possessing, maintaining and selling the Goods or part thereof; or
 - (ii) Replace the infringing Goods with fully equivalent, non-infringing Goods or part thereof; or
 - (iii) Modify the Goods or part thereof so that the Goods no longer infringes third party rights while remaining fully equivalent to the unmodified Goods or part thereof; or
 - (iv) Refund to DSIT all monies paid to Supplier under this Order.

18. CHANGES

DSIT may, at any time, by a written order, make changes to the Order. Supplier shall not implement any change to the Order, without DSIT's prior written consent. If Supplier is of the opinion that a change is required in the terms of the Order, it shall submit a substantiated change proposal within thirty (30) days after receipt of the order for said change. DSIT will consider such change proposal and if finds it justified will negotiate with the Supplier an adjustment to the Order. Supplier shall proceed with the change order pending Order adjustments unless otherwise instructed in writing by DSIT. If DSIT enters into negotiation with the Supplier and the Parties do not agree to an equitable adjustment of the Order price the dispute, shall be referred to the competent jurisdiction according to this Order and shall be resolved in accordance with the provisions of Article 26 below and the Supplier shall be obliged to immediately proceed with the change order unless otherwise instructed in writing by DSIT. The doctrine of constructive change shall not apply to the Order.

19. STOP WORK ORDER

DSIT may, at any time, by written order to Supplier, require Supplier to stop immediately all or any part of the Work called for by this Order for a period of up to ninety (90) days after the stop work order is delivered to Supplier and for any further period to which the Parties may agree. Any such order shall be specifically identified as a stop work order issued pursuant to this clause. Upon receipt of such an order, Supplier shall forthwith comply with its terms and take all reasonable steps to minimize the cost allocable to the work covered by the order during the period of work stoppage. Within a period of ninety (90) days after a stop work order is delivered to Supplier, or within any extension of that period to which the Parties shall have agreed, DSIT shall either:

- i) Cancel the stop work order; or
- ii) Terminate the Work covered by such order by reason of Supplier's default or for DSIT's convenience in accordance with the applicable, provision of this Order. If a stop work order issued by DSIT is canceled or the period of the stop work order, or any extension thereof expires, Supplier shall resume work.

20. SET OFF

DSIT shall have the right to set off, withhold and/or deduct all amounts owing to it, by virtue of this Order and/or any other agreement or order with the Supplier and/or any law, from the amounts that the Supplier is entitled to under this Order.

21. INDEMNITY

- 21.1 Supplier shall be solely liable for any loss for and/or damage to DSIT and anyone on its behalf, the Supplier and anyone on its behalf and/or any third party, including, but not limited to, bodily injury, illness, disease or death and/or property damage, occurred during the performance of this Order or in connection with the Goods delivered and/or the Services provided and/or the performance of this Order.
- 21.2 Supplier hereby irrevocably and unconditionally exempts DSIT from liability for any loss or damage sustained by the Supplier and anyone on its behalf and without derogating of the generality of the above, including any damage to property or equipment of the Supplier or anyone on its behalf, including any land, sea or aerial vehicles. Supplier hereby irrevocably and unconditionally waives any rights of the claim against DSIT or anyone on its behalf connected with the aforesaid.
- 21.3 Supplier hereby agrees to waive all rights of recourse against and agrees to defend, indemnify and hold DSIT and anyone on its behalf harmless from the against any and all liabilities, claims, damages, losses, demands, costs, proceedings and judgements however arising, and of whatsoever nature, whether in contract, tort, negligence, strict liability or otherwise, arising out of or in any way connected with the Goods delivered and/or the Services provided and/or the performance of this Order. DSIT shall promptly notify Supplier of the existence of any demand or claim and shall allow Supplier to participate in the defense.
- 21.4 For the purpose of this Article, the phrase "anyone on its behalf" shall mean "their respective owners, shareholders, officers, employees, contractors, subcontractors, agents, customers and anytime acting on their behalf".

22. INSURANCE

- 22.1 Without derogating from the liabilities assumed under Article 21 above, the Supplier shall at its own cost and expense arrange for and maintain insurance policies to cover the liabilities imposed upon the Supplier under this Agreement and under

applicable law, but not less than the policies listed in Sub Articles 22.2 , 22.3 , 22.4 , 22.5 , 22.6 and 22.7 throughout the duration of this Order and in the case of claims made policies for at least three (3) years after the expiration of this Order, with reputable insurance companies of good financial standings.

- 22.2 Property Insurance covering the Supplier's buildings, plant, factory, machinery and stocks connected with the performance of this Order as well as DSIT property and Equipment while at the Supplier's premises against all risks of physical loss or damage, including earthquake, as well as business interruption. Such policy shall name DSIT as Additional Insured and first loss payee as its interests may appear. DSIT may, at its sole option, use the proceeds of any claim to pay the Supplier for any Goods supplied and/or Services performed according to the original supply schedule after the repair of loss or damage, or direct insurers to do so.
- 22.3 Marine Cargo Insurance – Marine cargo Insurance according to Institute cargo clauses A including War risks as well as Riot Strikes and Civil Commotion. Such policy shall name DSIT as additional insured and first loss payee as its interests may appear.
- 22.4 Employers Liability/Workmen's Compensation – Insurance covering the Supplier's legal liability towards its employees wherever they may be located. Such policy shall be extended to cover DSIT's legal liability towards Supplier's employees. Such policy shall have limits of liability of not less than the statutory minimum or US\$1,000,000 any one occurrence and US\$2,000,000 in the annual aggregate, whichever is greater.
- 22.5 General Third Party Legal Liability - General Third Party Legal Liability Insurance Covering Supplier's legal liability, including for bodily injury and property damages, towards third parties, in connection with the performance of this Order. Such policy shall: name DSIT as addition insured, be subject to a cross liability/joint insured clause and have a limit of liability of not less than US\$5,000,000 any one occurrence.
- 22.6 Products Liability - Products Liability Insurance covering Supplier's legal liability in connection with the Goods, including drawings, data, engineering advice etc., supplied under this Order. Such policy shall: name DSIT as additional insured, have a cross liability/joint insured clause and have a limit of liability of not less than US\$10,000,000 any one occurrence and in the annual aggregate.
- 22.7 Professional Indemnity covering Supplier's liability for professional error and/or omission by the Supplier or any one acting on its behalf. Such policy shall: name DSIT as additional insured, have a cross liability/joint insured clause and have a limit of liability of not less than US\$5,000,000 any one occurrence and in the annual aggregate.
- 22.8 All the above policies shall be regarded as primary and any insurance carried by DSIT shall be regarded as excess insurance and non-contributory, contain a clause according to which insurers agree to give DSIT a sixty (60) day prior written notice of conciliation or materially adverse change in conditions (seven (7) days in case of war risks).
- 22.9 The Supplier shall submit to DSIT certificates of insurance evidencing the above at least 15 working days prior to the commencement of the work under this Order.

The Supplier undertakes to comply with all the above policies' terms and requirements, to updates the sums insured in its property insurance policies so it will reflect the values of DSIT property and Equipment incurred in their full reinstatement values, to pay all premiums and fees in due time, and to cooperate with DSIT and take all reasonable acts required in order to receive indemnification under the policies, in case of an insured event.

23. SECURITY

Supplier shall furnish Bank Guarantees as per the terms of the Purchase Order. Supplier agrees and undertakes that DSIT shall have an unequivocal right to cash and forfeit the Bank Guarantee/Letter of Credit for delay in delivery or any material breach of the terms of the Order.

24. COMPLIANCE WITH LAWS

Supplier shall comply with all its country's applicable laws and applicable Israeli laws as will be specifically informed and referred to by DSIT, order and regulations in performing this Order. Supplier covenants to save and hold DSIT harmless of and from – and to reimburse DSIT for – any and all costs, damages and expenses (including attorney's fees) incurred by DSIT as a result of any failure by Supplier to comply with any such laws, regulations, or orders.

25. GOVERNING LAW & JURISDICTION

This Order shall be governed by and construed in accordance with the laws of Israel and the Courts of Tel-Aviv, Israel shall have the sole and exclusive jurisdiction over any dispute which may arise with respect to this Order.

Any dispute as to a matter arising out of or relating to this Order shall be resolved amicably. The aggrieved Party shall notify the other Party in writing of the existence of any dispute and request a review by the President & CEO of DSIT and the CEO of Supplier, who shall attempt to resolve the dispute within thirty (30) calendar days of the notification. If the Parties are unable to resolve the dispute, then either Party may commence legal proceedings by so notifying the other Party.

26. MISCELLANEOUS PROVISIONS

- 26.1 Supplier shall not assign, delegate or subcontract any of its rights or obligations under this Order or any interest therein, in whole or part, to a third party without the prior written approval of DSIT, and any purported assignment, delegation or subcontracting in contravention hereof shall be null and void. Should any delegation be made or subcontract be entered into by Supplier whether or not permitted, the Supplier hereby assumes full responsibility and liability for all acts and omissions of such delegate or subcontractor and agrees to indemnify and hold DSIT harmless from and against all loss, cost, damage or expense incurred or suffered by DSIT or claims made against DSIT by reason thereof, including without limitation all litigation costs, attorney fees and expenses and the like.
- 26.2 Supplier undertakes not to divulge to any third party any information with regard to this Order.
- 25.3 All oral and written communications generated by either party shall be in English language.
- 26.4 Any failure of DSIT, at any time, to enforce any provision of this Order shall not constitute a waiver of such provision or prejudice the rights of DSIT to enforce such provision at any subsequent time.
- 26.5 The headings used in this Order are for convenience only and shall not affect the interpretation of this Order.
- 26.6 If any provision of this Order is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable.
- 26.7 The Supplier shall not pledge or in any way encumber any property of DSIT, including but not limited to the Goods, DSIT Equipment and the Data.
- 26.8 The singular of any word shall be deemed to be the plural to the extent necessary to effectuate the intent of DSIT and the Supplier.
- 26.9 All notices in connection with this Order shall be in writing and shall be delivered by hand, telex or registered mail according to the respective contact information and addresses of the parties set forth in the Order.
- 27. ENVIRONMENTAL QUALITY SYSTEM**
- The supplier is obliged to work in accordance with Environmental quality rules and regulations. As such the supplier shall use any effort to prevent environmental pollution during processes and use environmentally friendly materials and packaging.
- 28. ANTICORRUPTION**
- Supplier represents and warrants to, and covenants and agrees that:
- 28.1 In connection with its performance of this Order and with the sale of any goods or services in connection therewith, the Supplier has not, directly or indirectly, offered, paid, promised to pay or authorized the payment of any money or gift, or offered, promised to give, or authorized the giving of anything of value to, and will not, directly or indirectly, offer, pay, promise to pay or authorize the payment of any money or gift, or offer, promise to give, or authorize the giving of anything of value to:
- (i) any Customer official, any political party or official thereof, or any candidate for political office (each such official, political party or official thereof, or candidate or person being herein called a "Restricted Person");
 - (ii) any person while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to any such Restricted Person;
 - (iii) any officer, director, shareholder, employee or agent of any customer of the Supplier or DSIT (hereinafter in this section a "Customer"), for the purpose of:
 - (a) influencing any act or decision of such Restricted Person or officer, director, shareholder, employee or agent of any Customer in his or its official capacity, or inducing such Restricted Person, or officer, director, shareholder, employee or agency of any Customer to do or omit to do any act in violation of the lawful duty of such Restricted Person or officer, director, shareholder, employee or agency of any Customer;
 - (b) including such Restricted Person or officer, director, shareholder, employee or agent of any Customer to use his or its influence with any Customer or instrumentality thereof or any Customer to affect or influence any or decision of such Customer or instrumentality of Customer, in order to assist either Party hereto in obtaining or retaining business for or with, or directing business to, any person.
- 28.2 None of Supplier's officers, directors, shareholders, employees and agents is a Restricted Person.
- 28.3 Neither the Supplier nor any of its shareholders, directors, officers, employees or agents has performed or will perform any act which would constitute a violation of the Israeli Penal Law 1977 or any applicable anti-corruption regulation (collectively, the Relevant Anti-Corruption Laws), or which would cause either party hereto to be in violation of the Relevant Anti-Corruption Laws.
- 28.4 No Restricted Person has a right to share directly or indirectly in the proceeds of any sales contract obtained pursuant to this Order. The payments made hereunder have not been used, and will not be used, for any activity or purpose that would violate the Relevant Anti-Corruption Laws or that might expose either Party to liability under the Relevant Anti-Corruption Laws.

29. SUPPLIER CODE OF CONDUCT

DSIT is committed to best practices regarding integrity in business conduct, including in its dealings with our suppliers, contractors and consultants. Our commitment to operate according to ethical standards is an important factor in enabling DSIT to meet its business goals and demands of today's marketplace.

A reliable and ethical supply chain is critical for DSIT's ability to support our and our customers' goals. Integrity, safety and quality are fundamental to DSIT's performance, and we encourage a collaborative environment with our supply chain in these areas. Our customers rely on us to work with suppliers, subcontractors and other business partners who share these values.

To support the business integrity of our activities, we require that members of our supply chain endorse our values relating to the range of areas set forth herein.

DSIT's commitment to fair and ethical conduct

(1) DSIT is committed to conducting its business fairly, impartially, ethically and in a proper manner, including in making its procurement decisions.

(2) Among other provisions of the code of DSIT, DSIT requires its employees to timely disclose any situations where family members, close personal friends, or former DSIT employees could bias, or appear to bias, DSIT's business decisions, including those relating to procurement. DSIT also provides that its employees may accept only nominal value gifts, entertainment or other items from suppliers or potential suppliers, as set forth in its our anti-bribery compliance policy.

Supplier's conduct

DSIT relies on its supply chain to choose sub-tier subcontractors and suppliers that also share the values included herein. It is important everyone working on your behalf for us conducts business in the manner prescribed by the code. By entering into any subcontract or purchase order with DSIT, you are committing to conduct your activities in a manner consistent with terms herein. Accordingly, all of your business activities relating to work with the DSIT must be performed in a manner that is fair, ethical and compliant applicable laws and regulations. Supplier will conduct all of its business activities relating to DSIT in a manner that is fair, ethical and fully compliant with applicable laws and regulations, including, but not limited to, those relating to:

- human rights
 - child labor
 - human trafficking, including forced or indentured labor
- employment practices
 - harassment
 - non-discrimination
 - wage and benefits
 - free association
- anti-corruption
 - anti-corruption laws and regulations
 - zero tolerance policy
 - illegal and improper payments or benefits
 - due diligence
 - gifts/business courtesies
 - offers of employment
 - fraud and deception
- competition and anti-trust
- insider trading
- conflicts of interest
- maintain accurate records
- information protection
 - protection of sensitive information
 - use of sensitive information
 - information security
- marketing materials and interactions with the media
- environment, health and safety

- environmental, health and safety management
- conservation of natural resources
- protection of employee health and safety
- global trade compliance
- responsible sourcing of minerals
- counterfeit parts
- government procurement
 - compliance with government contracting regulations
 - source selection information
 - lobbying
- ethics program expectations
 - whistleblower protection and non-retaliation
 - consequences for violating the code
 - ethics policies
- reporting concerns
 - self-monitoring and reporting
 - reporting point of contact
- right to audit

Supplier is expected to comply with the above listed requirements. Supplier is expected to self-monitor its compliance with the above-mentioned standards of conduct and to promptly notify DSIT in the event of any non-compliance or suspicion of non-compliance that could affect Supplier's activities with DSIT.

30. PROHIBITED SOFTWARE

A) this clause only applies to supplies that includes the delivery of software.

B) as used herein, "prohibited license" means the general public license ("GPL") or lesser/library GPL, the artistic license (e.g., perl), the Mozilla public license, the Netscape public license, the sun community source license, the sun industry standards license, or variations thereof, including without limitation licenses referred to as "GPL-compatible, free software license."

C) "prohibited software" means software that incorporates or embeds software in, or uses software in connection with, as part of, bundled with, or alongside any (1) open source or "free" software, library or documentation, or (2) software licensed under or subjects the software to a prohibited license, or (3) software provided under a license that requires the delivered software to be licensed for the purpose of making derivative supplies or be redistributable at no charge, or obligates DSIT to make available in any way or accessible to any third party the delivered software, in any format, or any portion thereof, any products and/or object code and/or source code formats incorporating the delivered software.

D) unless Supplier has obtained DSIT prior written consent, which DSIT may withhold in its sole discretion, Supplier shall not use in connection with this order, or deliver to DSIT, any prohibited software. Supplier agrees to defend, indemnify, and hold harmless DSIT, its customers and suppliers from and against any claims, damages, losses, costs, and expenses, including reasonable attorneys fees, relating to use in connection with this order or the delivery of prohibited software.

31. COUNTERFEIT MATERIEL PREVENTION

Supplier represents and warrants by acceptance of the order and certifies with each shipment of deliverables that only new and authentic materials will be used and they contain no counterfeit materiel. Supplier shall only purchase authentic materials/components directly from the OEM'S/OCM'S or through the OEM'S/OCM'S authorized or franchised distribution chain. Supplier further represents and warrants that it has (or will have) and will make available to DSIT, at DSIT's request, all acquisition/procurement documentation from the OEM/OCM or their authorized or franchised distribution chain that authenticates traceability of each part, component, module or assembly of Supplier's products or goods back to the applicable OEM/OCM. For purposes of this paragraph, "counterfeit materiel" shall mean a part, component, module, or assembly or supplies whose origin, material, source of manufacture, performance, or characteristics are misrepresented. The term "counterfeit materiel" includes, but is not limited to, (a) parts that have been (re)marked to disguise them or falsely represent the identity of the manufacturer, (b) defective parts and/or surplus material scrapped by the original manufacturer, (c) previously used materiel pulled, repaired or otherwise reclaimed and provided as "new" or (d) materiel that have reached a design life limit.

Supplier will establish and maintain a counterfeit materiel prevention and control plan, using as a guideline aerospace standards AS5553 and AS6174. The purpose of the plan shall be to prevent the delivery of counterfeit materiel and control of materiel identified as counterfeit.

If counterfeit materiel is furnished under this order, DSIT shall have the right to act in accordance with AS6174 and AS5553 including, impounding and

rendering physically unusable the materiel. Supplier shall be liable for all costs related to the materiel impounding, rendering physically unusable, removal and replacement. DSIT reserves the right to withhold payments for said materiel. DSIT also reserves the right to report and to turn over such counterfeit materiel to the relevant authorities.

Notwithstanding the above and in addition, in the event that the end user is the U.S. Dod, as defined in article 30 herein ("U.S GOVERNMENT CLAUSES"), then DFARS 252.246-7007 contractor counterfeit electronic part detection and avoidance system, as well as NDAA section 818, are fully applicable. In the event of contradictions between the DFARS or the NDAA provisions and the other provisions of this article, "counterfeit material prevention", the more stringent provisions shall apply. Supplier shall include the terms of this article in its subcontracts to the extent relevant.

32. CYBER MATTERS

Malwares, Spywares, Viruses Prevention

Relevant to software integrated systems suppliers, software based on standard operating systems (Windows, Linux, OS, Android etc.) - Supplier will take all measures to protect the product systems from malware and spyware including:

1. Updating the operating systems with the most updated security patches prior to delivery to the customers.
2. Blocking the BIOS from change making.
3. Performing a cleaning and removal of viruses, malwares and spywares before delivery to the customer including a documentation of the process and findings reporting.
4. Providing the customer with a record of the cleaning process and findings statement, as part of the delivery documentation.

Whenever a cyber event occurred at Supplier premises, or his sub-tier suppliers premises or anywhere impacting the deliveries to the customer then:

1. The Supplier will report within 48 hours maximum, if any data was attacked or exposed, including unauthorized access, misuse, loss of data, data erasure or change or inadvertent exposure, not in compliance with the order requirements
2. Immediately launch an investigation of the event and the associated risks.
3. Supplier will cooperate to the extent possible with the DSIT, in any investigation regarding the nature and the extent of the occurrence.
4. Supplier will bear the costs of the investigation and recovery of the cyber event outcomes.

Cyber Security Incident Reporting

It is our customers' and our expectation that we will be notified if any information provided by DSIT or generated in support of business with DSIT is impacted as a result of a cybersecurity incident. Therefore:

1. Supplier must notify DSIT within 48 hours if any DSIT's or customer's information provided as part of, or generated in support of, contract performance is "compromised."
2. "compromised" is defined as unauthorized access, inadvertent disclosure, known misuse, loss, destruction or alteration of information provided by the DSIT, other than as what was outlined in the agreed to scope of work.
3. Supplier must take appropriate and immediate actions to investigate and contain the incident and any associated risks.
4. Supplier should also provide reasonable cooperation to DSIT in conducting any investigation regarding the nature and scope of the incident.
5. Costs incurred in investigating or remedying incidents are the responsibility of the Supplier.