



Standard Terms and Conditions - Purchase of Parts and Services

These terms and conditions apply in the absence of a specific agreement signed by the parties that governs their relationship under the PO; should such a specific agreement be signed, it will apply and these terms and conditions will not. Any explicit provision of the PO that conflicts with a provision of these terms and conditions will have preference over the provision with which it conflicts.

1. **DEFINITIONS.** "Aitech" means Aitech Systems Ltd. or the Aitech affiliate issuing the PO. "Supplier" means the person, firm or company to whom the PO is addressed. "Parts" means all the products or services to be supplied by Supplier under the PO, even if only services are being supplied. "PO" means the purchase order issued by Aitech for the supply of Parts, which may be a written or electronic document or series of documents and will not necessarily be identified as a purchase order if the intent to purchase is clear from the documents; the PO may include a statement of work or determine the specifications of the Parts in other ways.
2. **SALE AND PURCHASE OF PARTS.** Supplier agrees to sell, transfer, perform and deliver the Parts to Aitech – and Aitech agrees to purchase the Parts - in accordance with the terms set forth in the PO. Supplier will deliver parts to Aitech within the periods defined in the PO or, in the absence of definition in the PO, within 30 days after receipt of the PO. Without entitling Supplier to delay delivery and without derogating from Aitech's rights in the event of such delay, Supplier will notify Aitech in writing of any delay that it anticipates as soon as it anticipates such delay (but in no case less than 7 days before such delay) and keep Aitech informed as to when delayed delivery is anticipated. For each week or part of a week of delay in delivery, without derogating from Aitech's other rights under these terms and conditions or under law, Aitech will be entitled to a reduction in the purchase price of 5%.
3. Aitech will be entitled, upon notice to Supplier, to (i) correct typographical and other clerical errors in the PO, (ii) delay supply by up to 14 days or (iii) stop all or part of the work under the PO or cancel any future delivery of any Parts. Aitech reserves the right at any time to modify the PO in ways other than those mentioned in the preceding sentence by notice to Supplier; upon such notice, Aitech and Supplier will negotiate an equitable adjustment in price or time of performance. In any correspondence with Aitech and in shipping documents, invoices and other documents relating to the order, Supplier will clearly reference the PO number assigned by Aitech to the PO and, in the absence of such number, the date of the PO.
4. **PURCHASE PRICE AND TERMS OF PAYMENT.**
 - 4.1. Parts shipped will be invoiced at the price and currency set forth in the PO. Payment of the purchase price will be due current + 90 days after the later of Aitech's receipt of Supplier's correct invoice (including PO number or, if no PO number was assigned, the date of the PO) for such shipment or the date on which the Parts are shipped.
 - 4.2. The purchase price for the Parts will include all taxes, customs duties, customs fees or other governmental charges due with respect to the Parts – except for such charges imposed on their importation to the destination country. Aitech will withhold any taxes on Supplier's income that it is obligated to withhold.
 - 4.3. Aitech will not pay any storage or other charges (including with regard to Aitech Components, as defined below) not explicitly included in the PO.
 - 4.4. All prices are DAP to the destination specified in the PO and if no destination is specified, to the facilities of Aitech 4 Maskit street Herzlia, Israel. DAP or any alternative term used in the PO will have the meanings given them in the Incoterms current as of the time of the PO.
5. **SHIPPING AND ACCEPTANCE.**
 - 5.1. Supplier will package and ship Parts according to Aitech work instruction (General Work Instruction for Pallet Package and Boxes Qualification) and any product file submitted to Supplier by Aitech . With regard to mechanical parts, Aitech work instruction will also apply. Parts will be adequately packaged to prevent damage during handling and shipping, including damage within a larger pack. Plated Parts will be packaged to prevent tarnish and corrosion. Each package will be accompanied by a COC issued by Supplier certifying that all materials, processes and finished items supplied conform to the applicable specifications under the PO. Each package will carry a label that includes, at a minimum, Supplier's name and address, Supplier's part number, description of Parts, lot number, date code and MSL level. Any damage, whenever occurring, which results from Supplier's improper packaging will be borne by Supplier
 - 5.2. Notwithstanding anything in the foregoing to the contrary (including in Incoterms), subject to Section 6, title to and risk of loss of the Parts will pass to Aitech only upon receipt of the same by Aitech , and any rightful rejection or revocation of any Parts by Aitech will immediately shift the risk of loss of such Parts back to Supplier. Supplier accepts full responsibility for the completeness and accuracy of all transport and customs documentation provided to Aitech supplier accepts any liabilities resulting from incomplete or inaccurate data on such documents or failure to comply with any import or export requirements.
 - 5.3. Aitech may request to carry out an initial inspection of Parts in Supplier's facilities prior to shipment. Should Aitech so request, Supplier will make such arrangements as may be necessary for such inspection. Any such initial inspection will not constitute acceptance of the Parts inspected. Whether or not Aitech requested and conducted an initial inspection, Aitech will have 10 business days after Parts have been delivered to Aitech's premises to inspect them. Aitech may notify Supplier within such 10 business day period that it is accepting or rejecting all or some of the Parts. The parties acknowledge and understand that Aitech may inspect any commercial lot of the Parts consisting of numerous units of the same Part by inspecting only a reasonable sampling of such units and that Aitech may revoke acceptance of any other units of such commercial lot which Aitech at a later time discovers to be defective. Upon rejection or revocation of acceptance of any Parts, Supplier promptly will replace or correct, at Aitech's option, any unsatisfactory units at Supplier's expense, including all shipping costs. Aitech's inspection of Parts, failure to inspect Parts, failure to notify Supplier of the results of an inspection or Aitech's payment for Parts will not relieve Supplier of any of its warranty or other obligations or constitute a waiver of any of Aitech's rights under these terms and conditions.
6. **AITECH COMPONENTS.**
 - 6.1. Aitech may: (i) provide to Supplier materials or components for inclusion in Parts or for Supplier to supply other services with regard to them or (ii) provide to Supplier or fund for Supplier the purchase or manufacture of jigs, molds and other tools (such materials, components, jigs, molds and other tools, "Aitech Components"). Supplier will hold Aitech Components on behalf of Aitech and the sole title in the Aitech Components will remain with Aitech at all times. Aitech may repossess the Aitech Components at any time. Aitech may instruct Supplier to deliver such components to Aitech or may collect them from Supplier's facility at any time during regular working hours. Aitech Components will be delivered to Supplier at times to be determined by Aitech, EXW Aitech's facility. If Supplier processes Aitech Components or incorporates them in Parts, the processed Aitech Components or the Parts in which they were incorporated also will be regarded as Aitech Components.
 - 6.2. Supplier will treat Aitech Components as follows: (i) inspect them shortly after receipt to establish that that their number is consistent with the shipping documents and that they are not damaged. Supplier will notify Aitech of any inconsistency or damage within 24 hours after delivery and return the damaged Aitech Components to Aitech if Aitech requests. If Supplier does not give timely notice of inconsistency or damage, the Aitech Components will be deemed to have been delivered to Supplier un-damaged and in the number noted in the shipping documents; (ii) not remove or obliterate any Aitech markings; (iii) store the Aitech Components on shelves or in cells in which no materials or components of Supplier or any other person are stored and mark those shelves clearly "Property of Aitech Electronics"; (iv) use the Aitech Components only in accordance with the PO, Aitech work instructions and on a FIFO basis; (v) insure the Aitech Components for their full value with a reputable insurance company; (vi) act in accordance to Aitech instructions with regard to palletization, temperature control, housekeeping and other aspects of warehousing and, where Aitech has not given instructions, use reasonable warehousing procedures and take reasonable precautions against spillage, damage or theft, (vii) with regard to Aitech Components that are jigs, molds or other tools, maintain them in accordance with Aitech instructions and, where Aitech has not given instructions, use reasonable maintenance procedures and take reasonable precautions against damage or theft. (viii) carry out periodic stock checks (with Aitech representatives present if Aitech desires) and give Aitech details of missing and damaged Aitech Components; (ix) maintain appropriate security systems to prevent unauthorized access to Aitech Components, records and information and (x) allow Aitech representatives to visit the warehouse from time to time during regular business hours to carry out stock checks and verify compliance with these terms and conditions.
 - 6.3. Supplier will be liable to pay Aitech the gross cost to Aitech (including ancillary costs like shipping and insurance) of purchasing or manufacturing any Aitech Components damaged, lost or stolen during the period they are held by Supplier.
 - 6.4. Supplier agrees not to assert that it has any form of lien, right to retain or other interest in the Aitech Components. In respect to any fixed or floating charge (present or future) on Supplier's assets or any lien, attachment or other right that may be asserted or levied by a third party - both with respect to any portion of Supplier's assets, Supplier hereby undertakes: (i) to notify Aitech before the creation of the charge or

- immediately upon assertion or levying of the right; (ii) notify the relevant creditor that the Aitech Components are owned by Aitech and specifically excluded from the charge or the right; (iii) keep Aitech informed as to developments and (iv) provide Aitech with a copy of such notification and any other documentation reasonably requested by Aitech to verify that the Supplier abides by the provisions of these terms and conditions.
7. **INTELLECTUAL PROPERTY.** All patents, copyrights and other intellectual property rights in the Aitech Components and in any procedures relating to Aitech Components that Aitech may require Supplier to perform with regard to Aitech Components will belong exclusively to Aitech. In addition, Aitech will have unrestricted ownership in and to all intellectual property generated by Supplier during the execution of the PO and to any derivative works, without further compensation of any kind to the Supplier. Supplier will have no claims of any sort with regard to such intellectual property rights, including with regard to procedures suggested by Supplier and will take any actions necessary to assign such rights to Aitech and to secure the ownership by Aitech and registration in Aitech's name of such intellectual property rights. The Supplier waives any claim of moral right that it may have in or in connection with such intellectual property rights.
 8. **REPRESENTATIONS AND WARRANTIES.** Supplier represents and warrants to Aitech that the Parts: (i) will be provided in a competent, professional manner and in accordance with the highest standards and best practices of Supplier's industry; (ii) will be free from defects in materials and workmanship and will be merchantable and fit for their particular purpose; (iii) will conform to and perform in accordance with all specifications, drawings, samples and other requirements referred to in the PO and, where manufactured specifically for Aitech or where the Parts consist wholly or partially of services, will be manufactured or the services will be consistent with Aitech work instruction and with Section 12.1; (iv) when shipped and received by Aitech will belong entirely to Aitech and will be free from all liens, security interests and encumbrances of any type whatsoever and (v) when used independently or incorporated in Aitech products, will not violate or infringe the intellectual property rights of any third party.
 9. **PERFORMANCE WARRANTY.** The Manufacturer undertakes that for a period of 36 months following the delivery of a Part to Aitech (the "Warranty Period"), the Part will correspond with its specifications in accordance with the PO and these terms and conditions (a "Defective Part"). Without derogating from other rights of Aitech under these terms and conditions or under applicable law, Subject to the above, with regard to any Defective Part reported to it during the Warranty Period, Supplier undertakes to repair, replace or issue a credit for, at Aitech's choice, any Defective Part within 7 days after Aitech reports the Defective Part to it. Should Supplier so request, at Supplier's expense, Aitech will arrange to ship any material Defective Part to Supplier.
 10. **DEFAULT BY SUPPLIER.** Upon default by Supplier, including provision of Parts that are not consistent with their specifications or with the standards in the PO, Aitech may exercise any or all of the following rights and remedies: (i) reject or revoke acceptance of any or all of the Parts or (ii) terminate the PO without any obligation whatsoever with respect to Parts not yet delivered to Aitech at the time of such termination. Upon rejection or revocation of acceptance or termination of the PO, Supplier immediately will refund to Aitech any amounts received from Aitech with regard to those Parts or with regard to the PO. Aitech's decision to pursue any one such remedy will not be deemed to be an election not to pursue any other remedy at the same time or at any other time. The rights and remedies mentioned in this Section are in addition to and do not derogate from the performance warranty in Section 9 or such other rights and remedies as may be provided under these terms and conditions or under applicable law
 11. **INDEMNIFICATION.** Supplier agrees to indemnify and hold Aitech harmless from and against any and all liabilities, costs, losses or expenses, including reasonable attorneys' fees, incurred or suffered by Aitech as a result of or in connection with Supplier's breach of any of its representations, warranties or obligations hereunder. With regard to indemnification for third party claims, Aitech will notify Supplier in writing of any such claim promptly after learning of it and Supplier will assist and cooperate in its defense or settlement. Such defense or settlement will be at Supplier's sole expense, and Supplier will pay all damages and costs awarded against Aitech as a result of any such claim.
 12. **GENERAL PROVISIONS.**
 - 12.1. Supplier declares that it has reviewed and understood any Aitech work instructions and international or national standards referenced in these terms and conditions or in the PO or cross-referenced in such work instructions or standards and will act in accordance with them. In all cases, Supplier will supply Parts in accordance with the highest level of industry practice for such Parts.
 - 12.2. These terms and conditions, together with the PO, constitute an offer by Aitech to purchase the Parts from Supplier pursuant to the terms and conditions described herein. This offer is not an acceptance or a confirmation of any previous proposal from Supplier. This offer will become a contract upon acceptance by Supplier. Supplier will be deemed to have accepted this offer by commencement of performance called for in the PO, by delivery of the Parts to Aitech, by written acceptance or confirmation of this PO, or by any other act or communication constituting legal acceptance. In no case will such acceptance, even if accompanied by additional or different terms and conditions, derogate from, add to or modify these terms and conditions. Specifically, no terms or conditions included by Supplier in, or attached by Supplier to, shipping documents will be valid.
 - 12.3. In order to assess Supplier's performance under and compliance with these terms and conditions, including but not limited to Supplier's compliance with respect to pricing, specifications, warranties and certifications, Aitech or its designated representatives, or Aitech customers, or regulatory bodies, will have the right upon reasonable notice to Supplier to access and audit Supplier's facilities, books, records, goods and services related to the PO, Aitech Components and any aspect of the PO's execution at any level of the supply chain.
 - 12.4. Except as otherwise stated in these terms and conditions, these terms and conditions will constitute the complete understanding and contract between Aitech and Supplier with respect to its subject matter and supersedes any prior written or oral understandings with regard to them. No purported amendment, modification or waiver of any provision of these terms and conditions will be binding on Aitech unless set forth in a written document (including email) from Aitech to Supplier, accepted by Supplier in one of the ways mentioned in Section 12.1. Any waiver will be limited to the circumstance or event specifically referenced in the written waiver document and will not be deemed a waiver of any other term of these terms and conditions between Supplier and Aitech or of the same circumstance or event upon any recurrence.
 - 12.5. Supplier may not assign or subcontract any of its rights or obligations without Aitech's prior written consent. Supplier is responsible for the performance or non-performance of any subcontractor and will indemnify, defend and hold harmless Aitech from and against all claims, actions, losses, damages, costs and expenses (including reasonable attorneys' fees) arisen from any subcontractor's acts or omissions.
 - 12.6. If any provision hereof is held to be unenforceable by the final order of any court of competent jurisdiction, such provision will be severed here from and will not affect the interpretation or enforceability of remaining provisions hereof. These terms and conditions will be governed by and interpreted in accordance with the laws of the State of Israel, without reference to any conflicts of law principles. The United Nations Convention on Contracts for the International Sale of Goods will not apply to these terms and conditions. The parties agree to the exclusive jurisdiction and venue of the courts located in the District of Jerusalem in the State of Israel as the exclusive forum for the resolution of disputes, except that Aitech will be entitled to bring any claim against Supplier in any duly empowered court in the country of Supplier's registration or principal place of business.
 - 12.7. Supplier will not advertise, publicly announce or provide to any other party information relating to the existence of these terms and conditions or use Aitech's name in any format for any promotion, publicity, marketing or advertising purpose, without Aitech's prior written consent. All information, drawings, material, goods, equipment, apparatus or documents disclosed or delivered to Supplier by Aitech or arising from work or services done for Aitech, and also all knowledge of any business relationship between Supplier and Aitech, will be treated by Supplier as confidential proprietary information of Aitech and will not be disclosed or made available to others by Supplier without prior written permission by an officer of Aitech. Supplier also agrees not to use any of such information, drawings, material, goods, equipment, apparatus or documents for the manufacturer production of products or components for any other party or for Supplier. Such obligation will not apply to any information, material, goods, equipment or apparatus which Supplier establishes (a) is already known to Supplier at the time of its receipt from Aitech as shown by Supplier's records, (b) is or subsequently becomes available and accessible to the public through no fault of Supplier, or (c) is disclosed to Supplier by a third party on a non-confidential basis. If the parties signed a non-disclosure agreement prior to the issue of the PO, to the extent that non-disclosure agreement applies to confidential information to which this Section applies, the non-disclosure agreement will continue in force and have preference over this Section.
 - 12.8. In addition to the provisions of Section 6, the title to any tangible property, including but not limited to material, goods, equipment, apparatus, documents, and literary property (e.g., drawings, manuscripts, artwork, motion pictures, video programs, and computer software), provided to Supplier by Aitech or produced by Supplier in submitting a bid or estimate or in carrying out the PO for Aitech will be vested in Aitech, and Supplier agrees to return or deliver such tangible property to Aitech upon request.
 - 12.9. Aitech and Supplier acknowledge that each is independent and neither will be deemed an agent or representative of the other or have authority to bind the other in any manner whatsoever.
 - 12.10. During the term of these terms and conditions and one year following completion of final delivery of the Parts, Supplier agrees that it will not, without Aitech's prior written consent, directly, or indirectly through third parties, employ, solicit, engage or retain the services of Aitech's employees or personnel.
 - 12.11. Record retention – The Supplier shall keep all hard copies records for a minimum period of 7 years unless Aitech's PO specify extended period. Records in electronic media will be kept without a time limit.
 13. **CODE OF CONDUCT REQUIREMENTS FOR SUPPLIERS**
 - 13.1 Aitech systems is committed to best practices regarding integrity in business conduct as per the Global Principles of Business Ethics as developed by the IFBEC

(International Forum on Business Ethical Conduct), including in its dealings with its suppliers, contractors and consultants.

Aitech systems commitment to operate according to ethical standards is an important factor in enabling Aitech systems to meet its business goals and demands of today's marketplace.

A reliable and ethical supply chain is critical to Aitech systems ability to support its and its customers' goals. Integrity, safety and quality are fundamental to Aitech systems' performance, and Aitech systems encourages a collaborative environment with its supply chain in these areas. Aitech systems customers rely on Aitech systems to work with suppliers, subcontractors and other business partners who share these values.

To support the business integrity of our activities, Aitech systems require that members of its supply chain endorse our values relating to the range of areas set forth in this Code of Conduct (the "Code"). The principles set forth in the Code represent a fundamental part of Aitech systems' mutual commitment on how Aitech systems does business and are integral to your relationship with Aitech systems.

1. **Aitech systems' Commitment to Fair and Ethical Conduct**

- 1.1 Aitech systems is committed to conducting its business fairly, impartially, ethically and in a proper manner, including in making its procurement decisions.
- 1.2 Aitech systems requires its employees to timely disclose any situations where family members, close personal friends, or former Aitech systems employees could bias, or appear to bias, Aitech systems' business decisions, including those relating to procurement.
- 1.3 The Code also provides that Aitech systems's employees may accept only nominal value gifts, entertainment or other items from suppliers or potential suppliers, as set forth in our Anti-Bribery Compliance Policy.

2. **Supplier Conduct**

Supplier should refer to the Code's principles when ethical and compliance issues arise. Each of the principles in the Code are fundamental to how Buyer does business.

Aitech systems relies on its Supply Chain to choose sub-tier subcontractors and suppliers that also share the values included in the Code. It is important everyone working on Supplier's behalf for Buyer conducts business in the manner prescribed by the Code.

By entering into any subcontract or purchase order with Aitech systems, Supplier is committing to conduct its activities in a manner consistent with this Code. Accordingly, all of Supplier's business activities relating to work with Aitech systems must be performed in a manner that is fair, ethical and compliant with this Code and applicable laws and regulations.

While the Code contains standards to be followed, no one document can cover all situations. If, for whatever reasons, following the Code would conflict with a legal requirement, you must comply with the law.

- 2.1 Supplier will conduct all of its business activities relating to Aitech systems in a manner that is fair, ethical and fully compliant with applicable laws and regulations, including, but not limited to, those relating to:
 - ❖ Intellectual Property and Data Security Requirements;
 - ❖ Marketing Materials and Interactions with the Media;
 - ❖ Fair Employment and Human Rights;
 - ❖ Government Procurement;
 - ❖ Anti-Bribery;
 - ❖ Competition and Antitrust;
 - ❖ Trade and Export Controls;
 - ❖ Health and Safety;
 - ❖ Sustainability and Environmental Compliance;
 - ❖ Reporting Concerns without Retaliation;
 - ❖ Comply to all requirements, drawings, specifications, process requirements, work instructions given by Aitech

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

Supplier is expected to ensure that persons are aware of:

- their contribution to product or service conformity;
- their contribution to product safety;
- the importance of ethical behavior.