



Gilat Satellite Networks LTD. — Purchase Order Terms and Conditions

November 2019



1. Contract Formation

These terms and conditions apply to the Purchase Order to which this is attached and together constitute an offer to purchase the goods and/or services stated therein. Such offer is revocable at any time before acceptance. This Purchase Order becomes a contract

(a) when you send us a written acknowledgment or acceptance (if your acknowledgment or acceptance contains any different terms or conditions, they will not be part of or supplement to this contract or explain any term herein), or (b) when you ship or provide to us any portion of the items or services listed in the Purchase Order. Once the contract is formed, the terms and conditions may be modified only in writing with a modification signed by both parties. No prior proposals, statements, course of dealing, or usage of the trade will be part of this contract except in the case where you and we have entered into a written agreement listing the terms and conditions concerning the purchase of the goods that are the subject of the attached Purchase Order, and in such case the written agreement shall control.

2. Commercial Terms

a) Price. The prices set forth in the Purchase Order are fixed unless otherwise stated therein. No additional charges (e.g., for packing, handling, cartage, or change in currency) and no taxes shall be applicable unless otherwise specified. All taxes, if applicable, shall be listed as a separate line item on the invoice. Except for stamp tax, if applicable, which will be paid by you.

Invoices. Invoices shall be submitted in duplicate after successful delivery, with the second copy to be marked as a duplicate, and shall include the order reference and the number of each delivery item. Irregular invoices shall only be considered received by us as of the date of rectification.

Payments. (i) Unless explicitly agreed otherwise, payments will be made within seventy-five (75) days from the end of month. (ii) The period of payment begins as soon as the delivery or service has been completely rendered and the invoice issued in due form has been received. In the event that you have to carry out material tests and/or supply test reports, quality documents, or other papers, the completion of the delivery and service also implies the reception of these documents. In addition to our remedies and rights pursuant to these Terms, we are also entitled to take a cash discount, make setoffs, or withhold a reasonable amount of the payments, due to defects. The period of payment begins after all defects have been entirely remedied. Payment does not imply acceptance of delivery or services. In case of defective delivery or service, we shall be entitled

to withhold payment on a pro-rata value basis until complete and satisfactory fulfillment occurs.

b) Warranty. All goods shipped shall be warranted (i) to conform to the items' specifications, (ii) to be new and made from new materials, unless otherwise stated, (iii) to be free from claims by third parties, and (c) to be free from defects in design (except in the case of Gilat's design), material, and workmanship until the earlier of at least 18 months from delivery to us or 12 months from delivery to our customer. If any of the items delivered by you do not meet these warranties, we may, in addition to any other rights we may have under law, (i) require you to repair or replace at no cost to us any defective or non-conforming item, or (ii) return to you the defective or non-conforming item at your expense and receive a full refund of the purchase price, or (iii) correct the defective or non-conforming item ourselves and charge you with the cost of such correction. This warranty shall survive any inspection, delivery, acceptance, or payment by us for the items.

c) Packing. Each package shall be placed on pallets as appropriate, numbered and labeled with the Purchase Order number, stock/item number, short description of contents, serial number, and weight, and shall contain the bill of lading, air waybill, invoice, an itemized packing list, Euro 1 or FTA certificate (as applicable), and certificate of country of origin. A copy of the packing list shall be attached to the outside of the package and an additional copy should be placed inside the package.

d) Transportation. Unless otherwise specified, the goods shall be shipped to us FCA (Incoterms 2010) by standard freight methods or as specified in the Purchase Order.

e) Title/Risk of Loss/Insurance. Title to the goods and risk of loss thereof shall transfer upon delivery.

f) Delivery. Time is of the essence with respect to all deliveries specified in the Purchase Order and/or in our procurement follow-up memos. Items delivered either early or late may be returned at your expense, and we reserve all other remedies under law in this regard.

g) Nonconforming Items. Any items not fully up to standard, or not in compliance with the specifications (including goods that are dead-on-arrival), or not in conformance with this Purchase Order, or shipped contrary to instructions, may be rejected and returned to you at your expense and risk.

h) Changes in Delivery. We are entitled to cancel any of our orders if you do not confirm the order in writing within 14 days after the date of receipt of an order (confirmation of order). Upon confirmation of the order, unless agreed otherwise, We shall have the right to cancel or reschedule



orders up to 20 days prior to the requested delivery date. Rescheduled orders may be canceled within the period up to 20 days prior to the rescheduled requested delivery date.

i) Set-Off. We may set-off any amount you owe us against any amount we owe you under this Purchase Order.

j) Termination for Default. If you default in the performance of this Purchase Order or if your performance is delayed for a cause beyond your reasonable control, and such default or delay is not cured within 10 days from receipt of written notice from us of such default or delay, we may immediately terminate any part or all of this Purchase Order without liability, and we reserve our rights to all remedies available to us under law with respect thereto.

3. Other Terms

a) Our Property. Except for software provided under appropriate license or except as otherwise agreed by the parties, any technology developed for us in connection with this Purchase Order, including any associated intellectual property rights, is our property. Accordingly, in each case you hereby assign and agree to assign to us, and to cause your employees to assign to us, without additional compensation, all of such technology and associated intellectual property rights. You will also ensure that any information we disclose to you or you develop for us is kept confidential to the extent it is not otherwise publicly available.

Product Liability/Indemnification. (i). You shall, at your own expense, (a) defend or, at your option, settle any legal proceeding instituted against us to the extent the proceeding arises from a claim that an item listed in this Purchase Order caused any damage and/or bodily injury; and (b) indemnify us and/or our affiliates, subsidiaries, officers and employees and hold harmless from and against any and all damages, liabilities, claims, costs, charges, judgments and expenses (including reasonable attorneys' fees) (collectively "Damages") that may be sustained, suffered or incurred by us and/or our affiliates, subsidiaries, officers or employees, arising from or related to a claim that an item listed in this Purchase Order caused any damage and/or bodily injury. you shall compensate us These Damages also include expenses for a provisional callback of defective products.

b) Intellectual Property of Others. You shall defend any claim that is brought against us or our customers that an item listed in this Purchase Order or a device or process resulting from its use infringes or misappropriates a patent, copyright, or trade secret of any third party, provided that we notify you promptly in writing and give you authority, information, and assistance, at your expense, to defend the claim. You will pay all damages and costs awarded against us or our customers. If use of an item is enjoined, you will,

at your expense, procure the right to continue using the item, replace the item with a non-infringing equivalent, or with our written approval, remove the item and refund the purchase price and the transportation and installation cost.

Subcontracting to third parties, Manufacturing process or BOM changes. You are not entitled to subcontract orders or part thereof to third parties, change manufacturing processes, or make any change to the BOM, without our prior written consent. If such consent is granted, you shall remain responsible for meeting all contractual obligations.

Third party rights. (i) You warrant that no third party has any property rights on any item listed in this Purchase Order and in particular that no patents, licenses or other property rights will be violated through the delivery and use of the items listed in this Purchase Order.

Insurance Requirements. You are required to take out adequate insurance against all risks related to product liability including callback risks. In addition, you shall procure and maintain, at all times, and at your own expense, the types of insurance(s) specified below. For completed operations, insurance coverage will remain in effect for at least two (2) years after delivery. (i) Commercial General Liability. You shall provide coverage on a Commercial General Liability Occurrence Coverage Form (or equivalent) with limits of not less than \$1,000,000 each occurrence, \$1,000,000 products/completed operations aggregate, \$1,000,000 personal injury/advertising injury aggregate and \$2,000,000 general aggregate, which shall be specifically endorsed to provide that the general aggregate limit applies separately to each purchase order performed hereunder. Any exclusions or amendments to the policy form must be disclosed to us (ii) Excess Liability. You shall provide Umbrella Liability coverage, including technology errors and omissions insurance, with a limit of liability no less than

\$5,000,000 per each occurrence, \$10,000,000 in aggregate. (iii) You shall provide us with sixty (60) days' prior written notice of the cancellation or non-renewal of any policy.

c) Publicity. You will not (a) issue any press release, (b) use any of our products or our name in promotional activity, or (c) otherwise publicly announce or comment on this order, without our prior written consent.

d) Governing Law. The law governing this Purchase Order shall be the law of Israel, and the courts situated in Tel Aviv-Jaffa, Israel shall have exclusive jurisdiction over any dispute hereunder.



GILAT SATELLITE NETWORKS
www.gilat.com

