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## GENERAL TERMS & CONDITIONS OF SALE

- Definitions.** For the purpose of this document, the following definitions shall apply: **Product(s)** – Any product or item furnished by the Supplier to the Purchaser and all derivatives thereof, including any integrated system components (which hereinafter shall be referred to as components), accessories and/or spare parts thereof. **Conditions** – The Terms & Conditions set forth herein. **Customer / End-User** – The end-user of the Product(s) (either as such or incorporated as such in the final Product(s) or worked and incorporated in the final Product(s)). **Goods** – The deliverable items to be delivered by the Supplier to the Purchaser under a Purchase Order and with respect to it. **Delivery Date / Due Date** – The agreed date of delivery for the Product(s) specified in the Purchase Order. **Purchase Order** or **PO** – The Purchase Order and amendments thereto, pursuant and subject to these Conditions. **PO Consideration** – The total payment due to the Supplier from the Purchaser for the Product(s) and services to be provided under the PO. **Party(ies)** – The Supplier and/or the Purchaser. **Supplier** – Aeronautics Ltd. **Special Terms and Conditions** – With respect to each Purchase Order, terms and conditions which will be set in writing as part of such Purchase Order, and signed by both Parties. **Purchaser** – The entity purchasing the Product(s) from Aeronautics Ltd. under a Purchase Order to which these Terms & Conditions are attached as an integral part thereof. **Specification** – The written Technical Specification or other agreed means of defining the technical requirements of the Product(s), as attached hereto or as attached to the Purchase Order.
- General.** The Conditions shall exclusively apply to, and are an integral part of, the Purchase Order. All other terms and conditions or any document of a similar nature, including any terms or conditions which the Purchaser may purport to apply under any Purchase Order, confirmation of order, or similar document as well as any provisions applied by the Purchaser on its notes, correspondence, or any other document, or added by it to the Purchase Order, are explicitly rejected, and shall be regarded as null, void, and unequivocally excluded. In the sole event that Special Terms and Conditions will be set out in the Purchase Order, signed and agreed to by the Parties, such Special Terms and Conditions shall be applied in addition to the Conditions. In the event of any inconsistency or discrepancy between such Special Terms and Conditions and these Conditions, the Special Terms and Conditions shall prevail. All orders for Goods and Purchase Orders (whether titled as such or not) shall be deemed to be an offer by the Purchaser to acquire the Goods pursuant to these Conditions. Only Purchase Orders in writing, duly accepted and signed by the Supplier, shall be binding upon the Parties. Section headings are merely for convenience and shall not govern the interpretation of these Conditions. Any concession or waiver, also if reiterated, allowed, or to be allowed by the Supplier to the Purchaser at any time, shall not constitute a precedent or invalidate in any way the contractual provisions

(including those not applied) or prevent the Supplier from subsequently exercising its full rights.

3. **Delivery and Terms of Payment.** Deliveries shall be made to the Ex Works (Incoterms 2020) Supplier premises in Yavne, Israel. The costs of packaging and delivery shall be included in the price of the Goods. Delivery Dates are approximate only and, unless otherwise expressly agreed in writing by the Supplier, time is not of the essence for delivery. Any delay in the delivery of the Goods shall neither affect the price of the Goods nor entitle the Purchaser to reject any delivery or any further installment or part of the Purchase Order or any other order from the Purchaser, or to repudiate the PO. The Supplier reserves the right to make partial shipments and to collect pro-rata payment. If, for any reason, the Purchaser fails to accept delivery of any of the Goods when they are ready for delivery, or if the Purchaser has not provided appropriate instructions, documents, licenses, permits, or authorizations (including but not limited to EU certification and an MTCR statement), the Supplier may store the Goods until actual delivery, whereupon the Purchaser shall be liable for all related costs and expenses (including, without limitation, storage and insurance). This provision is without prejudice to any of the Supplier's rights in relation to a failure by the Purchaser to take delivery of the Goods or pay for them in accordance with the terms of the PO. The Purchaser agrees to reimburse the Supplier for any and all storage costs and other additional expenses resulting therefrom.
4. **Terms of Payment.** Payment to the Supplier is to be made by Irrevocable Letter of Credit (LC) available by sight payment, covering the amount of the PO, against and upon presentation of documents in accordance with Letter of Credit instructions. The Purchaser shall promptly, and in any event no later than fourteen (14) days after placing the PO, have such LC issued in favor of the Supplier by a mutually agreed first-class international or Israeli bank. The validity of the LC will be ninety (90) days past the anticipated last delivery date. Partial shipments are acceptable and will result in partial invoices being issued. Unless otherwise explicitly specified, prices under these Conditions and PO are in US Dollars, and payments shall be effected in freely transferable US Dollars, by means of a bank transfer to such bank account as shall be designated from time to time by the Supplier. All such payments shall be paid net, free of any taxes (income, withholding, or other) imposed by any government or authority. In the event the contract is funded or initiated in another currency, the Purchaser assumes full responsibility for the effects of currency fluctuations, devaluations, and revaluations. Payments received by the Supplier fourteen (14) days in arrears from invoice date shall be subject to the assessment of interest at the rate of 1.5% per month. All costs associated with such LC, including the costs of opening and executing it, will be borne solely by the Purchaser. In the event the Parties incorporated a Site Assessment Test (SAT) article into the PO and a payment is due against a successful SAT, such payment will be released to the Supplier against presentation to the issuing bank of: a SAT certificate signed by both the Supplier and the Purchaser, or the Supplier only, to which an affidavit from the Supplier's legal counsel will be attached declaring that either: (a) the Purchaser attended the

SAT and although the SAT passed successfully, the Purchaser refused to sign the SAT Certificate, or (b) (i) the Supplier was ready to conduct the SAT and (ii) the Supplier was prevented from performing SAT at the site for reasons not under the Supplier's control, or (iii) the Purchaser failed to arrange for the SAT or be present at the site, despite two written notices made by the Supplier and furnished to the Purchaser to that effect, demanding that a SAT will be conducted as per the PO. The PO Consideration is exclusive of insurance costs, Value Added Tax (VAT), and any other taxes, duties, or fees, which will be charged in addition to the PO Consideration, as applicable. The Purchaser shall bear any such taxes, duties, fees or other like charges that are payable in relation to the Goods. The Company may increase the PO Consideration for the supply of any quantity or type of Goods different from those specified in the PO.

5. **Site Acceptance Test (SAT).** [This article will apply only if the PO's Special Terms and Conditions explicitly indicate as such.] Once the Goods arrive at the Customer's customs, the Purchaser shall promptly take all needed measures to ensure swift and rapid release of the Goods from the customs and transport them to the Site (where "Site" refers to the location where the SAT is due to take place). The Purchaser will coordinate a date for the SAT with the Supplier, which will be the earlier of: (i) fourteen (14) days from the date that such Goods were released from the Customer's customs or (ii) twenty-eight (28) days from the arrival of the said Goods at the Customer's customs. SAT will be carried out in accordance with the Supplier's SAT procedures. Once the SAT is successfully passed, the Goods provided are deemed accepted and the Purchaser will promptly sign the relevant SAT certificate and provide it to the Supplier.
6. **Acceptance.** The Purchaser shall inspect Goods delivered to it by the Supplier immediately upon receipt; any course of dealing to the contrary, notwithstanding failure of Purchaser to give Supplier written notice of any rejection or claim within fourteen (14) days after delivery of such Goods substantiated by attestations thereof, shall be an unqualified acceptance of such Goods. The Purchaser may not return Goods without first advising the Supplier of the reasons therefor, obtaining from Supplier an authorization RMA number, and observing such instructions as the Supplier may give in authorizing such a return.
7. **Ownership, Title and Risk.** Ownership and title in the Goods delivered shall not pass from the Supplier to the Purchaser unless the Supplier has received payments in full of all monies due to the Supplier from the Purchaser under the contract or any other contractual arrangements between the Supplier and the Purchaser. The Supplier shall be entitled to sue for the price of the Goods once the payment has become due. Until the title in the Goods passes to the Purchaser in accordance with the foregoing, the Purchaser shall hold the goods on a fiduciary basis as bailee of the Supplier. The Purchaser shall store the Goods (at no cost to the Supplier) separately from all other goods in its possession and marked in such a way that they are clearly identified as the Supplier's property. The Supplier reserves the right to repossess any Goods, including Goods incorporated in other products, in respect of which payment is overdue and thereafter to resell the same and for this purpose the Purchaser hereby grants an irrevocable right and license to the



Supplier's servants and agents to enter all or any of its premises, or the premises of any third party in which the Goods or other products are stored, with or without vehicles, during normal business hours. The right shall remain in effect, notwithstanding the termination of the contract for any reason, and is without prejudice to any accrued rights of the Supplier thereunder or otherwise. Risk in the Goods will pass to the Purchaser upon delivery or when the Goods are transferred to the Purchaser or its carrier, as the case may be.

8. **Regulation and Export Control.** The Purchaser shall, at its sole cost and expense, obtain and maintain all licenses, permits, certificates, and approvals under applicable US federal and state laws and regulations or the laws and regulations of any other applicable country, including all import and or export licenses, approvals, certificates and permits, required in connection with the execution of this proposal and in connection with export of the Goods. Upon the Supplier's request, the Purchaser shall provide the Supplier with copies of any such permits. The Purchaser shall comply, at all times, with all applicable laws, rules or regulations, including without limitation, with: the US Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), Sections 291 and 291A of the Israeli Penal Law, 5737-1977 and the Israeli Anti Money Laundering Law, 5760-2000, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, and any applicable anti-money laundering, anti-bribery, or anti-corruption laws in connection with this proposal and its performance thereafter. The Purchaser certifies that the importation of the Goods (or any part thereof) is for its exclusive use, or for the exclusive use of the End User as will appear in the PO. The Purchaser undertakes not to sell, deliver, or otherwise transfer to any party, under any conditions whatsoever, with or without consideration, temporarily or permanently, the Goods (or any part thereof), as is or integrated into another system or any part thereof, including any related equipment and/or spare parts delivered in connection with the after-sales support, documentation, and operating manuals, without the prior written approval of the Israeli government. The Purchaser certifies that the components will not be used for any purpose related to nuclear, chemical or biological weapons, or delivery systems for such weapons, moreover, the components will not be re-exported or otherwise resold or transferred if it is known or suspected that they are intended or likely to be used for such purposes (in addition to the requirements set in any applicable end-user certificate). In the event the Goods are intended for the use of an End User as stated above, the Purchaser irrevocably undertakes to charge in writing any such End User with all the above restrictions, undertakings, and responsibilities.
9. **Force Majeure.** In the event the Supplier's execution of the PO (wholly or partially) is prevented, hindered, delayed or rendered uneconomical by reason of circumstance or events beyond the Supplier's reasonable control, including but not limited to acts of God, restrictions, restraint or interference by any government or official authority, governmental acts, war, riot, incursions, strike, pandemic (including COVID-19 and/or any of its variants), lockdown, trade dispute or labor disturbance, terrorist activity, accident, fire, flood, severe weather conditions, difficulty or increased expense in obtaining workers, materials or

transport, changes of law or regulation, or other circumstances affecting the supply of the goods by the Supplier's normal route or means of delivery, the Supplier shall be excused and under no liability to the Purchaser and shall have the right to suspend or defer the whole or any part of the Supplier's unfulfilled obligations, and if the force majeure circumstances endure, to terminate the PO and in the event of any such cancellation or suspension to treat the terms of the contract as having been modified accordingly by mutual consent.

10. **Warranty.** The Supplier warrants that the Product(s) comply with the Specifications. The Supplier further warrants that the Product(s) are merchantable and free from defects in workmanship, materials or design, and in addition, the Product(s) shall be in proper operating condition for a period of twelve (12) months, or a longer period of time if such is stated in the Order (hereinafter: the "Warranty Period") from the acceptance or deemed acceptance date, pursuant to Section 6 above (the "Warranty").
  - 10.1. The Warranty does not cover, and the Supplier shall not be liable for any of the following: (i) normal wear and tear and/or defects which have been caused by wrong and/or negligent and/or abnormal and/or improper operation, handling, transportation, overloading, inadequate installation, maintenance, and/or storage and provided that said Goods and/or part of the Goods thereof has not been subject to accident, abuse, change, modification, or misuse; (ii) changes and/or amendments and/or modifications made by the Purchaser or any third party, without the prior written consent of the Supplier, any tampering with the products, (iii) items which have in any way been combined with equipment or products which are not approved by the Company for use in that configuration with the Products.
  - 10.2. Subject to Section 10.1 above, in case of a Product or any component thereof that meets the criteria of the Warranty and which fails to properly operate during the Warranty Period, the Purchaser shall, within thirty (30) days after the discovery of the failure, notify the Supplier in writing. The Supplier's liability in such event shall be limited to the obligation at its option to repair or replace free of charge the faulty or defective items, hence the Supplier shall repair the relevant parts, or replace them with new parts or Products. The Supplier will bear the costs of labor and the expenses (including expenses of shipment, insurance, and freight) arising from such repair or replacement; It is further agreed that the "Turnaround Time" (i.e., the time lapse from removing of the defective item from the Purchaser's premises until the item was repaired or replaced and received by the Purchaser) shall not exceed thirty (30) days.
  - 10.3. The provisions of this warranty shall apply to a repaired/replaced item for the balance of the warranty period which was applicable to the defective item at the time of notification by the Purchaser to the Supplier of the defect.



- 10.4. The warranties, obligations and liabilities of the Supplier set forth herein are exclusive and in lieu of all other warranties, obligations and/or liabilities, express or implied (including, but not limited to, any implied warranty of merchantability and/or fitness for a particular purpose, and/or any implied warranty arising from the course of performance, course of dealing or usage of trade), whether arising in contract, negligence of any degree or other tort, strict liability, or otherwise, with respect to any non-performance or defect in any item of the goods, including but not limited to any liability of the Supplier for loss of use, revenue or profit, or for any other incidental and/or consequential damages. The Purchaser hereby waives all other rights, obligations and warranties and assumes all risks and liabilities in respect thereof.
11. **Liability.** The Supplier's liability pursuant to these Conditions and/or any PO shall not exceed the aggregate amounts the Supplier has received in practice for the Products from the Purchaser, pursuant with respect to the incident in which liability is asserted.
- 11.1. Notwithstanding anything to the contrary herein, the Supplier shall not be liable to the Purchaser for any special, indirect, incidental, exemplary, punitive, or consequential damages (including loss of profits or revenue, loss of business, interruption of business, or otherwise) resulting or arising from the Products and their use, or resulting from improper or non-compliant performance of the Supplier's obligations under this agreement or otherwise in any other respect in connection with this agreement, regardless of whether such damages or other relief are sought based on breach of warranty, breach of contract, negligence, strict liability in tort, or any other legal or equitable theory.
12. **Proprietary Information; Proprietary Rights; License.** The Purchaser shall keep confidential all proprietary information furnished or disclosed to the Purchaser by the Supplier and shall not use such proprietary information for any purpose other than the maintenance, repair, or operation of the products without the prior written consent of the Supplier. Upon cancellation of this Contract or the return of the Goods, the Purchaser shall return to the Supplier all such proprietary information or, if the Supplier so requests, destroy such information and attest to its destruction.
- 12.1. The Supplier is and shall be the sole and exclusive owner of all intellectual property rights (of whatever nature), title and interest related to, incorporated in and derived from the Products. Nothing herein shall be construed or deemed as conveying, transferring, or granting the Purchaser any ownership or other right to any of the Supplier's intellectual property rights.
13. **Taxes and Other Charges.** The purchaser shall be liable and responsible for the payment of all taxes, duties, levies, assessments, fees and other charges levied or imposed upon the Purchaser within the Purchaser's country in connection with

this Contract, including but not limited to demurrage, import duties, inland freight, and contract registration fees.

14. **Applicable Law and Jurisdiction.** These Conditions, POs, and all terms and conditions relative thereto, and all the rights, remedies, agreements, controversies, disputes, and disagreements arising from or with connection to these Conditions, shall be governed, construed, and performed solely and exclusively in accordance with the laws of the State of Israel (excluding and without regard to its conflict of laws rules). The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these Conditions or any transactions relating thereto.

14.1. Any and all disputes arising out of or in connection with these Conditions, any PO and any agreement associated with them (whether in contract, tort, statute, or otherwise), unless settled amicably by the Parties, shall be finally settled solely, utterly, and exclusively by the competent courts of Tel Aviv-Jaffa, Israel in accordance with their competency. The Parties expressly deny the jurisdiction of any other court or tribunal.

15. **General Provisions.** These Conditions supersede all other communications, negotiations, and prior oral or written statements regarding the subject matter of these Conditions. No change, modification, rescission, discharge, abandonment, or waiver of these Conditions shall be binding upon the Supplier unless made in writing and signed on its behalf by its duly authorized representative of the Supplier. No conditions, usage or trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain, or supplement these Conditions shall be binding unless hereafter made in writing and signed by the party to be bound. No waiver by either party with respect to any breach or default or of any right or remedy, and no course of dealing, shall be deemed to constitute a continuing waiver of any other breach or default or of any other right or remedy, unless such waiver be expressed in writing and signed by the party to be bound. All typographical or clerical errors made by the Supplier in any quotation, acknowledgment or publication are subject to correction. No action, regardless of form, arising out of transactions relating to these Conditions and/or PO may be brought by either party more than two (2) years after the cause of action has accrued. The Purchaser shall not assign any rights or delegate any duties under these Conditions without the consent of the Supplier. In the case of any assignment by the Purchaser, the Purchaser shall remain obligated as a guarantor of the assignee's payment obligation unless expressly released in writing by the Supplier. If any terms or condition herein shall be held invalid or unenforceable, the remaining Conditions shall remain in full force and effect. The Parties shall then negotiate and agree upon a valid provision materializing their intentions.