

PURCHASE ORDER TERMS AND CONDITIONS
(As appear on the back of Elbit Systems Group, Israeli
Entities Purchase Orders)

1) DEFINITIONS

- a) **'THE BUYER'** - THE COMPANY SPECIFIED ON THE PURCHASE ORDER.
- b) **'THE SELLER'** - THE PERSON, FIRM OR COMPANY TO WHOM THE ORDER IS ADDRESSED.
- c) **'THE ORDER'** - THE PURCHASE ORDER TO WHICH THESE TERMS AND CONDITIONS ARE ATTACHED, INCLUDING ANY OTHER ATTACHMENTS.
- d) **'THE SUPPLIES'** - THE MATERIALS AND/OR SERVICES AND/OR PRODUCTS PURCHASED HEREUNDER, AS DESCRIBED ON THE FACE OF THIS ORDER.

2) GENERAL

- a) THIS ORDER IS PLACED, SUBJECT ONLY TO THE TERMS AND CONDITIONS INCLUDED HEREIN AND ANY STATEMENT OF WORK, PLANS, SPECIFICATIONS, AND OTHER DOCUMENTS, TO THE EXTENT THE SAME ARE INCORPORATED BY REFERENCE ON THE FACE OF THIS ORDER. THE REFERENCE TO ANY PROPOSAL FROM SELLER (IF ANY), IS ONLY FOR THE PURPOSE OF SPECIFYING BASIC INFORMATION CONCERNING PRICE, THE DESCRIPTION OF THE SUPPLIES, QUANTITIES, TERMS OF PAYMENT AND DELIVERY AND THEN, ONLY AS SUCH TERMS ARE CONSISTENT WITH THE TERMS AND CONDITIONS HEREIN. IN THE EVENT OF CONTRADICTION BETWEEN THESE GENERAL TERMS AND CONDITIONS AND SPECIFIC PROVISIONS ON THE FACE OF THE ORDER, OR SPECIFIC CONTRACT / AGREEMENT BETWEEN THE PARTIES, THE SPECIFIC PROVISIONS SHALL PREVAIL.
- b) ANY OF SELLER'S TERMS AND CONDITIONS WHICH ARE IN ADDITION TO OR ARE CONSTRUED AS PROPOSALS FOR ADDITION TO THIS ORDER WILL NOT BE BINDING UNLESS AGREED TO IN WRITING BY THE BUYER AND APPEAR ON THE ORDER OR IN ITS REFERENCED ATTACHMENT. SELLER'S COMMENCEMENT OF PERFORMANCE UNDER THIS ORDER, OR SELLER'S SIGNED ACKNOWLEDGEMENT OR ACCEPTANCE OF ANY PAYMENT FOR THE SUPPLIES OR ANY PART THEREOF, CONSTITUTE SELLER'S ACCEPTANCE OF THESE ORDER TERMS AND CONDITIONS.

3) SPECIFICATION OF SUPPLIES

SUPPLIES ARE TO BE SUPPLIED COMPLETE IN ALL RESPECTS IN ACCORDANCE WITH THE ORDER AND IN COMPLIANCE WITH ANY APPLICABLE STANDARDS. THE BUYER MAY REFUSE TO ACCEPT ANY SUPPLIES DELIVERED WHICH ARE NOT IN ACCORDANCE WITH ORIGINAL SPECIFICATIONS OR MODIFIED SPECIFICATIONS AGREED BETWEEN THE BUYER AND THE SELLER IN WRITING AND/OR NOT IN COMPLIANCE WITH THE APPLICABLE STANDARDS AND/OR MANUFACTURED FROM MATERIALS NOT IN COMPLIANCE WITH THE APPLICABLE STANDARDS. IN SUCH CASE THE BUYER SHALL HAVE THE RIGHT TO RETURN THE GOODS AND/OR WITHHOLD PAYMENT FOR SAME. NOTWITHSTANDING THE ABOVE, BUYER MAY REQUEST SELLER TO PROMPTLY REPLACE, IF NECESSARY, BY MOST EXPEDITIOUS MANNER, SUCH SUPPLIES, TO SUPPLIES CONFORMING TO THE PROPER AND AGREED SPECIFICATIONS AND/OR STANDARDS IN ACCORDANCE WITH THIS ORDER. ALL CHARGES, INCLUDING TRANSPORTATION EXPENSES FOR SUCH REPLACEMENT, ARE TO BE BORNE BY THE SELLER.

IN SUCH EVENT, THE SELLER MAY REQUEST THE BUYER TO RETURN THE SUPPLIES INCORRECTLY SUPPLIED, BUT IN ALL CASES THE SELLER SHALL BEAR ALL EXPENSES INVOLVED INCLUDING ANY REPACKAGING AND/OR TRANSPORTATION CHARGES. SHOULD THE SELLER ELECT NOT TO HAVE SUCH SUPPLIES RETURNED, THE BUYER MAY DISPOSE OF THEM IN ANY MANNER DEEMED SUITABLE BY THE BUYER. SHOULD THE SELLER FAIL TO PROMPTLY REPLACE THE SUPPLIES INCORRECTLY SUPPLIED, WITH SUPPLIES OF THE PROPER AND AGREED SPECIFICATIONS, OR TO MAKE ALTERNATIVE ARRANGEMENTS MUTUALLY AGREED UPON IN WRITING BETWEEN THE BUYER AND THE SELLER WITHIN A REASONABLE TIME, THE BUYER, AT ITS OPTION, MAY REQUIRE THE SELLER TO INDEMNIFY THE BUYER FOR ALL LOSSES OR DAMAGES RESULTING THEREFROM, INCLUDING WITHOUT LIMITATION, COSTS INCURRED BY BUYER FOR THE REPLACEMENT OR CORRECTION OF SUCH SUPPLIES. THE FOREGOING IS IN ADDITION TO ANY OTHER RIGHTS BUYER MAY HAVE IN CONTRACT OR AT LAW. SELLER SHALL NOT AGAIN TENDER REJECTED OR CORRECTED SUPPLIES UNLESS SELLER DISCLOSES THE FORMER TENDER AND REJECTION OR REQUIREMENT OF CORRECTION.

4) FACILITIES AND SPECIAL EQUIPMENT

THE SELLER CONFIRMS THAT IT NOW HAS, OR CAN READILY OBTAINS, WITHOUT ASSISTANCE OF THE BUYER, ALL FACILITIES TOOLS AND SPECIAL EQUIPMENT NECESSARY FOR THE TIMELY PERFORMANCE OF THIS ORDER. SPECIAL DIES, TOOLS, PATTERNS AND THE LIKE USED IN MANUFACTURE OF THE SUPPLIES HEREIN ORDERED SHALL BE FURNISHED BY AND AT THE EXPENSE OF THE SELLER.

5) BUYER FURNISHED PROPERTY AND/OR MATERIALS

ANY MATERIALS AND/OR PROPERTY FURNISHED BY THE BUYER, ON OTHER THAN A CHARGE BASIS, IN CONNECTION WITH THIS ORDER, WILL BE DEEMED LOANED TO THE SELLER FOR PURPOSES OF THE ORDER ONLY AND TITLE THERETO SHALL AT ALL TIMES REMAIN WITH THE BUYER. SELLER AGREES TO FULLY COMPENSATE BUYER FOR SUCH MATERIALS AND/OR PROPERTY WHICH ARE NOT RETURNED TO BUYER EITHER AS ORIGINALLY LOANED (EXCEPT FOR REASONABLE WEAR AND TEAR DUE TO THE UTILIZATION OF THE SAME IN ACCORDANCE WITH THE PROVISIONS OF THIS ORDER AND FOR THE PURPOSE OF THIS ORDER ONLY) OR AS AN INTEGRATED PART OF SUPPLIES ORDERED. SELLER AGREES TO PROCURE A POLICY OR POLICIES OF INSURANCE SATISFACTORY TO THE BUYER, INSURING ALL BUYER'S OWNED AND SUPPLIED PROPERTY AND/OR MATERIALS WHILE ON SELLER'S PREMISES, AGAINST LOSS OR DAMAGE. HOWEVER, THE PROCUREMENT OF SUCH POLICIES SHALL NOT BE DEEMED AS RELEASING THE SELLER FROM ITS RESPONSIBILITIES WITH RESPECT TO THE PROPERTY OF THE BUYER.

6) PACKING MARKING AND SHIPPING

UNLESS THE SELLER ADVISES THE BUYER IN WRITING TO THE CONTRARY, THE PRICES QUOTED BY THE SELLER SHALL INCLUDE THE PACKING OF THE SUPPLIES IN CONTAINERS SUITABLE FOR EXPORT VIA AIR OR SEA FREIGHT (AS APPLICABLE), AS WELL AS LABELLING AND MARKING IN ACCORDANCE WITH BUYER'S REQUIREMENTS AND DELIVERY IN ACCORDANCE WITH THE ORDER. SELLER FURTHER AGREES TO BEAR TRANSPORTATION CHARGES AS PER THE APPLICABLE INCOTERMS. SHOULD THE ORDER OR ANY PART THEREOF BE SENT BY SURFACE, THE FOREGOING PROVISIONS SHALL APPLY, EXCEPT THAT THE PACKING WILL BE SUITABLE FOR SURFACE TRANSPORTATION. SUPPLIES SHOULD BE SHIPPED IN ONE LOT UNLESS SPECIFIC AUTHORISATION FOR PARTIAL SHIPMENTS HAS BEEN ISSUED BY THE BUYER. SUPPLIES SHOULD BE DISPATCHED TO THE AUTHORISED SHIPPER AS PER BUYER INSTRUCTIONS APPEARING ON THE FACE OF THE ORDER. IN THE EVENT THE PACKING MATERIAL IS SUPPLIED BY THE BUYER, THE SELLER SHALL VERIFY COMPLIANCE OF THE MATERIAL, PRIOR TO SHIPMENT.

7) INVOICES AND SHIPPING DOCUMENTS

PACKING LISTS AND INVOICES SHOULD SHOW BUYER'S ORDER NUMBER AND LINE ITEM NUMBER, MANUFACTURER'S PARTS NUMBERS AND A SHORT DESCRIPTION OF THE SUPPLIES. EACH CONTAINER OR PACKAGE MUST HAVE ITS INDIVIDUAL PACKING LIST SHOWING THE CONTENTS OF THE CONTAINER. ONE COPY OF THE PACKING LIST MUST BE ATTACHED TO THE OUTSIDE OF THE CONTAINER IN A RESEALABLE PLASTIC ENVELOPE, AND AN ADDITIONAL COPY SHOULD BE PLACED INSIDE THE SAME CONTAINERS. TWO COPIES OF INVOICE, (OF WHICH ONE SHOULD BE SIGNED ORIGINAL) AND TWO COPIES OF THE PACKING LIST MUST BE ATTACHED TO AIRWAY BILL OR BILL OF LADING TO ACCOMPANY SHIPMENT. ONE SIGNED ORIGINAL COPY AND ONE COPY OF THE INVOICE AND ONE COPY OF THE PACKING LIST SHOULD BE SENT VIA AIRMAIL AND BY E-MAIL DIRECTLY TO ELBIT INVOICES CENTER AND TO THE BUYER'S PURCHASING DEPARTMENT WHERE APPLICABLE. FAILURE TO COMPLY WITH THE ABOVE WILL DELAY IDENTIFYING SHIPMENTS AT CUSTOMS, THUS DELAYING PAYMENT. INSTRUCTIONS REGARDING INVOICES ARE INCLUDED IN AN ATTACHMENT TO THE PURCHASE ORDER.

SELLER SHALL INCLUDE A CERTIFICATE OF ORIGIN (COO) AS PART OF THE SHIPPING DOCUMENTS. IN THE ABSENCE OF AN COO AND PROVIDED THAT AN ORIGIN STAMP APPEARS ON THE INVOICE OR PACKING LIST, OR SELLER SPECIFIED ORIGIN INFORMATION IN SUPPLIER LETTER OF INSTRUCTION (SLI), THEN SUCH STAMP OR SLI SHALL BE DEEMED AS THE SELLER'S IRREVOCABLE AUTHORIZATION TO THE INTERNATIONAL FREIGHT FORWARDER TO PROVIDE THE COO ON BEHALF OF THE SELLER.

IN THE EVENT THAT THE SELLER IS REQUESTED TO COMPLETE THE ISRAEL CUSTOMS VERIFICATION OF THE C.O.O. IT WILL COOPERATE BY PROVIDING ANY REQUESTED VERIFICATION DATA TO THE ISRAELI CUSTOMS.

8) INSPECTION AND TESTING

a) THE BUYER AND/OR ITS CUSTOMER OR THE DULY APPOINTED REPRESENTATIVE(S) OF THE BUYER AND/OR ITS CUSTOMER, AND/OR THE RELEVANT REGULATORY AUTHORITIES SHALL BE ENTITLED TO INSPECT AND TEST THE SUPPLIES TO BE SUPPLIED, BOTH DURING AND AFTER MANUFACTURE, WHETHER AT THE SELLER'S FACILITIES OR AT THE PREMISES OF ANY OF ITS SUBCONTRACTOR(S). SELLER SHALL PROVIDE THE LABOUR AND THE FACILITIES REQUIRED FOR PROPER TESTING OF THE SUPPLIES. THE SELLER UNDERTAKES TO GIVE BUYER'S INSPECTOR SUFFICIENT ADVANCE WRITTEN NOTICE PRIOR TO PERFORMING SELLER'S ACCEPTANCE TESTS AND ALL INSPECTIONS REQUIRED. SUCH INSPECTION SHALL IN NO WAY RELIEVE THE SELLER OF ITS RESPONSIBILITIES UNDER THIS ORDER. ANY SUPPLIES REJECTED SHALL BE REPLACED AT THE SELLER'S EXPENSE.

- b) THE BUYER, AT ITS SOLE DISCRETION, MAY EMPLOY EITHER 100% INSPECTION OR A SAMPLING PLAN APPROVED BY BUYER. LOTS WHICH FAIL TO PASS SUCH SAMPLING PLAN MAY BE SUBSEQUENTLY 100% INSPECTED BY BUYER. SELLER WILL BE CHARGED FOR ALL SUCH INSPECTION COSTS. SUCH INSPECTION SHALL NOT CONSTITUTE FINAL INCOMING INSPECTION BY BUYER, TO BE PERFORMED AT BUYER'S FACILITY.
- c) ALL SUPPLIES ORDERED ARE SUBJECT TO BUYER'S FINAL INCOMING INSPECTION AND APPROVAL, AFTER DELIVERY TO BUYER'S FACILITIES. LOTS WHICH FAIL TO PASS INCOMING INSPECTION TEST, WILL BE RETURNED TO SELLER. REJECTED SUPPLIES OR LOTS WHICH ARE RETURNED, SHALL BE RETURNED AT SELLER'S RISK AND EXPENSE FOR PROMPT CORRECTION AND/OR REPLACEMENT, FREE OF CHARGE OR FOR REFUND, AT BUYER'S SOLE DISCRETION. EXERCISE OF THESE REMEDIES SHALL NOT BE EXCLUSIVE, AND SHALL BE IN ADDITION TO ANY OTHER REMEDIES PROVIDED BY LAW OR EQUITY WHICH ARE AVAILABLE TO BUYER. NOTWITHSTANDING PRIOR PAYMENT, IT IS EXPRESSLY AGREED THAT PAYMENT SHALL NOT CONSTITUTE FINAL ACCEPTANCE.
- d) SELLER SHALL MAINTAIN AN EFFECTIVE QUALITY ASSURANCE SYSTEM FOR CONTROL OF MATERIAL QUALITY, ASSEMBLY, TESTING, PACKAGING AND SHIPPING, AND ROUTINES FOR QUALITY VERIFICATION AND CORRECTIVE ACTIONS WHICH IS ACCEPTABLE TO THE BUYER AND/OR ITS CUSTOMER. UNLESS OTHERWISE STATED ON THE FACE OF THIS ORDER, SUCH QUALITY ASSURANCE SYSTEM SHALL BE IN ACCORDANCE WITH THE REQUIREMENTS OF MOST UPDATED ISO 9001-2008 STANDARD AND/OR AS-9100 (AS APPLICABLE).
FOR SPECIAL PROCESSES, SELLER SHALL SUBCONTRACT ONLY VENDORS APPROVED BY BUYER AND / OR PERFORM IT INTERNALLY SUBJECT TO BUYER'S APPROVAL.
SELLER SHALL KEEP ALL DRAWINGS AND DOCUMENTS RELEVANT TO THIS ORDER FOR A PERIOD OF 7 YEARS FROM THE LAST DELIVERY.
- e) SELLER SHALL NOTIFY BUYER IN WRITING FOR ANY NONCONFORMANCE IN RELATION WITH THE SUPPLIES AND SELLER SHALL OBTAIN BUYER'S APPROVAL FOR NONCONFORMING SUPPLIES DISPOSITION. SELLER SHALL FLOW DOWN THIS DIRECTIVE TO ITS SUBCONTRACTORS INVOLVED IN SELLER'S ORDER.

9) CHANGES

BUYER, AT ANY TIME, BY WRITTEN CHANGE ORDER, MAY MAKE CHANGES IN THE SUPPLIES FURNISHED HEREUNDER OR THEIR QUANTITIES OR DELIVERY DATES OR ANY OTHER TERM OR CONDITION OF THE ORDER. IF THE COST OR DELIVERY TIME IS INCREASED OR DECREASED AS A RESULT OF SUCH CHANGE ORDERS, AN EQUITABLE ADJUSTMENT IN THE ORDER PRICE AND/OR DELIVERY SCHEDULE WILL BE MADE IN THE CHANGE ORDER. IF A PRICE AND/OR DELIVERY ADJUSTMENT IS NOT INCLUDED IN THE CHANGE ORDER, NO INCREASE IN PRICE OR DELAY IN DELIVERY WILL BE ALLOWED. ANY CLAIM BY SELLER FOR SUCH ADJUSTMENT OR NONE-ADJUSTMENT MUST BE ASSERTED BY SELLER IN WRITING, WITHIN 30 DAYS FROM THE DATE OF THE CHANGE ORDER.

THIS ORDER SHALL NOT BE DEEMED OR CONSTRUED TO BE MODIFIED, AMENDED, CANCELLED OR WAIVED, IN WHOLE OR IN PART, EXCEPT BY A WRITTEN CHANGE ORDER HERETO SIGNED BY THE BUYER'S AUTHORISED REPRESENTATIVE AND NOTHING CONTAINED IN THIS SECTION SHALL EXCUSE SELLER FROM PROCEEDING WITH THE CHANGE ORDER.

ANY MAJOR CHANGE IN SELLER'S PRODUCTION PROCESSES OR ANY OTHER PROCESS REGARDING THE SUPPLIES, SUCH AS: CHANGE IN PRODUCTION SITE LOCATION, DESIGN CHANGES, REPLACEMENT OF MAJOR SUBCONTRACTOR, CHANGE IN ONE OR MORE PRODUCTION PROCESSES, CHANGE THAT AFFECT THE SUPPLIES FFF (FIT, FORM AND FUNCTION), REQUIRES AN ADVANCED NOTIFICATION BY SELLER TO BUYER, IN WRITING.

10) DELIVERY

- a) THE TERMS OF DELIVERY ARE AS STATED ON THE FACE OF THIS ORDER AND SHALL BE CONSTRUED IN ACCORDANCE WITH INCOTERMS 2010.
- b) IF SELLER'S DELIVERIES FAIL TO MEET THE SCHEDULES SPECIFIED HEREIN AND AS A RESULT BUYER REQUIRES AND SELLER MAKES EXPRESS AND/OR AIR SHIPMENTS, PARTIAL SHIPMENTS, OR BOTH, THEN SELLER AGREES TO ASSUME ALL RESULTING EXCESS SHIPPING CHARGES. INVOICES COVERING SUPPLIES SHIPPED IN ADVANCE OF REQUESTED DELIVERY SCHEDULES WILL NOT BE PAID UNTIL THEIR NORMAL MATURITY AFTER THE DATE SPECIFIED FOR DELIVERY.
- c) NOTWITHSTANDING THE ABOVE, NEITHER PARTY SHALL BE LIABLE FOR DELAYS OR DEFAULTS DUE TO CAUSES BEYOND ITS REASONABLE CONTROL WHICH WERE BOTH UNFORESEEABLE AND UNAVOIDABLE. IN THE EVENT OF ANY SUCH OCCURRENCE, THE PARTY SO AFFECTED SHALL IMMEDIATELY NOTIFY THE OTHER PARTY OF ANY SUCH CASE UPON ITS OCCURRENCE.
- d) WITHOUT DEROGATING FROM BUYER'S RIGHTS UNDER THIS ORDER, OR IN ACCORDANCE WITH THE LAW AS PROVIDED IN ARTICLE 22 HEREIN, THE BUYER MAY, AT ITS SOLE DISCRETION, CANCEL THIS ORDER IN WHOLE OR IN PART, WHERE THERE IS A DELAY IN DELIVERY FOR ANY REASON, AND IN SUCH CASE SELLER SHALL HAVE NO RIGHT TO CLAIMS AGAINST THE BUYER FOR CANCELLATION OR ANY OTHER CHARGES.
- e) THE SELLER HEREBY ACKNOWLEDGES THAT THE TIME OF DELIVERY UNDER THE ORDER IS OF THE ESSENCE AND THAT THE SUPPLIES ORDERED SHALL BE COMBINED WITH OTHER SUPPLIES THE BUYER SHALL SUPPLY TO ITS CUSTOMERS. THEREFORE THE SELLER HEREBY AGREES TO INDEMNIFY THE BUYER FOR ANY LOSSES AND/OR DAMAGES AND/OR EXPENSES INCURRED BY THE BUYER, DUE TO ANY DELAY BY THE SELLER IN SUPPLYING THE SUPPLIES. DELIVERY AHEAD OF THE SCHEDULES HEREIN SPECIFIED IS SUBJECT TO PRIOR WRITTEN APPROVAL BY BUYER.
- f) TITLE TO THE SUPPLIES SHALL PASS TO BUYER, FREE OF ALL LIENS, CLAIMS AND ENCUMBRANCES, UPON DELIVERY THEREOF IN ACCORDANCE WITH THE PROVISIONS OF THIS ORDER.

11) WARRANTIES

BY ACCEPTANCE OF THE ORDER THE SELLER WARRANTS ALL SUPPLIES SUPPLIED FOR A PERIOD OF TWELVE (12) MONTHS, AND TEN YEARS FOR LATENT DEFECTS, (UNLESS A DIFFERENT PERIOD IS SPECIFIED IN WRITING IN THIS ORDER) FROM THE DATE OF RECEIPT OF THE APPLICABLE SUPPLIES BY THE BUYER AT ITS WAREHOUSE, AGAINST ANY DEFECT WHICH MAY ARISE DUE TO FAULTY DESIGN, WORKMANSHIP, MATERIAL OR PERFORMANCE. ANY DEFECTIVE ITEM WILL BE PROMPTLY REPLACED BY SELLER WITHOUT COST TO BUYER, AND THE WARRANTY TERMS RENEWED FOR ITEMS REPLACED. THE DEFECTIVE ITEMS WILL BE HELD AT THE DISPOSAL OF SELLER FOR RETURN AND REPLACEMENT AT ITS EXPENSE. UPON BUYER'S REQUEST, SELLER SHALL PROMPTLY PROVIDE BUYER WITH A 'RETURN OF MATERIAL AUTHORIZATION' NUMBER (RMA). IF SELLER FAILS TO PROVIDE SUCH RMA, IT SHALL BE DEEMED AS SELLER'S DEFAULT. THIS CONTRACTUAL WARRANTY IS APPLICABLE WITHOUT PREJUDICE TO OTHER WARRANTIES AVAILABLE AT LAW.

12) INTELLECTUAL PROPERTY INDEMNIFICATION

SELLER AGREES TO SAVE BUYER, BUYER'S CUSTOMERS AND THEIR REPRESENTATIVES, DIRECTORS AND EMPLOYEES (HEREINAFTER THE "INDEMNITEES") HARMLESS AGAINST ANY LOSS, DAMAGE OR LIABILITY (INCLUDING ANY COSTS AND/OR EXPENSES INCIDENTAL THERETO) INCURRED ON ACCOUNT OF ANY INFRINGEMENT OF ANY PATENT OR OTHER PROPRIETARY RIGHTS WITH RESPECT TO ANY SUPPLIES FURNISHED UNDER THIS ORDER, PROVIDED THAT SUCH SUPPLIES ARE NOT MANUFACTURED SOLELY PURSUANT TO A DESIGN FURNISHED TO SELLER BY BUYER. SELLER ALSO AGREES THAT IT WILL, AT ITS OWN EXPENSE, DEFEND THE INDEMNITEES AGAINST ANY ACTION, SUIT OR CLAIM IN WHICH INFRINGEMENT IS ALLEGED, PROVIDED SELLER IS DULY NOTIFIED AS TO SUCH SUIT OR CLAIM, AS SOON AS PRACTICABLE. IN CASE THE SUPPLIES OR ANY PART THEREOF, ARE HELD TO CONSTITUTE AN INFRINGEMENT OR THE USE OF THE SUPPLIES OR ANY PART THEREOF IS ENJOINED, SELLER SHALL, AT ITS OWN EXPENSE, EITHER (1) PROCURE FOR BUYER THE RIGHT TO CONTINUE USING THE SUPPLIES OR ANY PART THEREOF, (2) REPLACE SAME WITH NONINFRINGEMENT SUPPLIES OR PARTS THEREOF, OR (3) MODIFY THE SUPPLIES SO THAT THEY BECOME NON-INFRINGEMENT. SELLER SHALL NOT BE LIABLE TO BUYER ONLY IF THE SELLER PROVES THAT ANY INFRINGEMENT OR CLAIM THEREOF IS BASED UPON THE USE BY BUYER OF THE SUPPLIES IN COMBINATION WITH OTHER ITEMS WHERE SUCH INFRINGEMENT OR CLAIM THEREOF WOULD NOT HAVE OCCURRED FROM THE NORMAL USE FOR WHICH THE SUPPLIES WERE DESIGNED.

13) PROPRIETARY RIGHTS, RIGHTS IN DATA AND CONFIDENTIALITY

a) WHERE PERFORMANCE UNDER THIS PURCHASE ORDER INCLUDES EXPERIMENTAL, DEVELOPMENTAL, OR RESEARCH EFFORT OR NON-

RECURRING INCLUDING TOOLINGS AND SUCH WORK IS PAID FOR IN WHOLE OR IN PART BY BUYER, SELLER AGREES TO DISCLOSE TO BUYER ALL CONFIDENTIAL PROCESSES AND/OR KNOW-HOW AND/OR TRADE SECRETS AND/OR ANY INVENTION, DISCOVERY, PROPRIETARY INFORMATION AND OR ANY TOOLING RESULTING THEREFROM. ALL PATENTS, COPYRIGHT, TRADE SECRETS, TRADEMARKS, OR OTHER INTELLECTUAL PROPERTY RESULTING THEREFROM SHALL BE THE SOLE PROPERTY OF THE BUYER AND AT BUYER'S REQUEST, SELLER SHALL ASSIGN TO BUYER EACH INVENTION AND PROPRIETARY RIGHTS RESULTING THEREFROM, INCLUDING WITHOUT LIMITATION ANY PATENT OR PATENT APPLICATION, WITHOUT ADDITIONAL CHARGE. SELLER SHALL PROVIDE SUPPORT FOR BUYER'S PROSECUTION OF SUCH PATENT APPLICATION. BUYER SHALL HAVE THE FULL RIGHT TO USE SUCH PROPERTY IN ANY MANNER WITHOUT ANY CLAIM ON THE PART OF THE SELLER AND WITHOUT ANY DUTY TO ACCOUNT TO THE SELLER FOR SUCH USE.

- b) IN THE EVENT THE ORDER INCLUDES SUPPLY OF SUPPLIES THAT REQUIRES A LICENSE BY THE SELLER AND/OR BY THE MANUFACTURER AND/OR BY ANY THIRD PARTY FOR THE USAGE OF THE SUPPLIES AND/OR THE TRANSFER OF THE SUPPLIES TO ANY THIRD PARTY, EITHER AS AN INDEPENDENT UNIT OR COMBINED WITH OTHER ITEMS, EITHER HARDWARE OR SOFTWARE, THE SELLER HEREBY DECLARES THAT IT IRREVOCABLY GRANTS SUCH LICENSE TO THE BUYER WITHOUT RESTRICTION, NOTWITHSTANDING ANY STANDARD LICENSE WHICH MAY ACCOMPANY THE SUPPLIES, UNLESS THE BUYER EXPLICITLY AGREES TO SUCH STANDARD TERM.
- c) SELLER AGREES THAT ALL INFORMATION DISCLOSED BY BUYER TO SELLER, INCLUDING WITHOUT LIMITATION INFORMATION CONTAINED IN DRAWINGS, SPECIFICATIONS, OR OTHER DOCUMENTS, SOFTWARE OR OTHER ITEMS, WHICH ARE SUBMITTED BY BUYER TO SELLER UNDER OR PURSUANT TO THIS ORDER, IS PROPRIETARY TO BUYER (HEREINAFTER THE "PROPRIETARY INFORMATION"), AND SELLER UNDERTAKES THAT UNLESS THE BUYER OTHERWISE APPROVES IN WRITING, THE PROPRIETARY INFORMATION SHALL NOT BE UTILIZED IN WHOLE OR IN PART BY SELLER, EXCEPT FOR THE FULFILMENT OF THIS ORDER. PROPRIETARY INFORMATION SHALL NOT INCLUDE INFORMATION WHICH THE SELLER CAN PROVE BY EVIDENCE IN WRITING TO BE IN THE PUBLIC DOMAIN, OTHER THAN THROUGH THE FAULT OR NEGLIGENCE OF THE SELLER, OR WHICH IS KNOWN TO THE SELLER AT THE TIME OF ITS DISCLOSURE WITHOUT OBLIGATION OF CONFIDENCE, OR IS RIGHTFULLY OBTAINED WITHOUT RESTRICTION BY THE SELLER FROM A THIRD PARTY. SELLER SHALL NOT DISCLOSE THE PROPRIETARY INFORMATION TO ANY THIRD PARTY, AND SHALL TAKE ALL REASONABLE PRECAUTIONS TO PREVENT THE DISCLOSURE OF THE PROPRIETARY INFORMATION TO THIRD PARTIES. RECEIPT BY SELLER HEREUNDER OF BUYER'S PROPRIETARY INFORMATION SHALL NOT BE DEEMED AS A GRANT OF ANY RIGHT OR LICENSE TO SELLER WITH RESPECT TO SUCH INFORMATION. THE PROVISIONS OF THIS SECTION 13)c) SHALL SURVIVE THE

COMPLETION AND/OR TERMINATION OF THIS ORDER AND CONTINUE TO BE IN FULL FORCE AND EFFECT FOR A PERIOD OF TEN (10) YEARS THEREAFTER. UPON THE COMPLETION AND/OR TERMINATION OF THIS ORDER, SELLER SHALL IMMEDIATELY RETURN TO BUYER THE PROPRIETARY INFORMATION AND ALL COPIES THEREOF, OR PURSUANT TO BUYER'S REQUEST, DESTROY SUCH PROPRIETARY INFORMATION, AND PROVIDE BUYER A WRITTEN CERTIFICATE OF DESTRUCTION.

- d) ANY INFORMATION WHICH IS PROPRIETARY TO SELLER AND WHICH IS DISCLOSED IN THE PRODUCTS OR DOCUMENTS FURNISHED TO BUYER HEREUNDER SHALL BE DEEMED TO HAVE BEEN DISCLOSED AS A PART OF THE CONSIDERATION FOR THIS ORDER AND BUYER SHALL HAVE FULL RIGHT TO ITS USE AS BUYER SO DEEMS.
- e) SELLER SHALL COMPLY WITH ALL APPLICABLE SECURITY PROCEDURES AND REGULATIONS, AND ACCESS TO ANY PROPRIETARY INFORMATION WHICH MAY CONTAIN CLASSIFIED INFORMATION SHALL BE RESTRICTED ACCORDINGLY.
- f) ANY ADVERTISING OF THIS PURCHASE ORDER OR ANY NEWS RELEASE RELATING THERETO OR OTHERWISE RELATING TO BUYER (INCLUDING THE SUPPLIES SUPPLIED HEREUNDER AND PICTURES, DESCRIPTIONS OR SAMPLES THEREOF) BY SELLER IS PROHIBITED, EXCEPT WITH BUYER'S PRIOR WRITTEN APPROVAL.

14) STOP WORK ORDER

- a) BUYER MAY, FROM TIME TO TIME BY WRITTEN ORDER, (THE "STOP WORK ORDER"), SUSPEND ALL OR PART OF THE WORK TO BE PERFORMED UNDER THE ORDER FOR AN ACCUMULATED PERIOD NOT TO EXCEED ONE HUNDRED AND TWENTY (120) DAYS. SELLER SHALL TAKE ALL REASONABLE STEPS TO MINIMIZE THE RECURRING OF COSTS ALLOCABLE TO THE WORK COVERED BY THE STOP WORK ORDER.
WITHIN SUCH PERIOD OF ANY STOP WORK, BUYER SHALL: (I) CANCEL THE STOP WORK ORDER; (II) TERMINATE THE ORDER IN ACCORDANCE WITH THE "TERMINATION " ARTICLE, FOR CONVENIENCE – PARAGRAPH B) OF THE ORDER; (III) TERMINATE THE ORDER IN ACCORDANCE WITH THE "TERMINATION " ARTICLE, FOR DEFAULT - PARAGRAPH A) OF THE ORDER IF GROUNDS FOR DEFAULT EXIST; OR (IV) EXTEND THE STOP WORK ORDER PERIOD.
- b) SELLER SHALL RESUME WORK WHENEVER A STOP WORK ORDER IS CANCELED. BUYER AND SELLER SHALL NEGOTIATE AN EQUITABLE ADJUSTMENT IN THE PRICE OR SCHEDULE OR BOTH IF: (I) THE ORDER IS NOT TERMINATED; (II) THE SUSPENSION RESULTS IN A CHANGE IN SELLER'S COST OF PERFORMANCE OR ABILITY TO MEET THE ORDER DELIVERY SCHEDULE; AND (III) SELLER SUBMITS A CLAIM FOR ADJUSTMENT WITHIN FIFTEEN (15) DAYS AFTER THE STOP WORK ORDER IS CANCELED

15) TERMINATION

- a) BUYER RESERVES THE RIGHT TO TERMINATE THIS ORDER, OR ANY PART HEREOF, AND TO CANCEL ALL OR ANY PART OF THE UNDELIVERED PORTION OF THIS ORDER IF SELLER DOES NOT MAKE DELIVERIES AS PROVIDED IN THIS ORDER OR IF SELLER OTHERWISE BREACHES ANY OF THE TERMS HEREOF, INCLUDING SELLER'S WARRANTIES . IN ADDITION TO THE AFORESAID BUYER SHALL HAVE THE RIGHT TO TERMINATE THIS ORDER OR ANY PART THEREOF, AND CANCEL ALL OR ANY PART OF THE UNDELIVERED PORTION, IN THE EVENT OF THE OCCURRENCE OF ANY OF THE FOLLOWING: (i) INSOLVENCY OF SELLER, AND/OR (ii) FILING OF AN INVOLUNTARY PETITION TO HAVE SELLER DECLARED BANKRUPT, (PROVIDED IT IS NOT CANCELLED WITHIN THIRTY DAYS FROM DATE OF SUCH FILING), AND/ OR (iii) UPON THE GRANTING OF A WINDING-UP OR SIMILAR ORDER IN RESPECT OF THE SELLER, OR IF A TEMPORARY OR PERMANENT LIQUIDATOR OR RECEIVER IS APPOINTED IN RESPECT OF THE SELLER, OR IF A TEMPORARY OR PERMANENT ATTACHMENT ORDER IS GRANTED ON ALL SELLER'S ASSETS, OR A SUBSTANTIAL PORTION THEREOF, (PROVIDED SUCH ORDER OR APPOINTMENT IS NOT CANCELLED WITHIN 30 DAYS OF THE GRANT OF SUCH ORDER OR THE DATE OF SUCH APPOINTMENT), AND/OR (iv) THE EXECUTION BY SELLER OF ANY ASSIGNMENT FOR THE BENEFIT OF ITS CREDITORS AND/OR (v) IF THE SELLER PASSES A RESOLUTION FOR ITS VOLUNTARY WINDING-UP. BUYER SHALL HAVE NO OBLIGATION TO SELLER IN RESPECT TO THE CANCELLED PORTION OF THIS ORDER. BUYER'S LIABILITY SHALL BE LIMITED TO PAYMENT FOR THE DELIVERED AND ACCEPTED PORTION OF THIS ORDER WHICH IS USABLE BY BUYER AT THE RATE SPECIFIED ON THE FACE HEREOF (REFLECTING QUANTITY PRICES AS THOUGH THIS ORDER HAD GONE TO FULL COMPLETION). IF AS A RESULT OF DEFAULT OF PERFORMANCE BY THE SELLER, THIS ORDER IS TERMINATED IN WHOLE OR IN PART AND IT IS NECESSARY TO PROCURE ANY OF THE SPECIFIED SUPPLIES ELSEWHERE, THEN SELLER SHALL BE LIABLE FOR ANY REPROCUREMENT CHARGES WHICH EXCEED THE AMOUNT WHICH WOULD HAVE BEEN DUE TO THE SELLER IF IT HAD SATISFACTORILY COMPLETED THIS ORDER. THESE REMEDIES SHALL BE CUMULATIVE AND ADDITIONAL TO ANY OTHER REMEDIES AVAILABLE TO BUYER IN LAW OR IN EQUITY.
- b) BUYER MAY, FOR ITS CONVENIENCE, TERMINATE WORK UNDER THIS ORDER, IN WHOLE OR IN PART, AT ANY TIME, BY GIVING NOTICE TO SELLER IN WRITING. SELLER WILL THEREUPON IMMEDIATELY STOP WORK ON THIS ORDER, ON THE TERMINATED PORTION THEREOF, AND NOTIFY ANY SUBCONTRACTORS TO DO LIKEWISE. SELLER SHALL BE ENTITLED TO REIMBURSEMENT FOR ITS ACTUAL COSTS INCURRED UP TO AND INCLUDING THE DATE OF TERMINATION, PROVIDED THAT SUCH COSTS ARE JUSTIFIED CONSIDERING THE RELATIVE POINT IN TIME OF THE ORDER EXECUTION AND THAT TITLE TO COMPLETED AND PARTIALLY COMPLETED SUPPLIES INCLUDING ANY MATERIAL REQUIRED ARE TRANSFERED TO BUYER. SUCH COSTS TO BE DETERMINED IN ACCORDANCE WITH RECOGNIZED ACCOUNTING PRINCIPLES. SELLER SHALL ALSO BE ENTITLED TO A

REASONABLE PROFIT ON THE WORK DONE PRIOR TO SUCH TERMINATION AT A RATE NOT EXCEEDING THE RATE USED IN ESTABLISHING THE ORIGINAL PURCHASE PRICE. THE TOTAL OF SUCH CLAIM SHALL NOT EXCEED THE ORDER PRICE FOR THE PRO-RATA PORTION OF THIS ORDER WHICH IS CANCELLED, REDUCED BY AMOUNTS PREVIOUSLY PAID TO SELLER HEREUNDER.

- c) TERMINATION CLAIMS SHALL BE SUBJECT TO INSPECTION AND AUDIT BY THE BUYER IN THE EVENT OF CANCELLATION UNDER THIS CLAUSE.

16) PRICES

UNLESS OTHERWISE SPECIFIED IN THIS ORDER, PRICES INDICATED IN THE ORDER ARE FIRM, FIXED AND FINAL, NOT SUBJECT TO ANY CHANGE OR ESCALATION AND INCLUSIVE OF ALL TAXES, FEES AND LEVIES.

17) PAYMENT TERMS

PAYMENT TERMS SHALL BE AS AGREED BETWEEN BUYER AND SELLER AND AS SPECIFIED IN WRITING IN THE ORDER.

18) INDEMNITY

SELLER SHALL INDEMNIFY AND HOLD HARMLESS BUYER, ITS CUSTOMERS AND THEIR OFFICERS EMPLOYEES, AGENTS AND INVITEES FROM AND AGAINST ALL CLAIMS, JUDGMENTS, LIABILITIES, LOSSES, INJURIES AND DAMAGES OF EVERY AND/OR ANY NATURE, INCLUDING WITHOUT LIMITATION, IN RESPECT OF INJURIES OR DEATH TO PERSONS OR DAMAGES TO PROPERTY (INCLUDING COSTS AND EXPENSES INCIDENTAL THERETO), CAUSED BY (i) THE ACTS OR OMISSIONS TO ACT BY THE SELLER, ITS OFFICERS, EMPLOYEES, AGENTS, INVITEES OR VENDORS, DIRECTLY OR INDIRECTLY ARISING OUT OF THE PERFORMANCE OF THIS ORDER OR ANY ACT OR FAILURE TO ACT BY SUBCONTRACTORS OR SUPPLIERS OF THE SELLER AND/OR (ii) THE SUPPLIES DELIVERED HEREUNDER AND/OR (iii) THE VIOLATION BY SELLER OR ITS SUBCONTRACTOR(S) OR THEIR RESPECTIVE OFFICERS, EMPLOYEES, AGENTS, INVITEES OR VENDORS OF ANY APPLICABLE LAWS, ACTS OR REGULATIONS.

19) ASSIGNMENT

SELLER SHALL NOT BE ENTITLED TO ASSIGN ITS RIGHTS AND OBLIGATIONS UNDER THIS ORDER WITHOUT BUYER'S PRIOR WRITTEN CONSENT. BUYER IS ENTITLED TO FREELY ASSIGN ALL OR ANY PART OF RIGHTS UNDER THIS ORDER TO ANY PARENT, SUBSIDIARY OR ASSOCIATED COMPANY.

20) TAXES

BUYER SHALL NOT BE LIABLE UNDER OR IN CONNECTION WITH THIS ORDER FOR ANY GOVERNMENTAL, MUNICIPAL OR OTHER TAXES, DUTIES, LEVIES AND/OR COMPULSORY PAYMENTS.

21) EXPORT /IMPORT PERMIT

SELLER SHALL BE RESPONSIBLE TO OBTAIN AN EXPORT PERMIT/LICENSE, AND ANY OTHER LICENSE OR APPROVAL, TO THE EXTENT REQUIRED, UNDER APPLICABLE LAW FOR THE SUPPLY OF THE SUPPLIES OR PERFORMANCE OF SERVICES UNDER THIS ORDER. BUYER SHALL BE RESPONSIBLE TO OBTAIN AN IMPORT PERMIT FOR THE SAME, IF REQUIRED UNDER APPLICABLE LAW. SELLER SHALL BE RESPONSIBLE FOR OBTAINING ALL OTHER APPROVALS, PERMITS AND LICENSE REQUIRED TO MEET ITS OBLIGATIONS UNDER THIS ORDER.

SELLER SHALL NOTIFY BUYER IN ADVANCE WHAT GOVERNANCE APPLIES ON THE SUPPLIES AND IN CASE ANY FORM OF STATEMENT, INCLUDING BUT NOT LIMITED TO: AN END USE/END USER STATEMENT AND/OR A REQUEST FOR THE TRANSFER OF INFORMATION IS REQUIRED, SELLER SHALL OBTAIN A WRITTEN APPROVAL FROM BUYER FOR PROVIDING THE REQUIRED STATEMENT AND/OR THE TRANSFER OF INFORMATION.

SELLER SHALL DOCUMENT AN ORDERLY REGISTRATION OF THE RESTRICTED ITEMS AND UPON DELIVERY TO BUYER SHALL PROVIDE BUYER WITH THE RELEVANT PERMITS AND/OR LICENSES.

22) DISPUTES

ALL DISPUTES BETWEEN THE PARTIES HERETO WHICH CAN NOT BE SETTLED BY AGREEMENT BETWEEN THE PARTIES SHALL BE FINALLY SETTLED BY LITIGATION IN THE COURTS OF HAIFA OR TEL AVIV AT BUYER'S DISCRETION, ISRAEL, EXCLUSIVELY, TO WHOSE JURISDICTION THE PARTIES HEREBY CONSENT.

23) GOVERNING LAW

THE LAW GOVERNING THIS ORDER SHALL BE THE LAW OF THE STATE OF ISRAEL WITHOUT REFERENCE TO ITS CONFLICT OF LAWS PRINCIPLES.

24) SUPPLIER CODE OF CONDUCT

BUYER IS COMMITTED TO BEST PRACTICES REGARDING INTEGRITY IN BUSINESS CONDUCT, INCLUDING IN OUR DEALINGS WITH OUR SUPPLIERS, CONTRACTORS AND CONSULTANTS.

OUR COMMITMENT TO OPERATE ACCORDING TO ETHICAL STANDARDS IS AN IMPORTANT FACTOR IN ENABLING THE BUYER TO MEET OUR BUSINESS GOALS AND DEMANDS OF TODAY'S MARKETPLACE.

A RELIABLE AND ETHICAL SUPPLY CHAIN IS CRITICAL FOR THE BUYER'S ABILITY TO SUPPORT OUR AND OUR CUSTOMERS' GOALS. INTEGRITY, SAFETY AND QUALITY ARE FUNDAMENTAL TO THE BUYER'S PERFORMANCE, AND WE ENCOURAGE A COLLABORATIVE ENVIRONMENT WITH OUR SUPPLY CHAIN IN THESE AREAS. OUR CUSTOMERS RELY ON US TO WORK WITH SUPPLIERS, SUBCONTRACTORS AND OTHER BUSINESS PARTNERS WHO SHARE THESE VALUES.

TO SUPPORT THE BUSINESS INTEGRITY OF OUR ACTIVITIES, WE REQUIRE THAT MEMBERS OF OUR SUPPLY CHAIN ENDORSE OUR VALUES RELATING TO THE RANGE OF AREAS SET FORTH IN THIS SUPPLIER CODE OF CONDUCT (THE "CODE"). THE PRINCIPLES SET FORTH IN THE CODE REPRESENT A FUNDAMENTAL PART OF OUR MUTUAL COMMITMENT ON HOW WE DO BUSINESS AND ARE INTEGRAL TO EVERY RELATIONSHIP YOU HAVE WITH THE COMPANY.

a) BUYER'S COMMITMENT TO FAIR AND ETHICAL CONDUCT

- (1) BUYER IS COMMITTED TO CONDUCTING ITS BUSINESS FAIRLY, IMPARTIALLY, ETHICALLY AND IN A PROPER MANNER, INCLUDING IN MAKING ITS PROCUREMENT DECISIONS.
- (2) BUYER'S CODE OF BUSINESS CONDUCT AND ETHICS (THE "CODE") IS PUBLISHED ON BUYER'S WEBSITE AT: WWW.ELBITSYSTEMS.COM UNDER "ABOUT" – "ETHICS AND CONDUCT" – "SUPPLIER CODE OF CONDUCT" OR "INVESTOR RELATIONS" – "CORPORATE GOVERNANCE" – "ETHICS AND CONDUCT" – "SUPPLIER CODE OF CONDUCT". AMONG OTHER PROVISIONS OF THE CODE, BUYER REQUIRES ITS EMPLOYEES TO TIMELY DISCLOSE ANY SITUATIONS WHERE FAMILY MEMBERS, CLOSE PERSONAL FRIENDS, OR FORMER BUYER EMPLOYEES COULD BIAS, OR APPEAR TO BIAS, BUYER'S BUSINESS DECISIONS, INCLUDING THOSE RELATING TO PROCUREMENT.
- (3) THE CODE ALSO PROVIDES THAT BUYER'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.

b) SELLER'S CONDUCT

SELLER SHOULD REFER TO THIS CODE'S PRINCIPLES WHEN ETHICAL AND COMPLIANCE ISSUES ARISE. EACH OF THE PRINCIPLES IN THIS CODE IS FUNDAMENTAL TO HOW WE DO BUSINESS.

THE BUYER RELIES ON OUR SUPPLY CHAIN TO CHOOSE SUB-TIER SUBCONTRACTORS AND SUPPLIERS THAT ALSO SHARE THE VALUES INCLUDED IN THE CODE. IT IS IMPORTANT EVERYONE WORKING ON YOUR BEHALF FOR US CONDUCTS BUSINESS IN THE MANNER PRESCRIBED BY THE CODE.

BY ENTERING INTO ANY SUBCONTRACT OR PURCHASE ORDER WITH THE BUYER, YOU ARE COMMITTING TO CONDUCT YOUR ACTIVITIES IN A MANNER CONSISTENT WITH THIS CODE. ACCORDINGLY, ALL OF YOUR BUSINESS ACTIVITIES RELATING TO WORK WITH THE BUYER 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.

(1) SELLER WILL CONDUCT ALL OF ITS BUSINESS ACTIVITIES RELATING TO BUYER IN A MANNER THAT IS FAIR, ETHICAL AND FULLY COMPLIANT WITH APPLICABLE LAWS AND REGULATIONS, INCLUDING, BUT NOT LIMITED TO, THOSE RELATING TO:

- HUMAN RIGHTS
 - CHILD LABOR
 - HUMAN TRAFFICKING, INCLUDING FORCED OR INDENTURED LABOR
- EMPLOYMENT PRACTICES
 - HARASSMENT
 - NON-DISCRIMINATION
 - WAGE AND BENEFITS
 - FREE ASSOCIATION
- ANTI-CORRUPTION
 - ANTI-CORRUPTION LAWS AND REGULATIONS
 - ZERO TOLERANCE POLICY
 - ILLEGAL AND IMPROPER PAYMENTS OR BENEFITS
 - DUE DILIGENCE
 - GIFTS/BUSINESS COURTESIES
 - OFFERS OF EMPLOYMENT
 - FRAUD AND DECEPTION
- COMPETITION AND ANTI-TRUST
- INSIDER TRADING
- CONFLICTS OF INTEREST
- MAINTAIN ACCURATE RECORDS
- INFORMATION PROTECTION
 - PROTECTION OF SENSITIVE INFORMATION
 - USE OF SENSITIVE INFORMATION
 - INFORMATION SECURITY
- MARKETING MATERIALS AND INTERACTIONS WITH THE MEDIA
- ENVIRONMENT, HEALTH AND SAFETY
 - ENVIRONMENTAL, HEALTH AND SAFETY MANAGEMENT
 - CONSERVATION OF NATURAL RESOURCES
 - PROTECTION OF EMPLOYEE HEALTH AND SAFETY
- GLOBAL TRADE COMPLIANCE
- RESPONSIBLE SOURCING OF MINERALS

- COUNTERFEIT PARTS
- GOVERNMENT PROCUREMENT
 - COMPLIANCE WITH GOVERNMENT CONTRACTING REGULATIONS
 - SOURCE SELECTION INFORMATION
 - LOBBYING
- ETHICS PROGRAM EXPECTATIONS
 - WHISTLEBLOWER PROTECTION AND NON-RETALIATION
 - CONSEQUENCES FOR VIOLATING THE CODE
 - ETHICS POLICIES
- REPORTING CONCERNS
 - SELF MONITORING AND REPORTING
 - REPORTING POINT OF CONTACT
- RIGHT TO AUDIT

SELLER IS EXPECTED TO COMPLY WITH THE ABOVE LISTED OF THE CODE REQUIREMENTS WHICH ARE DETAILED AS PUBLISHED ON BUYER'S WEBSITE AT: WWW.ELBITSYSTEMS.COM UNDER "ABOUT" – "ETHICS AND CONDUCT" – "SUPPLIER CODE OF CONDUCT" OR "INVESTOR RELATIONS" – "CORPORATE GOVERNANCE" – "ETHICS AND CONDUCT" – "SUPPLIER CODE OF CONDUCT".

- (2) SELLER IS EXPECTED TO SELF MONITOR ITS COMPLIANCE WITH THE ABOVE-MENTIONED STANDARDS OF CONDUCT AND TO PROMPTLY NOTIFY BUYER IN THE EVENT OF ANY NON-COMPLIANCE OR SUSPICION OF NON-COMPLIANCE THAT COULD EFFECT SELLER'S ACTIVITIES WITH BUYER.

25) PROHIBITED SOFTWARE

- A) THIS CLAUSE ONLY APPLIES TO SUPPLIES THAT INCLUDES THE DELIVERY OF SOFTWARE.
- B) AS USED HEREIN, "PROHIBITED LICENSE" MEANS THE GENERAL PUBLIC LICENSE ("GPL") OR LESSER/LIBRARY GPL, THE ARTISTIC LICENSE (E.G., PERL), THE MOZILLA PUBLIC LICENSE, THE NETSCAPE PUBLIC LICENSE, THE SUN COMMUNITY SOURCE LICENSE, THE SUN INDUSTRY STANDARDS LICENSE, OR VARIATIONS THEREOF, INCLUDING WITHOUT LIMITATION LICENSES REFERRED TO AS "GPL-COMPATIBLE, FREE SOFTWARE LICENSE."
- C) "PROHIBITED SOFTWARE" MEANS SOFTWARE THAT INCORPORATES OR EMBEDS SOFTWARE IN, OR USES SOFTWARE IN CONNECTION WITH, AS PART OF, BUNDLED WITH, OR ALONGSIDE ANY (1) OPEN SOURCE OR "FREE" SOFTWARE, LIBRARY OR DOCUMENTATION, OR (2) SOFTWARE LICENSED UNDER OR SUBJECTS THE SOFTWARE TO A PROHIBITED LICENSE, OR (3) SOFTWARE PROVIDED UNDER A LICENSE THAT REQUIRES THE DELIVERED

SOFTWARE TO BE LICENSED FOR THE PURPOSE OF MAKING DERIVATIVE SUPPLIES OR BE REDISTRIBUTABLE AT NO CHARGE, OR OBLIGATES BUYER TO MAKE AVAILABLE IN ANY WAY OR ACCESSIBLE TO ANY THIRD PARTY THE DELIVERED SOFTWARE, IN ANY FORMAT, OR ANY PORTION THEREOF, ANY PRODUCTS AND/OR OBJECT CODE AND/OR SOURCE CODE FORMATS INCORPORATING THE DELIVERED SOFTWARE.

- D) UNLESS SELLER HAS OBTAINED BUYER PRIOR WRITTEN CONSENT, WHICH BUYER MAY WITHHOLD IN ITS SOLE DISCRETION, SELLER SHALL NOT USE IN CONNECTION WITH THIS ORDER, OR DELIVER TO BUYER, ANY PROHIBITED SOFTWARE.

SELLER AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS BUYER, ITS CUSTOMERS AND SUPPLIERS FROM AND AGAINST ANY CLAIMS, DAMAGES, LOSSES, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS FEES, RELATING TO USE IN CONNECTION WITH THIS ORDER OR THE DELIVERY OF PROHIBITED SOFTWARE.

26) COUNTERFEIT MATERIEL PREVENTION

SELLER REPRESENTS AND WARRANTS BY ACCEPTANCE OF THE ORDER AND CERTIFIES WITH EACH SHIPMENT OF DELIVERABLES THAT ONLY NEW AND AUTHENTIC MATERIALS WILL BE USED AND THEY CONTAIN NO COUNTERFEIT MATERIEL. SELLER SHALL ONLY PURCHASE AUTHENTIC MATERIALS/COMPONENTS DIRECTLY FROM THE OEM'S/OCM'S OR THROUGH THE OEM'S/OCM'S AUTHORIZED OR FRANCHISED DISTRIBUTION CHAIN. SELLER FURTHER REPRESENTS AND WARRANTS THAT IT HAS (OR WILL HAVE) AND WILL MAKE AVAILABLE TO BUYER, AT BUYER'S REQUEST, ALL ACQUISITION/PROCUREMENT DOCUMENTATION FROM THE OEM/OCM OR THEIR AUTHORIZED OR FRANCHISED DISTRIBUTION CHAIN THAT AUTHENTICATES TRACEABILITY OF EACH PART, COMPONENT, MODULE OR ASSEMBLY OF SELLER'S PRODUCTS OR GOODS BACK TO THE APPLICABLE OEM/OCM. FOR PURPOSES OF THIS PARAGRAPH, "COUNTERFEIT MATERIEL" SHALL MEAN A PART, COMPONENT, MODULE, OR ASSEMBLY OR SUPPLIES WHOSE ORIGIN, MATERIAL, SOURCE OF MANUFACTURE, PERFORMANCE, OR CHARACTERISTICS ARE MISREPRESENTED. THE TERM "COUNTERFEIT MATERIEL" INCLUDES, BUT IS NOT LIMITED TO, (A) PARTS THAT HAVE BEEN (RE)MARKED TO DISGUISE THEM OR FALSELY REPRESENT THE IDENTITY OF THE MANUFACTURER, (B) DEFECTIVE PARTS AND/OR SURPLUS MATERIAL SCRAPPED BY THE ORIGINAL MANUFACTURER, (C) PREVIOUSLY USED MATERIEL PULLED, REPAIRED OR OTHERWISE RECLAIMED AND PROVIDED AS "NEW" OR (D) MATERIEL THAT HAVE REACHED A DESIGN LIFE LIMIT.

SELLER WILL ESTABLISH AND MAINTAIN A COUNTERFEIT MATERIEL PREVENTION AND CONTROL PLAN, USING AS A GUIDELINE AEROSPACE STANDARDS SAE AS5553 AND AS6174. THE PURPOSE OF THE PLAN SHALL BE TO

PREVENT THE DELIVERY OF COUNTERFEIT MATERIEL AND CONTROL OF MATERIEL IDENTIFIED AS COUNTERFEIT.

IF COUNTERFEIT MATERIEL ARE FURNISHED UNDER THIS ORDER, BUYER SHALL HAVE THE RIGHT TO ACT IN ACCORDANCE WITH AS6174 AND AS5553 INCLUDING, IMPOUNDING AND DESTROYING THE MATERIEL. SELLER SHALL BE LIABLE FOR ALL COSTS RELATED TO THE MATERIEL IMPOUNDING, DESTROYING, REMOVAL AND REPLACEMENT. BUYER RESERVES THE RIGHT TO WITHHOLD PAYMENTS FOR SAID MATERIEL. BUYER ALSO RESERVES THE RIGHT TO REPORT AND TO TURN OVER SUCH COUNTERFEIT MATERIEL TO THE RELEVANT AUTHORITIES.

NOTWITHSTANDING THE ABOVE AND IN ADDITION, IN THE EVENT THAT THE END USER IS THE U.S. DOD, THEN DFARS 252.246-7007 CONTRACTOR COUNTERFEIT ELECTRONIC PART DETECTION AND AVOIDANCE SYSTEM, AS WELL AS NDAA SECTION 818, ARE FULLY APPLICABLE.

IN THE EVENT OF CONTRADICTIONS BETWEEN THE DFARS OR THE NDAA PROVISIONS AND THE OTHER PROVISIONS OF THIS ARTICLE, "COUNRFEIT MATERIAL PREVENTION", THE MORE STRINGENT PROVISIONS SHALL APPLY.

SELLER SHALL INCLUDE THE TERMS OF THIS ARTICLE IN ITS SUBCONTRACTS TO THE EXTENT RELEVANT.

27) CYBER SECURITY INCIDENT REPORTING

IT IS OUR CUSTOMERS' AND OUR EXPECTATION THAT WE WILL BE NOTIFIED IF ANY INFORMATION PROVIDED BY BUYER OR GENERATED IN SUPPORT OF BUSINESS WITH BUYER IS IMPACTED AS A RESULT OF A CYBERSECURITY INCIDENT. THEREFORE:

- SELLER MUST NOTIFY BUYER WITHIN 72 HOURS IF ANY BUYER'S OR CUSTOMER'S INFORMATION PROVIDED AS PART OF, OR GENERATED IN SUPPORT OF, CONTRACT PERFORMANCE IS "COMPROMISED."
- "COMPROMISED" IS DEFINED AS UNAUTHORIZED ACCESS, INADVERTENT DISCLOSURE, KNOWN MISUSE, LOSS, DESTRUCTION OR ALTERATION OF INFORMATION PROVIDED BY THE BUYER, OTHER THAN AS WHAT WAS OUTLINED IN THE AGREED TO SCOPE OF WORK.
- SELLER MUST TAKE APPROPRIATE AND IMMEDIATE ACTIONS TO INVESTIGATE AND CONTAIN THE INCIDENT AND ANY ASSOCIATED RISKS.
- SELLER SHOULD ALSO PROVIDE REASONABLE COOPERATION TO BUYER IN CONDUCTING ANY INVESTIGATION REGARDING THE NATURE AND SCOPE OF THE INCIDENT.
- COSTS INCURRED IN INVESTIGATING OR REMEDYING INCIDENTS ARE THE RESPONSIBILITY OF THE SELLER.

28) MISCELLANEOUS

- A) FAILURE OF BUYER TO ENFORCE ITS RIGHTS UNDER THIS ORDER SHALL NOT CONSTITUTE A WAIVER OF SUCH RIGHTS OR OF ANY OTHER RIGHTS UNDER THIS ORDER OR OTHERWISE. BUYER'S RIGHTS AND REMEDIES SPECIFIED HEREIN SHALL BE CUMULATIVE AND IN ADDITION TO ANY OTHER RIGHTS AND REMEDIES AVAILABLE IN LAW OR EQUITY.
- B) THE INVALIDITY, IN WHOLE OR IN PART, OF ANY PROVISION HEREOF SHALL NOT INVALIDATE OR OTHERWISE AFFECT THE VALIDITY OF ANY OTHER PROVISION.
- C) SELLER REPRESENTS AND WARRANTS THAT THIS ORDER SHALL BE PERFORMED BY IT AS AN INDEPENDENT CONTRACTOR AND THAT NO EMPLOYER-EMPLOYEE RELATIONSHIP SHALL EXIST IN CONNECTION THEREWITH.
- D) SELLER SHALL INCLUDE THESE PURCHASE ORDER TERMS AND CONDITIONS, TO THE EXTENT RELEVANT, IN ITS SUBCONTRACTS.
- E) UNLESS OTHERWISE AGREED TO IN THE ORDER, ALL DOCUMENTATION, LABELS, DRAWINGS, LETTERS, AND COMMUNICATIONS OF ANY KIND WILL BE PRESENTED IN THE ENGLISH LANGUAGE.
- F) BUYER SHALL BE ENTITLED TO THE RIGHT TO SET-OFF AGAINST ANY AMOUNTS PAYABLE UNDER THIS ORDER.
- G) SELLER'S DECLARATION – IN CASE OF NON-US SELLER, ACCEPTANCE OF THIS ORDER SHALL DEEM THERE IS NO END-USE LIMITATIONS WITH RESPECT TO THE SUPPLIES.

29) OFFSET

BUYER SHALL BE ENTITLED TO ALL OFFSET CREDITS RESULTING OUT OF THIS P.O. SELLER SHALL SUPPORT BUYER BY PROVIDING DOCUMENTATION AND INFORMATION AS REQUESTED BY BUYER OR THE RELEVANT AUTHORITIES, TO SUPPORT AND APPROVE CLAIMS FOR OFFSET CREDITS FOR THE BUYER.

30) NOTICES

NOTICES REQUIRED OR DESIRABLE TO BE SENT TO EITHER PARTY HEREUNDER, SHALL BE SENT BY FIRST CLASS PRE-PAID AIR MAIL OR BY FACSIMILE AND BY E-MAIL, TO THE ADDRESS OR FACSIMILE NUMBER OF THE RELEVANT PARTY AS INDICATED ON THE ORDER, AND TO THE ATTENTION OF THE CONTACT PERSON INDICATED ON THE ORDER, TO THE EXTENT INDICATED.