



1. DEFINITIONS

As used throughout Cielo Inertial Solutions LTD ("Cielo") Orders, the following terms have the following meanings:

Supplier: The legal entity specified in the Order Form to whom the Order is addressed.

Each of them defined herein as "Party" and both of them as "Parties".

Goods: The deliverable items detailed in the Order.

Services: The activities and obligations to be carried out by the Supplier beyond the design and/or development and/or production and/or supply of the Goods, detailed in the Order.

Work: The Supply of Goods and the performance of the Services.

Order Form: The document bearing the title Purchase Order.

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 constitutes the entire agreement between the parties. 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, its remaining annexes, this GTC.

3. MANNER OF PERFORMING THE ORDER

3.1. Supplier shall supply the Goods and Services to Cielo 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 Cielo's prior written approval.

4. PRICE AND PAYMENT

4.1. The Prices indicated in the Order represent the full and complete price to be paid by Cielo in relation to the Order and Cielo shall not be required to pay any further amounts without its prior written authorization.



Document No: 900-0074-A01 -
Cielo general Terms and
Condition

File Name: 900-0074-A01 Cielo general Terms and Condition

Classification: *Company Confidential*

- 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 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.

- 4.3. Unless otherwise specified in the Order, Cielo will make payment sixty (60) days from the end of the month of receipt Supplier's invoice, together with the packing list, signed Acceptance Test certificate(s), evidence of shipment or delivery in accordance with Cielo's instructions and such other documents as are specified in the Order, all in proper form.

5. SUPERVISION

- 5.1. Cielo's representative(s) and/or authorized shall be entitled to monitor, inspect and/or audit the performance of the Work as and when requested by Cielo 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 tests. The Supplier shall enable Cielo's representative(s) or authorized to monitor the Work and shall provide them with any assistance they require. The Supplier shall place at Cielo's disposal, if so requested by Cielo, a suitable place in its facilities with suitable conditions and equipment, in order to enable Cielo's representative(s) to monitor the Work.
- 5.2. Cielo'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 Cielo, whenever so requested by Cielo and in the 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.
- 5.4. If Cielo's prior written approval is given to the Supplier to subcontract, the Supplier shall include this Clause and all other supervision's requirements as specified in the Order and in all other applicable documents in all of its subcontracts so as to provide the aforesaid rights to Cielo Vis a Vis Supplier's subcontractors.



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 (2000) 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 reconditioned 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 Tests").
- 6.4. Except otherwise specified in the Order, Cielo shall have the right to appoint authorized 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 Cielo and Supplier respectively. PROVIDED that where the authorized Cielo's representative(s) did not attend the Acceptance Test, the Certificate of Acceptance shall be sent by Supplier to Cielo, accompanied by test data, which demonstrates successful completion of the Acceptance Test. Cielo shall sign the Certificate of Acceptance or give a notice of rejection to Supplier and its reasons therefore within thirty (30) days of receipt of the Certificate of Acceptance.
- Cielo's receipt of the Certificate of Acceptance shall not derogate from Supplier's responsibility and shall not affect Cielo's right to reject the Goods/ Services.
- 6.6. Without derogating from the foregoing, upon Cielo'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, Cielo 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 Cielo'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 Cielo's satisfaction.
- 6.9. If Cielo'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 of its subcontracts so as to provide the aforesaid rights to Cielo 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.
- 7.2. Supplier shall deliver the Goods as specified in the Order, provided that the Goods have duly passed their respective tests and are accompanied by
- (i) Certificate(s) of Acceptance duly signed by both Supplier and Cielo;
 - (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.
- 7.3. Delivery of the Goods shall be in accordance with the relevant Incoterms 2000 specified in the Order.
- 7.4. Upon the delivery of the Goods in accordance with said Incoterms, title to and risk of loss or damage to the Goods shall pass from Supplier to Cielo, save in the event of loss or damage resulting from Supplier's fault or negligence which shall forever remain with the Supplier.
- 7.5. Delivery of the Goods shall not derogate from Cielo'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 Cielo shall not be deemed to alter or affect the obligations of Supplier or the rights of Cielo 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 quantities 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 Cielo may have under the law and under this Order, Cielo shall have the right to deduct from the Order price or to collect from the Supplier as damages and not as a penalty, a sum as set forth in the Purchase Order, from the price of the Goods not delivered and/or Services not performed by the date specified in the Order for every week of delay, or any part thereof. 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, Cielo 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 GTC if such failure arises out of causes 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 unusually 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 results in any defect or failure in products or services, deliveries, or any other aspect of performance by Supplier or its subcontractors in connection with an Order excuse the performance of Supplier under this GTC. Either Party shall notify the other Party in writing within two (2) calendar days of any and all events of Force Majeure.



Document No: 900-0074-A01 -
Cielo general Terms and
Condition

File Name: 900-0074-A01 Cielo general Terms and Condition

Classification: *Company Confidential*

9.2. If Force Majeure (which must be proven to Cielo'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, Cielo may at its sole discretion terminate any Order affected thereby or this GTC in whole or in part without any obligation or liability except that Cielo shall be responsible for payment for goods or services which have been delivered to and accepted by Cielo prior to Force Majeure notice receipt.

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 Cielo'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.

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

10.3. Upon notice of any defect, Supplier shall within a maximum period of thirty (30) days, starting from the date of Suppliers receipt of Cielo's notice and ending upon Cielo's receipt and acceptance at Cielo's facility of the modified, replaced or repaired Goods, modify, replace or repair, at Cielo's facility or the Suppliers facility, all according to the discretion of Cielo, any part or all of the Goods, which fail 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 Cielo's to the Supplier's facility and the return from Supplier's to Cielo's facility and the transportation time of Supplier's personnel to Cielo's facility, as the case may be. Supplier shall be responsible for the transportation of the Goods from Cielo to Supplier's facility and their return to Cielo's facility. Supplier shall bear all expenses whatsoever concerning the fulfillment of the warranty provisions and shall indemnify Cielo for all costs and damages incurred by Cielo due to the defect.

10.4. The Warranty Period will automatically be extended for a period equal to the period commencing with the notice of breach of warranty by Cielo to Supplier and ending with the receipt by Cielo at its facility of the repaired/ modified /replaced item. In no event shall the remaining Warranty Period be less than six (6) months.



Document No: 900-0074-A01 -
Cielo general Terms and
Condition

File Name: 900-0074-A01 Cielo general Terms and Condition

Classification: *Company Confidential*

10.5. Documentation supplied by Supplier shall be complete, accurate, up-to-date, free from errors and/or defects and/or omissions and shall enable Cielo 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. CIELO EQUIPMENT

11.1. All materials, tools and equipment that were delivered by Cielo to the Supplier and/or were purchased by the Supplier for the performance of this Order and for which Cielo has paid for (hereinafter, "Cielo Equipment") are and will remain under the exclusive ownership of Cielo. The Supplier may use Cielo Equipment for the purpose of performing this Order only and for no other purpose, and shall not transfer or make available said Cielo Equipment to any third party. The Supplier shall store the Cielo Equipment separately, in an appropriate manner and will mark said equipment in a manner that clearly identifies that said equipment belongs to Cielo.

11.2. The receipt of the Cielo 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 Cielo differently in writing ten (10) days from the day of Supplier's receipt of said Cielo Equipment and provides Cielo with proof to Cielo's satisfaction supporting its claim. In the event that following such period Supplier shall find any defect and/or deficiency in the Cielo Equipment, Supplier shall approach Cielo for the performance of any repairs and/or replacement of said Cielo Equipment. The cost of any said repair and/or replacement shall be borne by the Supplier.

11.3. The Supplier shall be responsible for Cielo's Equipment, for preserving and maintaining said equipment and for all losses and/or damages to said equipment, whatever the reason is. Supplier shall pay all expenses related to regular maintenance of said Cielo Equipment, including transport expenses in case of need.

12. RIGHTS IN DATA AND KNOW HOW AND PROPRIETARY INFORMATION



Document No: 900-0074-A01 -
Cielo general Terms and
Condition

File Name: 900-0074-A01 Cielo general Terms and Condition

Classification: *Company Confidential*

12.1. Title to and all rights (including but not limited to intellectual property rights) in all information, knowhow and data that is delivered by Cielo to the Supplier shall be and remain vested in Cielo only (hereinafter "Cielo Data").

Title to and all rights (including but not limited to intellectual property rights) in all information, knowhow and data designed and/or developed and/or acquired and/or generated in connection with the performance of this Order shall be owned by Cielo (hereinafter "Program Data").

12.2. Supplier shall be entitled to use the Cielo Data and Program Data (collectively the "Data") for the purpose of performing the specific Order only and for no other purpose. The Data shall be clearly marked as Cielo'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 Cielo of any proceeding of which it is aware which may result in disclosure and use reasonable efforts to limit or prevent such disclosure (C) to the extent that the Data is or becomes publicly available through no fault of the Supplier.

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 Cielo or Services performed for Cielo shall be deemed to have been disclosed as part of the consideration hereof and Cielo shall have the right to use same for any purpose and for any reason as Cielo may deem fit as if such information were Cielo's Data.



13. THE RETURN OF CIELO EQUIPMENT AND DATA

Upon the earlier of, Cielo'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 Cielo, as and when determined by Cielo, Cielo 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 Cielo, all at Supplier's expense.

14. EXPORT LICENSE

14.1. When applicable, Cielo's obligations to the Supplier under an Order will be 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 Cielo and to any customer of Cielo of which the Supplier has been informed. Without derogating from the foregoing responsibility of the Supplier, the Supplier shall keep Cielo 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 Cielo 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 Cielo and its customers, 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 Cielo 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 Cielo'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 Cielo 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 in any manner, whether in writing, orally or otherwise any version of an end use/ end user declaration requested by any third party related to the Order, with our Cielo 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. Cielo 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 Cielo's notice of termination. Supplier shall be entitled, subject to proper mitigation of costs satisfactory to Cielo, to the following payments:

- (i) The Order price for completed Goods that are delivered to, accepted and retained by Cielo;
- (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 Cielo and Supplier shall deliver to Cielo all the Goods or any part or unit thereof, in the manner and to the extent requested by Cielo.

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 had 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

Cielo may by written notice to Supplier and without prejudice to Cielo's other rights and remedies under this Order or law, terminate the Order for 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



Document No: 900-0074-A01 -
Cielo general Terms and
Condition

File Name: 900-0074-A01 Cielo general Terms and Condition

Classification: *Company Confidential*

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 Cielo for all costs, liabilities, losses, and damages of any nature whatsoever, incurred by Cielo (including, without limitation consequential damages). In addition, the Supplier shall return to Cielo 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 Cielo of the aforesaid. Cielo, should it elect to do so, may retain any or all of 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 of 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 Cielo and/or its customers and hold Cielo 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 Cielo and payment of any judgment therein or settlement thereof and all of Cielo'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 Cielo's sole discretion, Cielo 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, Cielo or its customers are prevented from using, possessing and/or selling the Goods or any part thereof, the Supplier shall as directed by Cielo, in addition to Supplier's obligations set forth in Sub Article 17.1 above and at Supplier's own expense either:

- (i) Procure for Cielo 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 Cielo all monies paid to Supplier under this Order.

18. CHANGES

Cielo's authorized representative may, at any time, by a written order, make changes to the Order. Supplier shall not implement any change to the Order, without Cielo's prior written consent. If Supplier is of the opinion that a change requires a change 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. Cielo 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 Cielo. If Cielo 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 Agreement and shall be resolved in accordance with the provisions of Article 24 below and the Supplier shall be obliged to immediately proceed with the change order unless otherwise instructed in writing by Cielo. The doctrine of constructive change shall not apply to this Order.

19. STOP WORK ORDER

Cielo 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, Cielo 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 Cielo's convenience in accordance with the applicable provisions of this Order. If a stop work order issued by Cielo is canceled or the period of the stop work order or any extension thereof expires, Supplier shall resume work.

20. SET OFF

Cielo 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 Cielo 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 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 Cielo 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 claim against Cielo or anyone on its behalf connected with the aforesaid.



Document No: 900-0074-A01 -
Cielo general Terms and
Condition

File Name: 900-0074-A01 Cielo general Terms and Condition

Classification: *Company Confidential*

21.3. Supplier hereby agrees to waive all rights of recourse against and agrees to defend, indemnify and hold Cielo and anyone on its behalf harmless from and against any and all liabilities, claims, damages, losses, demands, costs, proceedings and judgments 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. Cielo 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 anyone 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 the 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 Cielo 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 Cielo as Additional Insured and first loss payee as its interests may appear. Cielo 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 Cielo 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 Cielo's legal liability towards Supplier's employees. Such policy shall have limits of liability of not less than the statutory minimum of 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, toward third parties, in connection with the performance of this Order. Such policy shall: name Cielo 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 Cielo 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 Cielo 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 Cielo shall be regarded as excess insurance and non-contributory,, contain a clause according to which insurers agree to give Cielo a sixty (60) day prior written notice of cancellation or materially adverse change in conditions (seven (7) days in case of war risks).
- 22.9. The Supplier shall submit to Cielo certificates of insurance evidencing the above at least 15 working days prior to the commencement of the Work under any 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 Cielo property and Equipment insured in their full reinstatement values, to pay all premiums and fees in due time, and to cooperate with Cielo and take all reasonable acts required in order to receive indemnification under the policies, in case of an insured event.

23. 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 Cielo, orders and regulations in performing this Order. Supplier covenants to save and hold Cielo harmless of and from - and to reimburse Cielo for - any and all costs, damages and expenses (including attorney's fees) incurred by Cielo as a result of any failure by Supplier to comply with any such laws, regulations, or orders.

24. GOVERNING LAW & JURISDICTION

This Order shall be governed by and construed in accordance with the laws of the State of Israel, without reference to its conflict of law rules. The sole and exclusive jurisdiction for any judicial issue hereunder shall be in the courts of Tel Aviv, Israel to the explicit exclusion of any other court.

25. MISCELLANEOUS PROVISIONS

- 25.1. Supplier shall not assign, delegate or subcontract any of its rights or obligations under this Order or any interest therein, in whole or in part, to a third party without the prior written approval of Cielo, 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 Cielo harmless from and against all loss, cost, damage or expense incurred or suffered by Cielo or claims made against Cielo by reason thereof, including without limitation all litigation costs, attorney's fees and expenses and the like.
- 25.2. 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 the Hebrew or English language.



- 25.4. Any failure of Cielo, at any time, to enforce any provision of the Order shall not constitute a waiver of such provision or prejudice the right of Cielo to enforce such provision at any subsequent time.
- 25.5. The headings used in this General Terms and Conditions document are for convenience only and shall not affect the interpretation of the Order.
- 25.6. If any provision of the Order is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable.
- 25.7. The Supplier shall not pledge or in any way encumber any property of Cielo, including but not limited to the Goods, Cielo Equipment and the Data.
- 25.8. During the terms of the Order and till the end of the warranty period, Supplier shall be responsible to monitor all obsolescence issues related to the Goods and notify Cielo in writing at least twelve (12) months in advance in any case of such potential obsolescence.
- 25.9. The singular of any word shall be deemed to be the plural to the extent necessary to effectuate the intent of Cielo and the Supplier.
- 25.10. All notices in connection with the Order shall be in writing and shall be delivered by hand, P.O.C Email address or registered mail according to the respective contact information and addresses of the parties set forth in the Order.

26. ANTICORRUPTION

Supplier represents and warrants to, and covenants and agrees that:

26.1. In connection with its performance of the 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 Cielo (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) Inducing 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 act or decision of such Customer or instrumentality or Customer; in order to assist either Party hereto in obtaining or retaining business for or with, or directing business to, any person.

26.2. None of Suppliers officers, directors, shareholders, employees and agents is a Restricted Person.

26.3. 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 US Foreign Corrupt Practices Act FCPA of 1977, Israeli Penal Law 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.

26.4. No Restricted Person has a right to share directly or indirectly in the proceeds of any sales contract obtained pursuant to the 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.



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