



GENERAL TERMS AND CONDITIONS FOR THE SALE OF GOODS

1. Scope

- 1.1. These general terms and conditions for the sale of goods (the "Terms") shall apply to any sale by SATEC (together with any of its affiliated entities, subsidiaries or holding companies referred to as "SATEC") of any SATEC products (the "Supplies") to the person or entity placing an order with SATEC which is accepted by SATEC under these Terms (the "Buyer"). The Buyer and SATEC are collectively referred to as the "Parties" and each individually as a "Party".
- 1.2. SATEC shall only be bound and an agreement for the sale of Supplies between SATEC and the Buyer on these Terms shall only be concluded once SATEC accepts, in writing, any purchase order(s) placed by the Buyer for any Supplies (the "Acceptance").
- 1.3. Notwithstanding any language to the contrary in the Buyer's standard terms and conditions of purchase, in any purchase order, any correspondence or any other form of acknowledgment, the Buyer shall be bound by these terms and any other terms and conditions are hereby expressly rejected and excluded.
- 1.4. No variation to these Terms shall be binding unless agreed in writing by an authorized representative of SATEC. Prior dealings, usage of the trade or a course of performance shall not be relevant to determine the meaning of this contract even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.
- 1.5. The scope of the sale (the quantity, part number(s), price(s) and description of the Supplies) shall be as set out or as referred to in the Acceptance.

2. Price, Terms of Payment and Set –Off

- 2.1. The price of the Supplies shall be the price set out in the Acceptance or, where no price has been set out, the price listed in SATEC's published price list current at the date of the Acceptance.
- 2.2. Unless otherwise agreed by SATEC in writing, all prices shall be EXW Jerusalem, Israel (Incoterms 2010) and shall include packaging costs.
- 2.3. The price is exclusive of Value Added Tax or any other applicable tax which the Buyer shall pay in addition when it is due to pay for the Supplies.
- 2.4. SATEC shall issue an invoice for the Supplies upon shipment. The sum shall be paid free from any deductions or set-off to SATEC's bank account within the agreed payment terms unless otherwise specified or referred to in an Acceptance. Time for payment shall be of the essence. If the due date for payment calculated in terms of this clause 2.4 falls on a non-business day payment shall be due on the last business day immediately preceding the relevant non-business day. Payment



shall not be deemed to have been made until SATEC has received sums due to it in full in cleared funds.

- 2.5. If the Buyer fails to make any payments as and when they fall due under these Terms, SATEC may, without prejudice to its other rights (i) suspend performance of its obligations under these Terms until such payments have been made; and (ii) charge interest on such overdue amounts at a rate of 10% above the European Central Bank's reference rate per annum from the due date to the date of payment in full.
- 2.6. SATEC shall be entitled to set off any payments due from SATEC to the Buyer, from any receivables due from the Buyer to SATEC after the Buyer had been given seven days prior notice written of SATEC's intention regarding such set off. The Buyer shall not be entitled to set off any payments due to SATEC from the Buyer without the prior written agreement of SATEC.
- 2.7. Acceptance of all orders is subject to the Buyer meeting SATEC's credit requirements. Terms of Payment are subject to change for failure to meet such requirements. SATEC reserves the right at any time to demand full or partial payment before proceeding with a sale if in the judgment of SATEC, the financial condition of the Buyer does not justify the terms of payment specified.

3. Minimum Billing

Orders less than five hundred (500) USD, or its equivalent in any other currency, will be assessed a shipping and handling charge of five (5) % of the price of the order, with a minimum charge of twenty-five (25) USD, or its equivalent in any other currency, unless noted differently by SATEC on Acceptance.

4. Delivery

- 4.1. Unless otherwise agreed in writing or set out differently in the Acceptance, delivery shall be made by SATEC EXW (Incoterms 2010) at SATEC's warehouse as notified to the Buyer. Supplies must be collected by the Buyer within fourteen (14) days of notification by SATEC of the Supplies being ready for collection.
- 4.2. As notified to the Buyer any dates quoted for delivery of the Supplies are approximate only and may not be made of the essence by notice. SATEC shall not be liable for any delay in delivery of the Supplies howsoever caused. If no delivery dates are specified, delivery will be within a reasonable time.
- 4.3. If SATEC is satisfied that the Supplies have been short delivered, SATEC shall at its option:
 - 4.3.1. make up any short delivery by dispatching to the Buyer such Supplies as SATEC is satisfied were not delivered; or
 - 4.3.2. allow the Buyer credit in respect thereof.



- 4.4. SATEC's liability shall be limited to making up the delivery or allowing credit as above.
- 4.5. Where the Supplies are to be delivered in instalments, each delivery shall constitute a separate contract and defective delivery by SATEC of any one or more of the instalments in accordance with these Terms shall not entitle the Buyer to treat these Terms as a whole as repudiated.
- 4.6. If SATEC fails to deliver the Supplies for any reason (other than the Buyer's fault) and SATEC is accordingly liable to the Buyer, SATEC's liability shall be limited to the excess (if any) of the cost to the Buyer (in the cheapest available market) of similar goods to replace those not delivered over the price of the Supplies.
- 4.7. If the Buyer fails to take delivery of the Supplies or fails to give SATEC adequate delivery instructions at the time stated for delivery (otherwise than by reason of any cause beyond the Buyer's reasonable control or by reason of SATEC's fault) then, without prejudice to any other right or remedy available to SATEC, SATEC may:
 - 4.7.1. require payment on any reasonable basis, including but not limited to the selling price, and any additional expenses, or costs resulting from such a delay;
 - 4.7.2. store the Supplies until actual delivery at the sole cost and risk of the Buyer and charge the Buyer for the reasonable costs (including handling and insurance) of storage; or
 - 4.7.3. sell the Supplies at the best price readily obtainable and (after deducting all reasonable storage and selling expenses) account to the Buyer for the excess over the price under these Terms or charge the Buyer for any shortfall below the price under these Terms; and
 - 4.7.4. payment of any amount contemplated in clauses 4.7.1, 4.7.2 or 4.7.3 shall be due by the Buyer within the agreed payment terms.
- 4.8. If SATEC holds any of the Supplies contemplated in clause 4.7 on the Buyer's behalf in excess of 3 (three) months from the time stated for delivery, SATEC shall be entitled to terminate the agreement in respect of such Supplies. In the event that any part of the price for such Supplies was paid by the Buyer prior to such termination, SATEC shall repay such amounts after deducting all costs incurred by SATEC in respect of such Supplies prior to termination.
- 4.9. Buyer shall provide any information and documents required for export, transport and import purposes.

5. Title and Risk

- 5.1. Title to all Supplies shall be retained by SATEC until all amounts due to SATEC in respect of such Supplies, including any charges or interest, are paid in full.



- 5.2. Until ownership of the Supplies has passed to the Buyer, the Buyer must take all reasonable measures to keep the Supplies in a satisfactory condition to the reasonable satisfaction of SATEC.
- 5.3. The Buyer shall not be entitled to pledge or in any way charge by way of security for any indebtedness any of the Supplies which remain SATEC's property, but if the Buyer does so all monies owing by the Buyer to SATEC shall, without prejudice to any of SATEC's other rights or remedies, become due and payable immediately.
- 5.4. To the extent that any provision of furnishing security to SATEC is invalid according to the laws where the Supplies that are retained by SATEC are located, Buyer shall be responsible to obtain, after receiving SATEC's written consent, any other security which is recognized by the local law and which gives SATEC an equivalent safeguard. The Buyer shall be bound to perform all acts and take all steps necessary for the creation and upholding of security rights for the benefit of SATEC.
- 5.5. Risk of any loss or damage to the Supplies shall pass from SATEC to the Buyer upon the delivery of the Supplies in accordance with the applicable Incoterm as set forth in accordance with clause 4.1.

6. Returning Products

Authorization and shipping instructions for the return of any Supplies must be obtained from SATEC in writing before any Supplies may be returned to SATEC by the Buyer.

7. Intellectual Property Rights

- 7.1. Each Party shall remain the owner of its Background IP and nothing contained in this Agreement shall imply any transfer of title of Background IP. SATEC shall be the sole owner of all Foreground IP and shall have full title to such rights.
- 7.2. The Buyer shall not do or authorize any third person to do any act which would or might damage or be inconsistent with the trademarks (which term for purposes of these Terms shall include but not be limited to trademarks, trade names, service marks, logo marks, trade dress other trade names, whether registered or unregistered) used by SATEC in relation to the Supplies or to the goodwill associated therewith and, in particular, will not do or authorize the alteration, obliteration, covering up or incorporation of other marks (in whole or in part) on to the Supplies. The Buyer shall not use or authorize any third person to use the trademarks used by SATEC in relation to the Supplies on any stationery, advertising, promotion or selling material other than the Supplies or other such materials supplied by SATEC to the Buyer. All advertising, promotion and selling materials supplied by SATEC to the Buyer shall remain the property of SATEC and the Buyer shall not permit any other person to make use thereof. The use in any form of the name "SATEC" or SATEC's logo in the official name, company name,



trading or business name, domain name or other similar name of the Buyer requires the prior written approval of SATEC.

- 7.3. The Buyer agrees to inform SATEC promptly about any infringement of any of SATEC's trademarks or other Intellectual Property Rights or of any act of unfair competition of which the Buyer has knowledge. SATEC and the Buyer shall then jointly decide on appropriate action. The Buyer agrees to assist in every way possible in legal actions taken by SATEC or its affiliated entities in this regard.
- 7.4. If any claim is made against the Buyer that the Supplies infringe or that their use or resale infringes the rights of any third party, SATEC may (at its option) either secure the Buyer's right to continue to use the Supplies or replace or modify the Supplies to make them non-infringing, or if neither of these alternatives is reasonably available to SATEC, refund the purchase price.
- 7.5. In these Terms:
 - 7.5.1. "Background IP" means any intellectual property and Intellectual Property Rights existing before the date of the Acceptance, and any Intellectual Property Rights generated after the date of Acceptance but outside the scope of these Terms;
 - 7.5.2. "Foreground IP" means all intellectual property and Intellectual Property Rights generated under these Terms; and
 - 7.5.3. "Intellectual Property Rights" means any intellectual and industrial property rights including, but not limited to, copyright, moral rights and neighboring rights, all rights in relation to: inventions (including patent rights and utility models), trademarks, confidential information (including trade secrets and know how), drawings, prototypes, algorithms, software, mask works and semiconductor topographies and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic field, afforded by law anywhere in the world whether registered or unregistered or capable of registration and all applications therefore.

8. Termination, Cancellation and Changes

- 8.1. Without prejudice to any other rights of termination provided herein, the agreement between the Parties under these Terms may be terminated without cause by giving a minimum of 90 days' notice at any time effective upon written notice under the following conditions:
 - 8.1.1. by either Party if the other Party commits a material breach of these Terms, and such breach is not cured within 30 business days of written notice of such breach, if such breach is not reasonably subject to cure within 30 business days, the Party in breach has not commenced a continuous good faith effort to cure the default;
 - 8.1.2. by either Party if the other Party commits any act of bankruptcy or has a receiver, administrative receiver or manager, administrator appointed or compounds with its creditors or takes or suffers any similar action in consequence of debt or if being a



company it enters into liquidation whether compulsorily or voluntarily, in which event any outstanding amounts under these Terms shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

8.1.2. In case of termination SATEC will do her best efforts by helping the distributor of selling the remained stock to alternative channel or any other way which will be acceptable by the Parties.

8.2. The Parties may agree to make changes to an order after Acceptance in writing from time to time.

9. Warranty

9.1. Unless otherwise agreed in writing by the Parties, SATEC warrants to the Distributor that the Products and Services shall be free from defects in design, material, and workmanship ("Defects"), under normal use, for a maximum period of 36 months from the date of SATEC Invoice for such products. SATEC shall, subject to the provisions of these Terms and for the duration of the Warranty, remedy any material Defect in the Products resulting from faulty design, material or workmanship which impairs the functioning of the relevant Products. There shall be no claims based on Defects in cases of insignificant deviations, of only minor impairment of usability or from non-reproducible software errors.

9.2. This limited Warranty shall not apply to any Supplies or component thereof which:

9.2.1. has been repaired or altered outside of SATEC's factory in any manner so as, in SATEC's sole judgment, to affect its serviceability;

9.2.2. has been subject to alteration, accident, misuse, abuse, neglect or abnormal wear;

9.2.3. has been installed, operated or used in a manner contrary to SATEC's instructions, or due to failure to follow SATEC's instructions for operation and maintenance; or

9.2.4. has been subjected to abnormal or unusual physical or electrical stress or environmental conditions misused or negligently handled or operated.

9.3. SATEC shall not be liable for damage due to third party acts, atmospheric discharges, excess voltage, chemical influences and for loss and damage in transit. The Warranty does not cover the replacement of parts subject to normal wear and tear. SATEC gives no warranty for the sale of used Supplies. If the Supplies are manufactured by SATEC on the basis of design data, design drawings, models or other specifications supplied by the Buyer, SATEC's warranty shall be restricted to noncompliance with the Buyer's specifications as approved by SATEC under these Terms.

9.4. SATEC's sole obligation and Buyer's sole remedy under the Warranty shall be, at SATEC's option and discretion, to either repair or replace at no additional charge,



the defective Supplies (or the defective part of the Supplies) thereof, which is proved to breach such Warranty.

- 9.5. Except for the express warranty set forth above, SATEC makes no other representations or warranties, express or implied, statutory or otherwise, regarding the supplies, their fitness for any particular purpose, their merchantability, their quality, their non infringement, or otherwise.
- 9.6. The Buyer shall expressly not have any claim with regard to expenses incurred in the course of supplementary performance, including costs for travel, transport, labor, and material, to the extent that expenses are increased because the subject-matter of the Supplies has subsequently been brought to another location than the place of delivery.
- 9.7. All drawings, descriptive matter, specifications and advertising issued by SATEC and any descriptions or illustrations contained in SATEC's catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the Supplies described in them. They will not form part under these Terms in general or this Warranty specifically. SATEC may make any changes in the specifications, design or materials of the Supplies which are required to conform with any applicable safety or other statutory requirements, or where the Supplies are to be supplied to SATEC's specifications, which do not in SATEC's reasonable opinion materially affect the quality or performance of the Supplies.
- 9.8. The Buyer shall only have a claim for damage based on Defects within the limits set forth in these Terms.

10. Liability

- 10.1. The remedies of the Buyer under these Terms are exclusive and are its sole remedies for any failure of SATEC to comply with its obligation hereunder.
- 10.2. In no event, whether under contract, statutory law or tort, shall the aggregate liability of SATEC under these terms exceed the price paid in respect to the Supplies to which such liability relates. This limit of liability is cumulative and not per-incident (i.e. the existence of two or more claims will not enlarge this limit). Furthermore, it applies cumulatively to all of SATEC's affiliated entities.
- 10.3. In no event, whether under contract, statutory law or tort, shall SATEC or its affiliated entities, officers, directors, employees, agents, be liable for indirect, incidental or consequential damages, including but not limited to loss of profit, loss of use, loss of production or penalty payments.
- 10.4. The limitations of liability shall not apply in the following cases:
 - 10.4.1. liability in accordance with Defected Products Liability Law, 5740-1980;
 - 10.4.2. intent;



- 10.4.3. gross negligence on the part of the owners, legal representatives or executives;
- 10.4.4. fraud;
- 10.4.5. negligent injury to life, limb or health; or
- 10.4.6. negligent breach of fundamental obligations arising out or resulting of these General Terms and Conditions for Sale.

11. Transfer of Rights and Obligations; Indemnification

- 11.1. The Buyer is only entitled to transfer any rights to its customers resulting out of these Terms within the limits set forth herein. Any obligations exceeding these Terms remain at the sole responsibility of the Buyer. The Buyer shall provide the user (including its employees) of the Supplies with all SATEC supplied product notices, warnings, instructions, recommendations and similar materials.
- 11.2. The Buyer shall indemnify and hold SATEC harmless from and against all losses, claim damages or other costs of any nature or kind whatsoever (including attorneys' fees) arising from a breach of any provision of these Terms by the Buyer or the negligence, misconduct or actions of the Buyer, its officers, employees, agents of contractors. The same applies to any loss, cost or expenses incurred by SATEC for claims made by any customer of the Buyer to the extent that such loss, cost or expense is in excess of the liability limits set forth in these Terms including, without limitation, the provisions of the Warranty.

12. Export Regulations and Anti-Corruption

- 12.1. The performance of any obligations under these Terms is conditional upon that no hindrances attributable to applicable local, Israel or United Nations or United States of America (US) or otherwise applicable national, European Union or international rules of foreign trade law or any sanctions or any embargoes exist.
- 12.2. The Buyer shall comply with all laws as set forth in clause 9.1. The Buyer shall not take any action which could place SATEC or any other associated company in jeopardy of breaching or violating any such laws, regulations, provisions and/or acts or any interpretations thereof.
- 12.3. The Buyer agrees to comply fully with all applicable anti-corruption laws and regulations, including (but not limited to) those in the jurisdiction in which the Buyer is registered, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act. The Buyer agrees to comply with SATEC's Worldwide Anti-Corruption Policy and Worldwide Gift & Entertainment Policy, copies of which are available on request.



- 12.4. The Buyer shall observe at all times SATEC's Code of Ethics and related policies, copies of which are available upon request.
- 12.5. The Buyer agrees to indemnify, defend and hold SATEC harmless from any breach of the Buyer's obligations under this clause 12.

13. Force Majeure

- 13.1. If SATEC is prevented, hindered or delayed from or in performing any of its obligations under these Terms (other than a payment obligation) by a Force Majeure Event, SATEC's obligations under these Terms are suspended while the Force Majeure Event continues and to the extent that it is prevented, hindered or delayed.
- 13.2. "Force Majeure Event" means an event beyond the reasonable control of SATEC including, without limitation, strike, lock out, labor dispute (but excluding strikes, lockouts and labor disputes involving employees of SATEC), supply difficulties and delays, breach of contract or disputes with the sub-contractors of SATEC, act of God, war, riot, civil commotion, malicious damage (but excluding malicious damage involving the employees of SATEC) compliance with a law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery fire, flood, storm and difficulty or increased cost in obtaining workers, goods or transport.
- 13.3. Where a Force Majeure Event in the meaning of clause 13.2 substantially changes the economic importance of the contents of the Supplies or considerably affect the Buyer's business, the contract shall be adapted taking into account the principles of reasonableness and good faith. To the extent this is not justifiable for economic reasons; SATEC shall have the right to rescind the contract. If SATEC intends to exercise its right to rescind the contract, it shall notify the Buyer thereof without undue delay after having realized the repercussions of the event; this shall also apply even were an extension of the delivery period has been agreed with the Buyer.

14. Confidentiality and Announcements

- 14.1. "Confidential Information" means all information (whether communicated in writing, verbally, electronically or by any other means and whether communicated directly or indirectly), including information in connection with these Terms and the transactions contemplated therein, or any related agreement, which by its nature is intended to be for the knowledge of the receiving Party alone, which is marked as "confidential" or "proprietary" or which is otherwise confidential, and all information concerning the business transactions and the financial arrangements of any Party with any person with whom that Party is in a confidential relationship with regard to the matter in question.
- 14.2. Neither Party, including but not limited to its affiliated entities, owners, managers and employees shall, without the prior written consent of the disclosing Party, for

any purpose other than the proper performance of its obligations under these Terms make use of or disclose or permit the use or disclosure to any third party of any trade secrets or other Confidential Information, whether relating to the method of operation or business of the other Party or the Supplies which it may receive or obtain either directly or indirectly, or make any public announcement, communication or circular concerning the transactions to which these Terms shall apply. This obligation shall remain in force for 5 years after fulfillment of the Supplies, but shall not apply to any information which (i) was publicly known at the time of disclosure to the receiving Party or becomes publicly known through no fault of the receiving Party subsequent to the time of communication thereof to the receiving Party; (ii) was in the receiving Party's possession free from any obligation of confidence at the time of communication thereof to the receiving Party; (iii) is developed independently by the receiving Party or its Affiliates, and without reference to any of the disclosing Party's Confidential Information or other information has disclosed in confidence to any third party, as evidenced by contemporaneous written records; (iv) required by law, by a rule of a listing authority or stock exchange to which either Party is subject or submits provided that only such Confidential Information as is strictly required is disclosed; or (v) is rightfully obtained by the receiving Party from third party authorized to make disclosure thereof without restrictions.

- 14.3. A disclosing Party has no liability or responsibility for errors or omissions in, or any decisions made by the receiving Party in reliance on any Confidential Information disclosed under these Terms. No warranties of any kind (whether express, implied or statutory) are made in connection with the Supplies as to the accuracy or completeness of the Confidential Information disclosed.

15. Governing Law and Jurisdiction

- 15.1. These Terms, their interpretation and any contractual or non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with the laws of Israel without regard to any conflict of law rules.
- 15.2. Any dispute arising directly or indirectly out of these Terms shall be resolved exclusively by the competent courts in Tel Aviv, Israel.

16. General

- 16.1. If any provision of these Terms is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in these Terms but without invalidating any of the remaining provisions of these Terms. The Parties shall then use all reasonable endeavors to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.



- 16.2. The Buyer may not assign, license or sub-contract all or any of its rights or obligations under these Terms without SATEC's prior written consent. SATEC may assign, license or sub-contract all or any part of its rights or obligations under these Terms without the Buyer's consent.
- 16.3. The failure to exercise or delay in exercising a right or remedy provided by these Terms or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by these Terms or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.
- 16.4. Any notice hereunder shall be deemed to have been duly given if sent by registered post or fax to the Party concerned at its registered office or principal place of business. Notices sent by registered post shall be deemed to have been given seven days after dispatch and notices sent by fax shall be deemed to have been given 48 hours from the date of dispatch.