

**TADIRAN BATTERIES LTD.**  
**GENERAL TERMS AND CONDITIONS OF PURCHASE**

**1. GENERAL**

- 1.1. These General Terms and Conditions of Purchase apply to Orders and purchases of Supplies made by TADIRAN from the supplier.
- 1.2. These General Terms and Conditions shall be deemed accepted as set forth herein and shall prevail over the terms and conditions of the supplier. They may nevertheless be negotiated and adapted, especially in view of the supplier's terms and conditions.

**2. DEFINITIONS**

- 2.1. "General Terms and Conditions" refers to these General Terms and Conditions of Purchase.
- 2.2. "Order" refers to the purchase order placed by TADIRAN for the Supplies.
- 2.3. "Supplies" refers to the products and/or services contained in the Order.
- 2.4. "TADIRAN" refers to all subsidiaries in which TADIRAN Group directly or indirectly holds more than 50% of the capital.
- 2.5. "Entrusted Goods" refers to the goods TADIRAN provides to the supplier (such as tools, batteries, prototypes, plans, technical documentation, etc.) for the fulfillment of the Order.

**3. ORDERS**

- 3.1. The Order shall be deemed accepted by the supplier at the earlier of the following:
  - 3.1.1. Receipt by TADIRAN of the acceptance without modification of the Order, within ten (10) calendar days of the date of the Order;
  - 3.1.2. Start of fulfillment of the Order, if no written reservations have been made by the supplier within the period specific above.
- 3.2. TADIRAN reserves the right to modify the quantities and the delivery dates in the Order, unless the supplier refuses in writing within ten (10) calendar days of the date of TADIRAN's modification request.

**4. DELIVERY**

- 4.1. Supplies are delivered to the place indicated in the Order.
- 4.2. Unless otherwise agreed, delivery of Supplies is made DDP (Incoterms 2010).
- 4.3. The supplier holds TADIRAN harmless against any consequence of an error in the customs declarations incumbent upon it.
- 4.4. Deliveries must include a delivery slip with the Order number, reference, a complete description of the Supplies, the documents relating to the Supplies, as well as the quantities contained in the delivery.
- 4.5. TADIRAN reserves the right to refuse, in any written form, all or part of the delivery of Supplies in the event of late, incomplete or surplus delivery, or for discrepancies between the delivery and the Order.

**5. LATE DELIVERY**

- 5.1. Time is an essential aspect of the Order. The supplier is required to meet the deadline for delivery indicated therein.
- 5.2. The supplier agrees to notify TADIRAN of any delay in the fulfillment of its contractual obligations and to communicate the action plan it has adopted to make up for lost time.
- 5.3. In case of non-compliance with contractual deadlines, TADIRAN reserves the right:
  - 5.3.1. Unless otherwise agreed, to apply as of right and without prior notice late fees equivalent to 1% of the price net of tax of the Supplies concerned per calendar day of delay, these penalties being capped at 15% of the total value of the Order net of tax, and/or;
  - 5.3.2. To cancel all or part of the Order under the conditions and in the manner provided for in Article 16 below, with no compensation being due to the supplier and/or;
  - 5.3.3. To request that the supplier, in addition to late fees, pay any damages resulting from the late delivery, including operating losses.

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**6. PACKAGING AND SHIPPING DOCUMENT**

- 6.1. To ensure arrival in perfect condition, Supplies must be delivered in packaging that is consistent with the Order and adapted to the nature of the items, to the mode of transport used and to storage. The supplier shall be responsible for any damage (breakage, missing items, deterioration, etc.) due to inadequate or improper packaging.
- 6.2. The information required by applicable regulations, especially regarding transport, as well as specific instructions for handling and storage must be printed legibly on the outside of each packaging unit.

**7. RECEIPT – TRANSFER OF TITLE AND RISK**

- 7.1. Ownership is transferred to TADIRAN, notwithstanding any retention of title clause:
  - 7.1.1. Upon delivery at the TADIRAN site for Supplies,
  - 7.1.2. As the service is completed for construction or facilities work.
- 7.2. For Supplies, risk is transferred according to the applicable Incoterm and if no Incoterm exists, upon delivery of the Supplies to the place indicated in the Order or at the signature of the certificate of acceptance if it is provided for in the Order.

**8. ENTRUSTED GOODS**

- 8.1. Entrusted Goods are provided solely for filling TADIRAN Orders and are considered on loan.
- 8.2. These goods remain the property of TADIRAN. They must be identified as such and stored so as to avoid confusion with supplier or third party goods. Any modification or destruction of Entrusted Goods shall be subject to the prior written approval of TADIRAN.
- 8.3. The supplier agrees to return the Entrusted Goods in good condition and correctly maintained, at the first request of TADIRAN.
- 8.4. The supplier shall ensure surveillance of the Entrusted Goods and take all appropriate measures to protect against theft or damage. In case of direct or indirect infringement of Entrusted Goods, the supplier shall immediately notify TADIRAN in writing and take all necessary steps to defend the rights of TADIRAN concerning the Entrusted Goods.

**9. PRICES – INVOICES – PAYMENT**

- 9.1. The prices stated in the Order are firm and not revisable. Prices are DDP (Incoterms 2010) to the delivery point indicated in the Order.
- 9.2. Invoices shall include the information of the Order that allows the identification and verification of the Supplies. Invoices shall be sent to the billing address listed in the Order and, unless otherwise agreed, not before delivery of the Supplies.
- 9.3. Unless otherwise agreed, invoices are payable no later than sixty-five (65) days from the invoice date, subject to presentation of an invoice compliant with regulations in force and Article 9.2.
- 9.4. TADIRAN shall be entitled to offset any sums for which the supplier is liable for any reason whatsoever.

**10. WARRANTY – SUPPLIER'S OBLIGATIONS**

- 10.1. The supplier agrees not to make any changes to the Supplies, including modifying the components, materials, process or place of manufacture, unless otherwise authorized by TADIRAN.
- 10.2. As an expert in its field, the supplier is responsible for the development, design (where the supplier has been entrusted therewith) and characteristics of the Supplies, as well as for the manufacturing process, the technical choices and for ensuring that the Supplies are suited to the intended use. The supplier warrants that the Supplies:
  - 10.2.1. Comply with the Order and with the professional rules, standards, laws and regulations applicable;
  - 10.2.2. Are suited to be used for the tasks and in the manner intended, and offer the security that can be legitimately expected from them;
  - 10.2.3. Contain no apparent or hidden defects or malfunctions;
  - 10.2.4. Are free from third-party intellectual property rights.
- 10.3. Unless otherwise agreed, the warranty period is two (2) years from the date of delivery of the Supplies.

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- 10.4. All replaced or repaired Supplies come with a new two year warranty.
- 10.5. In case of defective or non-compliant Supplies, TADIRAN may (i) return them for a full refund or (ii) require repair or replacement.
- 10.6. If the supplier fails to meet its warranty obligations, TADIRAN reserves the right to perform or call upon a third party to perform the necessary repairs at the supplier's expense.
- 10.7. The supplier shall compensate TADIRAN for any injury, material or immaterial damages, direct or indirect, suffered by TADIRAN due to defective or non-compliant Supplies.

**11. INDUSTRIAL AND INTELLECTUAL PROPERTY**

- 11.1. Where the Order entails or gives rise to intellectual property rights (patents, trademarks, designs, copyright), including over plans, drawings, software, tools, calculations, specifications and tests, catalogs, brochures, prototypes, etc. (collectively "Results"), title of Results is transferred to TADIRAN for the entire term of the intellectual property rights and in all countries. This transfer shall take place as the work is completed.
- 11.2. Accordingly, TADIRAN may – in all countries and for the entire legal term of the industrial property rights transferred – freely exploit, license or transfer Results for which it has assumed title. For Results protected by copyright (including software), the transfer to TADIRAN covers the right of representation, reproduction, translation, adaptation, modification and reverse engineering, marketing, duplication and more generally, all use rights, for any purpose and for the legal term of protection.
- 11.3. Results become the exclusive property of TADIRAN, and the supplier agrees not to use them for any purpose other than fulfilling the Order. Upon request of the supplier, TADIRAN may, at its discretion and subject to conditions to be defined, grant the supplier a non-exclusive and non-transferrable right to use the Results.
- 11.4. For the legal term of the intellectual property rights and in all countries, the supplier shall grant TADIRAN free, nonexclusive, irrevocable and transferrable usage rights, with the right to sub-license, on the patents, software, processes and techniques developed independently of the Order that are necessary for use of the Supplies.
- 11.5. The supplier warrants that it holds the intellectual property rights on the Results referred to in Articles 11.1 and 11.2 and holds TADIRAN harmless against any third party claim related to these rights. As such, the supplier shall bear the cost of defending TADIRAN and all consequences, including fees and convictions that may arise for TADIRAN.

**12. LIABILITY - INSURANCE**

- 12.1. The supplier is responsible for any damage or loss suffered by TADIRAN or by a third party due to the failure to fulfill or inadequate fulfillment of the Order. Accordingly, the supplier shall compensate TADIRAN for all prejudices suffered and hold TADIRAN harmless against all third party claims.
- 12.2. The supplier agrees to take out and maintain a general liability insurance policy to cover damage that may be caused to TADIRAN property or personnel and shall provide proof of insurance upon request.

**13. CONFIDENTIALITY**

- 13.1. All information, which TADIRAN provides to the supplier for the purpose of fulfilling the Order, shall be considered strictly confidential, without TADIRAN having to specify or label it as such.
- 13.2. The information may only be used for the Order. The supplier shall take all necessary steps to ensure that no information is disclosed or revealed to a third party.
- 13.3. This confidentiality obligation shall continue to apply for a period of five (5) years following fulfillment of the Order. Once the Order has been completed, the supplier shall return to TADIRAN all documents pertaining to the Order, confidential or otherwise, at first request, without keeping a copy.

**14. ACCESS TO SUPPLIER AND/OR SUBCONTRACTOR FACILITIES**

On reasonable notice and during business hours, the supplier shall grant TADIRAN and its customers' access to its facilities for the purpose of verifying Supplies and quality control.

**15. ASSIGNMENT – SUBCONTRACTING**

- 15.1. The supplier agrees not to transfer or assign all or part of the Order as well as the rights and obligations thereunder to a third party without the prior written consent of TADIRAN.

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15.2. The supplier agrees not to subcontract the Order. However, if the supplier is authorized to subcontract, it agrees to pass on the obligations contained in the Order to its subcontractors.

15.3. Notwithstanding TADIRAN authorization to subcontract, the supplier remains solely responsible towards TADIRAN for outsourced manufacture of Supplies and may not invoke subcontractor failure to limit its liability.

**16. TERMINATION**

16.1. TADIRAN may terminate the Order *ipso jure* by registered letter with acknowledgment of receipt in the following cases:

16.1.1. Unless otherwise agreed, failure of the supplier to remedy a breach of a material obligations within fifteen (15) days after written notice sent by registered letter with acknowledgement of receipt requiring the remedy;

16.1.2. *Force majeure* lasting over one month from notification by one party to the other.

16.2. In addition, if the supplier fails to comply with Articles 21 and 22, TADIRAN may immediately terminate the Order without penalty and without prejudice to the damages it is entitled to receive.

**17. FORCE MAJEURE**

17.1. An event that is unavoidable, unpredictable and beyond the control of the parties shall be considered as a *force majeure*.

17.2. The party shall immediately notify the other party, with written confirmation no later than fifteen (15) calendar days following the occurrence of a *force majeure* that prevents it from performing its obligations under the Order.

17.3. Obligations whose performance is rendered impossible due to *force majeure* are suspended for the duration of the event. The party invoking *force majeure* shall take all steps to limit the negative impact of the event on the other party.

**18. APPLICABLE LAW – DISPUTE SETTLEMENT**

Orders shall be governed by the laws of France. The parties expressly waive application of the 1980 Vienna Convention on the international sale of goods. Any dispute between the parties shall be referred to the courts within the jurisdiction of the Paris Court of Appeal (*Cour d'appel de Paris*).

**19. HEALTH AND SAFETY**

19.1. The supplier undertakes, on its own behalf and on behalf of its personnel and its subcontractors (if any), to comply and to ensure compliance with applicable statutes, standards and best practices with respect to health, safety, working conditions and the environment. When present on any TADIRAN site or any site designated by TADIRAN, the supplier shall comply and ensure that all of its employees or its subcontractors comply with the rules in force on the site designated by TADIRAN with regard to health, hygiene, safety, working conditions and the environment as well as all applicable legislation and regulations.

If the supplier or its subcontractors infringe any of these obligations, TADIRAN reserves the right to refuse the supplier or its subcontractors access to or continued presence on the site. In the event of a repeat infringement, TADIRAN may terminate immediately the Order, with no compensation for the supplier who shall be solely liable for any costs or loss. All consequences arising out of or in relation to non-compliance with any of these obligations shall solely be borne by the supplier.

19.2. The supplier guarantees strict compliance to French and local enforceable social legislation. If the Supplies are manufactured in France, the supplier agrees to comply with the legislation on hidden labor. It therefore agrees to submit the documents specified in the French Labor Code to TADIRAN at the date of the Order and every six (6) months until the completion thereof.

**20. ETHICS**

20.1. The supplier agrees to adopt the ethics rules of the United Nations Global Compact in the conduct of its business. The supplier acknowledges having read and agrees to comply with the TADIRAN Code of Ethics available at <http://www.tadiran.com/assets/tadiran-batteries-ethics-policy.pdf>.

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**21. REACH**

The supplier declares that it is in compliance with the provisions of Regulation (EC) No 1907/2006 ("REACH").

The supplier therefore agrees that it and/or its subcontractors have registered all substances requiring registration under the REACH regulation that are used in production and/or incorporated into the Supplies.

The supplier shall also communicate to TADIRAN the safety data sheets produced pursuant to article 31 of REACH, or if a safety data sheet is not required, all information required in articles 32 or 33 of the regulation.

**22. CONFLICT MINERALS**

22.1. The supplier is required to provide sufficient guarantees that the minerals known as "conflict minerals" (such as tantalum, tin, tungsten and gold) present in the Supplies sold to TADIRAN do not directly or indirectly fund or benefit armed groups perpetrating major human rights violations in the Democratic Republic of Congo or neighboring countries.

22.2. The supplier must exercise reasonable diligence as to the source and the chain of custody of these minerals. The supplier must inform TADIRAN if "conflict minerals" are used in the manufacture of the Supplies.

**23. AUTHORIZED ECONOMIC OPERATOR**

The supplier shall endeavor to obtain the status of Authorized Economic Operator provided for in Regulation (EC) No 1875/2006 to strengthen the security of the international supply chain.

**24. MISCELLANEOUS**

24.1. TADIRAN may revise these General Terms and Conditions at any time.

24.2. If any part of these General Terms and Conditions is held invalid or unenforceable, the remaining provisions shall not be affected.

24.3. Any failure of TADIRAN to enforce any of its right arising from these General Terms and Conditions shall not constitute a waiver nor prejudice to the rights to enforce such provisions at any subsequent time.

Please read the [Fundamental Principles of Purchasing](#) in the next page:

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## Fundamental Principles of Purchasing

In accordance with the fundamental principles set out in particular in the United Nations Universal Declaration of Human Rights, the Conventions of the International Labor Organization, the United Nations Global Compact, and the OECD Guidelines for Multinational companies, suppliers are required to comply with - and to make sure that their own suppliers and subcontractors comply with- current laws, as well as principles equivalent to those defined below.

### **Respecting human rights at work :**

- Ensure that working conditions and remuneration of workers preserve human dignity and are consistent with fundamental principles defined and protected by the Universal Declaration of Human Rights, by the fundamental principles of the International Labor Organization, and in particular with rules relating to the prohibition of forced labor and child labor, workplace safety, the establishment of an employment contract, working time, rest and parental leave, treatment of discrimination and harassment at the workplace, freedom of speech, association and collective bargaining, freedom of thought, conscience and religion;
- Improve their standards and procedures concerning human rights at work.

### **Protecting health, safety, and security :**

- Perform risk analysis and assessments in these areas and implement appropriate means to prevent those risks;
- Establish a system for monitoring events that occurred in these areas.

### **Preserving the environment :**

- Implement an appropriate environment risk management system, in order to identify and control the environmental impact of activities, products or services, to continuously improve environmental performance, and to implement a systematic approach to define environmental objectives, achieve them and demonstrate that they have been achieved;
- Undertake the improvements needed for protecting the environment;
- Limit the impact of industrial activities on the environment.

### **Preventing corruption, conflict of interests, and fighting against fraud :**

- Fight against fraud;
- Prevent and ban any form of corruption: active or passive, private or public, direct or indirect;
- Avoid conflicts of interest, in particular when personal interests may influence professional interests.

### **Respecting the competition law :**

- Comply with the applicable competition law.

### **Promoting economic and social development :**

- Create a climate of trust with stakeholders, engaging in a dialogue with local communities, promoting local sustainable development initiatives, and giving local companies the opportunity to develop their business.