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General Terms and Conditions for Procurement

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GILAT SATELLITE NETWORKS LTD. — GENERAL TERMS AND CONDITIONS FOR PROCUREMENT
(the “Terms and Conditions”)

1) Definitions:

- (a) **“Order/s”:** Gilat's purchase order, or any other similar document, through which Gilat order Work from Supplier including each appendix attached to it.
- (b) **“Supplier” or “Vendor”** - the person/corporation contracting with Gilat pursuant to the Order.
- (c) **“Gilat”** - Gilat Satellite Networks Ltd., an Israeli company with offices at 21 Yegia Kapayim St., Kiryat Arye, Petah Tikva 4913020, Israel or any of its affiliates or subsidiaries issuing an Order.
- (d) **“Products”**- The products ordered by Gilat from the Supplier, as detailed in the Order.
- (e) **“Services”**- The services ordered by Gilat from the Supplier, as detailed in the Order.
- (f) **“Work”** - means all required labor, articles, materials, documents, supplies, Products, and/or Services constituting the subject matter of the Order.
- (g) **“Customer/s”** - The customer with whom Gilat has contracted and who ordered from Gilat any product that includes the Work.

2) Applicability of the Terms and Conditions

The following Terms and Conditions apply to any Gilat Order. The Supplier accepts the Order and undertakes to perform the obligations specified in the Order subject to these Terms and Conditions. Unless approved by Gilat in advance and in writing, no other terms shall apply to the Order, even if they were sent to Gilat after the Order was issued and without Gilat explicitly rejecting the other conditions.

In the event of any contradiction or conflict between the provisions of the Terms and Conditions and the terms of the Order or any appendix to the Order, an express provision shall prevail over a general provision. In the event of explicit, contradictory provisions, the terms of the Order shall prevail over any accompanying Appendix, and the provisions of and Appendix shall prevail over the provisions of the Terms and Conditions.

3) Receiving an Order

The supplier is required to confirm the Order within 72 hours of receipt. As long as the Supplier has not confirmed the above Order, Gilat may cancel the order in any manner and without any cause for compensation being established. Without derogating from the generality of the aforesaid, if the Supplier did not approve the said Order, but provided Gilat with the Work and/or accepted Gilat's payments, Gilat may, at its discretion, either (a) accept the Work and treat it as acceptance of the Order and the Terms and Conditions by the Supplier; or (b) reject the Order on the basis of the rejection of the Order by the Supplier as aforesaid. In any event, any change in the Order will not be valid unless it is done in writing and signed by Gilat and the Supplier.

4) Price

The prices set forth in the Order are firm fixed unless otherwise stated therein. No additional charges (e.g., for packing, handling, cartage, or change in currency) shall apply in addition to the Order price. The prices include all taxes, tariffs, and similar fees imposed by any government.

All taxes, if applicable, shall be listed as a separate line item on the invoice

5) Payments

- a) Unless explicitly agreed otherwise, payments will be made

within current plus seventy-five (75) days from the latest of the following: (i) Gilat's receipt of Supplier's proper invoice; (ii) scheduled delivery date of the Work; (iii) actual delivery date of the Work; or (iv) acceptance of the Work by Gilat.

b) Invoices shall be submitted in duplicate after delivery and acceptance by Gilat, with the second copy to be marked as a duplicate and shall include the order reference and the number of each delivery item.

c) In case of defective delivery or service, Gilat shall be entitled to withhold payment on a pro-rata value basis until complete and satisfactory fulfillment occurs. The Supplier shall send a revised invoice as shall be directed by Gilat.

d) In addition to Gilat's remedies and rights pursuant to the Order, Gilat will be entitled to offset any amount due to the Supplier according to the Order against any amount due to it or to any of its subsidiaries from the Supplier for any reasons including, but not limited to, amounts in respect of damages caused to Gilat, whether fixed or not, as a result of the Supplier's breach of the terms of the Order.

e) In the event that payment is linked to a foreign currency, the payment will be made according to the exchange rate of the central bank of the Gilat's entity issuing the Order only and according to the invoice date.

6) Packing

a) Supplier will provide Gilat with the Harmonized Tariff Schedule number, country of origin information or certificates, ECCN number, relevant RoHS number and any other documents or information Gilat may require complying with international trade regulations or to lawfully minimize duties, taxes, and fees.

b) With each shipment, Supplier will send Gilat, and Gilat's designated agent, a complete set of shipping documents including the commercial invoice and packing list in hard copy, within the shipment container or packaging.

c) All items shipped by Supplier will be packaged properly to ensure receipt in an undamaged condition. All containers shall be properly marked for identification, Order number(s), Product part number, Product description, serial number(s) country of origin, total number of boxes in shipment, quantity of Products shipped, final delivery address and any other required information Gilat may request.

7) Delivery Terms – Transfer of risk of loss and title.

a) Unless otherwise specified in the Order, all ordered Products and/or Work shall be shipped to Gilat FCA (Incoterms 2020) - nearest international port-by standard freight methods.

b) Risk of loss and title to the ordered Products and/or the Work shall pass to Gilat upon its delivery to Gilat according to applicable incoterms as specified in previous paragraph.

c) Time is of the essence with respect to all deliveries specified in the Order. Items delivered either early or late may be returned at Supplier's expense, and Gilat reserves all other remedies under law in this regard.

8) Changes

a) Gilat's procurement representative may at any time, by written notice, make changes within the general scope of the Order in any one or more of its parts.

b) If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the Order in more than 10 % of its original scope, Gilat shall make an equitable adjustment in the Order price and/or delivery schedule, all according to the terms to be mutually agreed with Supplier.

c) Supplier must assert its right to an equitable adjustment under this clause within thirty (30) days from the date of receipt of the written change order from Gilat.

9) Stop Work

- (a) Gilat may, at any time, require the Supplier to stop Work for up to ninety (90) days in accordance with any written notice received from Gilat, or for such longer period as the parties may agree and shall take all reasonable steps to minimize the incurrence of costs allocable to the Work during the period of Work stoppage.
- (b) Within such a period, Gilat shall either terminate in accordance with the provisions of the Order or continue the Work by written notice to Supplier. In the event of a continuation, an equitable adjustment in accordance with the principles of the Changes clause shall be made to the price, delivery schedule, or other provision(s) affected by the Work stoppage, if applicable, provided that the claim for equitable adjustment is made within thirty (30) days after date of notice to continue.

10) Inspection and Acceptance

- (a) Gilat will be entitled to refuse to accept the Work at its sole discretion, in whole or in part, if it does not comply with the terms of the Order or is otherwise defective.
- (b) The Work shall be deemed to have been received by Gilat only after delivery to Gilat under the terms of the Order, accompanied by all the required documents and approvals required for the acceptance and subject to Gilat quality assurance approval.
- (c) Gilat and Customer may inspect all Work at reasonable times and places, including, when practicable, during manufacture and before shipment. Supplier shall provide all information, facilities, and assistance necessary for safe and convenient inspection without additional charge.
- (d) No such inspection shall relieve the Supplier of its obligations to furnish and warrant all Work in accordance with the requirements of the Order.
- (e) If Supplier delivers non-conforming Work, Gilat may, in addition to any other remedies available at law or at equity: (i) accept all or part of such Work at an equitable price reduction; or (ii) reject such Work; or (iii) require Supplier, at Supplier's cost, to make all repairs, modifications, or replacements at the direction of Gilat necessary to enable such Work to comply in all respects with Order requirements.

11) Quality Control System

- (a) Supplier shall provide and maintain a quality control system to an industry- recognized quality standard and in compliance with any specific quality requirements identified in the Order.
- (b) Records of all quality control inspection work by the Supplier shall be kept complete and available to Gilat and the Customer.

12) Warranty

The Work supplied 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 (iv) to be free from **defects in** material, and workmanship until 24 months from delivery to Gilat or Customer, as the case may be. If any of the Work, or any part thereof, delivered by Supplier do not meet these warranties, Gilat may, in addition to any other rights Gilat may have under law, (i) require Supplier to repair, replace or reperform at no cost to Gilat any defective or non-conforming item; or (ii) return to Supplier the defective or non-conforming item at Supplier's expense and receive a full refund of the purchase price, or (iii) correct the defective or non-conforming item/service and charge Supplier with the cost of such correction. In any case, Supplier will bear the transportation costs from/to Gilat premises.

This warranty shall survive any inspection, delivery, acceptance, or payment by Gilat for the items.

13) End of Life Notice

- (a) The Supplier agrees to provide Gilat with a written notice of no less than twelve (12) months in advance of the End of Life (EOL) of any Products.
- (b) During the EOL notification period, Gilat shall have the right to place a Last Time Purchase order for the Products.
- (c) In the event that the Supplier cancels the EOL of any Products, any pending Last Time Purchase orders may also be canceled by Gilat without any penalties or charges.

14) Furnished Property

- (a) Gilat may, by written authorization, provide to Supplier property owned by either Gilat or Customer ("**Furnished Property**"). Furnished Property shall be used only for the performance of the Order.
- (b) Title to Furnished Property shall remain in Gilat or Customer, as the case may be. Supplier shall clearly mark all Furnished Property to show its ownership.
- (c) Except for reasonable wear and tear, Supplier shall be responsible for, and shall promptly notify Gilat of, any loss or damage to Furnished Property. Without additional charge, Supplier shall manage, maintain, and preserve Furnished Property in accordance with applicable law, the requirements of the Order and good commercial practice.

15) Work on Gilat's and Third Party's Premises

- (a) "Premises" as used in this clause means premises of Gilat, Customers, or other third parties where Work is being performed.
- (b) Supplier shall ensure that Supplier personnel working on the Premises comply with any on-premises policies.
- (c) Prior to entry on the Premises, Supplier shall coordinate with Gilat or third party where Work is being performed to gain access.
- (d) Gilat may, at its sole discretion, have Supplier remove any specified employee of Supplier from the Premises and require that such employee not be reassigned to any Premises under the Order.

16) Termination

16.1 Termination for Convenience

- (a) Gilat reserves the right to terminate the Order, or any part hereof, for its convenience. Gilat shall terminate by delivering to Supplier a notice of termination specifying the extent of termination and the effective date. In the event of such termination, Supplier shall immediately stop all work hereunder and shall immediately cause all its suppliers and subcontractors to cease work. Subject to the terms of the Order, Supplier shall be paid a percentage of the Order price reflecting the percentage of the Work performed prior to the notice of termination, or the costs that Supplier can demonstrate, to the satisfaction of Gilat, that have resulted from the termination. Supplier shall not be paid for any Work performed or costs incurred which reasonably could have been avoided.
- (b) In no event shall Gilat be liable for lost or anticipated profits, or unabsorbed indirect costs or overhead, or for any sum in excess of the total Order price. Supplier's termination claim shall be submitted within sixty (60) days from the effective date of the termination.
- (c) Supplier shall continue all Work not terminated.

16.2 Termination for Default/ Cause.

If Supplier defaults in the performance of the Order and such default or delay is not cured within ten (10) days from receipt of written notice from Gilat of such default or delay, Gilat may immediately terminate the entire Order or any part thereof without liability, and Gilat reserves its rights to all remedies available under law with respect thereto. A default under the Order shall be any of the following failures of Supplier to:

- i. Deliver the Work within the time specified in the Order or any extension; or
- ii. Perform any of the other provisions of the Order.

Gilat will be entitled to terminate the entire Order or any part thereof without giving an advance notice to the Supplier if the Supplier ceases to operate for a period exceeding 14 days or if he is facing bankruptcy or receivership proceedings or the Supplier's death, or in the case of a corporation - liquidation proceedings or if an application is filed to appoint a receiver by his creditors, or in the process of arranging a debt with his creditors. In each of these cases, Gilat will be entitled, without any further authorization, to enter the Supplier's premises and take possession of Gilat assets and to remove them.

The Supplier shall not be entitled to any compensation other than in respect of the unterminated Work already supplied, received, and accepted by Gilat. Gilat will be entitled to receive a full reimbursement for payments already paid with respect to the terminated Work.

17) Software Open Source- Limitations

The use of an open-source in any Work in connection with the Order shall be subject to the following: (i) The incorporation of the open-source within the Work is permissible according to the open-source's terms and conditions, and the use of it by Gilat shall not violate any third party rights, including (without limitations) intellectual property rights; and (ii) Supplier shall incorporate the relevant notices regarding copyright and/or other notices, as may be required by the open-source's terms and conditions; and (iii) Supplier shall not use any copy-left open-source or other type of open-source that may derogate and/or otherwise eliminate Gilat's ownership and/or rights in and to the Work, including any information incorporated therein.

18) Insurance Requirements

(a) Supplier undertakes to procure and maintain adequate insurance, as required by a prudent Supplier, to cover its legal and contractual liabilities by purchasing comprehensive insurance policies, which will include as a minimum, the Policies listed in paragraph (b) sections (i), (ii), and (iii) herein under.

(b) Furthermore, if the value of this Purchase Order or the value of the Purchase Orders issued by Gilat during the twelve (12) months before the issuance of this Purchase Order, exceed US\$ 500,000 Supplier's undertaking will include at minimum the following (hereinafter and hereinabove "Policies" or Policy"): (i) **Worker's Compensation Insurance** as required by applicable law or regulation and **Employer's Liability Insurance**; (ii) **Commercial General Liability Insurance** (including products-completed operation / product liability {if the products are related to Aviation than the policy shall be adjusted to include coverage for Aviation liability} and automobile liability); (iii) **"All Risks" property insurance** at full reinstatement value as new for property in the care, custody or control of the Supplier; (iv) if the Supplier provides professional services and/or IT, Technology Operations or Technology related Services than **Professional liability insurance** or **E&O insurance**, as well as, **Cyber Liability insurance**; (v) any other complementary or compulsory insurance.

(c) The Policies listed in paragraph (b) above shall include: (i) worldwide geographical area and jurisdiction clause, as may be required; (ii) waiver of subrogation rights against Gilat and its parent company, sister companies, subsidiaries or affiliated companies and their shareholders, managers, directors, officers, employees and agents (Gilat's Group); (iii) primary and non-contributory clauses with regards to any of Gilat Group's insurance policies; (iv) Policies (ii), (iv) and (v) include Gilat's Group as an additional insured as well as a "cross liability clause"; (v) upon request Supplier shall deliver to Gilat a certificates of insurance as evidence that the required Policies are in full force and effect, and all other documentation necessary to demonstrate that all conditions have been met; (vi) Policies shall not be cancelled, nor coverage reduced unless Gilat is given written notice of said cancellation or reduction at least thirty (30) days in advance and said Policies are replaced by similar policies with similar coverage levels. Supplier is obliged exercise its insurance rights under the above policies.

(d) Limit of liability for paragraph (b) items (i), (ii), and (iv) shall be as required by a prudent Supplier and not less than US\$ 1,000,000 for each occurrence.

(e) Notwithstanding paragraph (b) above, the Supplier has the right not to purchase an "All Risks" property insurance as further detailed under paragraph B item (iii) above subject to a full, complete, and explicit exemption and hold harmless of Gilat and its affiliate companies, from any liability related to loss or damage to property that should have been insured by the Supplier. The Supplier shall indemnify Gilat and its affiliate companies for any claim or demand related to property that could have been insured by the Supplier.

19) Supplier Liability

The Supplier shall be liable for any damage or loss caused to the body or property of any person, including his employees and employees of Gilat or Customer, or anyone acting on their behalf, caused in connection with the Supplier's execution of the Order.

20) Intellectual Property Indemnity

a) Supplier warrants that no third party has any property rights on any item listed in the 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 the Order.

b) Supplier shall defend any claim that is brought against Gilat or Customer that an item or service listed in the 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 Gilat shall notify Supplier promptly in writing and give Supplier authority, information, and assistance, at Supplier's expense, to defend the claim. Supplier will pay all damages and costs awarded against Gilat or Customer and will indemnify Gilat, at its first demand, for any damages suffered by Gilat in this respect. If use of an item is enjoined, Supplier will, at Supplier's expense, procure the right to continue using the item, replace the item with a non-infringing equivalent, or with Gilat written approval, remove the item and refund the purchase price and the transportation and installation cost.

c) Any right in the Work, insofar as it relates to the Order and was established in the framework of its execution, shall belong exclusively and fully to Gilat and the Supplier hereby waives any such demand or right.

d) In the event that the Order includes purchase of design Services or other engineering Services, or in any other case where the Supplier is unable to deliver the Work or its obligations with respect to post-sales support, Gilat shall have full license to use the Supplier's previous intellectual property rights and any new intellectual property created as consequence or in relation to the

Order, by itself or through a third party. The said license shall not bear royalties and shall be irrevocable, unlimited in territory, transferable and assignable to a third party. In such a case, in order to enable Gilat to execute the license, the Supplier undertakes to transfer to Gilat exclusively and in a complete manner, all the Work of the Order, including without limitation, full product files, drawings, specifications, product details and its distribution to its various components (full BOM), quality requirements and testing procedures for each part of the product, detailed instructions regarding the manner in which the product is manufactured and any other detail relating to the product in a manner that will allow Gilat to produce the Work.

e) Except for software provided under appropriate license or except as otherwise agreed by the parties, any technology developed for Gilat in connection with the Order, including any associated intellectual property rights, shall be deemed Gilat's property. Accordingly, in each case Supplier hereby assign and agree to assign to Gilat, and to cause Supplier's employees to assign to Gilat, without additional compensation, all of such technology and associated intellectual property rights.

21) Rights and Remedies

a) The rights and remedies of either party in the Order are cumulative and in addition to any other rights and remedies provided by law or in equity.

b) Without derogating from any other right and remedies according to this Terms and Conditions or applicable law, in the event of delay of more than 5 (five) days in the provision of the Work due to Supplier acts or omissions, or anyone on its behalf, Gilat will be entitled to apply a daily penalty of 0.5 % (half percent) of the price of the delayed Work for each day of delay, up to a maximum amount of ten percent (10%) of the total value of the Order.

22) Confidentiality and Publicity

The Supplier undertakes to keep under confidentiality, both during the execution of the Order and thereafter, any information disclosed by Gilat, whether commercial or technical information, or any other information relating to the execution of the Order or to Gilat business, its products, working methods, etc., This undertaking does not derogate from the terms of the confidentiality agreements signed between the Supplier and Gilat.

Supplier will not (a) issue any press release; or (b) use any of Gilat's products or Gilat's name in promotional activity; or (c) otherwise publicly announce or comment on the Order, without prior written consent of Gilat.

23) Compliance with Gilat Policies, Requirements and Government Requirements

The Supplier hereby represents and warrants as follows:

a) The Supplier has read and agreed to comply with Gilat's [Supplier Code of Conduct](#), as may be in effect from time to time, which sets Gilat's requirements applicable to suppliers with respect to conduct, compliance, and responsible business practices.

b) The Supplier shall obtain, at its own expense, any license, including marketing licenses, export and re-export licenses, brokerage licenses and any other permit, required to allow Gilat to receive and to export, including to re-export, the subject matter of the Order by Gilat and by the Customers whose identity has been conveyed to the Supplier.

c) In the event there are any changes in the country-of-origin information, certificates or in any information provided by Supplier as specified in these Terms and Conditions, Supplier shall immediately update Gilat before shipping the Products.

d) Supplier shall comply with all applicable export and import control laws and regulations, including but not limited to the US Export Administration Regulation (including prohibited party lists issued by other federal governments), the State of Israel, and all applicable national and international embargoes.

e) The Supplier confirms that it will comply and shall continue to comply with all applicable provisions of the NDAA (FAR and DFARS), including, without limitation, the provision of section 889 thereof, as listed in the Purchase Order/s.

f) Supplier shall meet the [Minimum Security Requirements for Suppliers](#), where applicable according to the terms of such requirements.

g) The Supplier shall meet [Gilat's Quality Requirements](#) for the items set forth in the Orders.

h) Gilat has the right to reject any Product which, at Gilat's sole discretion, does not comply with the international trade regulations, Gilat Policies and Requirements set forth above and/or applicable government requirements.

24) Conflict Minerals

The Supplier undertakes that, to the extent that the Work that is the subject of the Order contains one or more of the following minerals: gold, tin, tungsten and tantalum, the Supplier shall provide Gilat with timely and necessary information regarding such minerals.

25) Change in Control of Supplier

Supplier will promptly notify Gilat in writing prior to a potential change of control and provide any information as Gilat may request, consistent with applicable law and confidentiality restrictions. Gilat will be entitled to terminate the Order according to the terms specified in section 15.1 hereof.

26) Independent Contractor Relationship

The Order does not create an employer-employee or agency relationship, or a joint venture or partnership between Gilat and the Supplier. The Supplier is engaged as and shall be an independent contractor only for all purposes. The Supplier shall be solely responsible for all persons and entities which Supplier engages to carry out any or all its obligations under the Order.

27) Assignment and subcontractors

a) Any assignment of Supplier's Order rights or delegation of Supplier's duties shall be void, unless prior written consent is given by Gilat.

b) Supplier shall not subcontract orders or part thereof to third parties without Gilat's prior written consent. If such consent is granted, Supplier shall remain responsible for meeting all contractual obligations.

28) Governing Law

The law governing the Order shall be the law of the place of incorporation of the Gilat's entity issuing the Order, the courts of which shall have exclusive jurisdiction over any dispute hereunder. Without derogating from the above, and to the maximum extent possible, either party irrevocably waives the right for a trial by jury in any legal proceeding directly or indirectly arising out of or relating to the Order.

29) Notices

All notices in connection with the Order will be given in writing and will be delivered by registered mail, or e-mail, to the addresses indicated in the Order.