1. **Scope and Acceptance.** When Netafim Ltd.’s engagement with a supplier (“Supplier”) to purchase goods and/or services from (collectively, “Items”), is done via issuance of individual purchase orders (the “Purchase Orders”), then the Purchase Orders, as applicable, along with these Terms and Conditions of Purchase, constitutes the entire and exclusive agreement (“Agreement”) between the supplier identified in the Contract or Purchase Order (the “Supplier”) for the purchase of such Items. No change, additional or modified term, or revision to this Agreement will be effective unless set forth in a record that is signed by a duly authorized representative of Netafim. If the Supplier proposes its own terms and conditions, then such terms and conditions shall not be binding on Netafim save to the extent they are expressly accepted in writing by an authorized Netafim representative and include a specific waiver of this Agreement. Acceptance of and/or payment for Items by Netafim shall not be construed as acceptance by Netafim of Supplier’s terms and conditions even if Netafim is aware of such terms and conditions. Supplier’s signature on a Purchase Order or commencement of performance constitutes Supplier’s acceptance of these terms and conditions.

2. **Confidentiality Undertaking and Prohibited Activities.**

A. **General.** Supplier shall treat and maintain all Confidential Information (as such term is defined herein) in the strictest confidence, using a degree of care considered acceptable and reasonable in the industry, and in any event not less than that degree of care that the Supplier uses to protect its own Confidential Information. “Confidential Information” shall mean confidential or proprietary information concerning Netafim or any of Netafim’s processes, inventions, formulas, IP Rights, customers, suppliers, prices, financial information, any commercial sensitive information or any trade secret which has heretofore or may hereafter be disclosed to Supplier, provided that disclosure of Confidential Information shall be permitted if (i) expressly assented to in writing by Netafim; (ii) or such Confidential Information is in the public domain or was known to, or developed independently by, the Supplier, without any breach of this Agreement; or (iii) the disclosure of such Confidential Information is required under any applicable law. The Supplier will survive termination of this Agreement for a period of 5 years. B. **Further Information.** On request, in any event, upon termination of this Agreement, Supplier will either destroy or return all Confidential Information to Netafim, according to Netafim’s instructions.

C. **Prohibited Activities.** Except for delivery of Items to Netafim, Supplier will not reverse engineer, develop, design, manufacture, refurbish, sell or offer for sale any Items about which Supplier has received or obtained Information or assist any third party to perform any of such activities. D. **Injunctive Relief.** Supplier understands that any violation of this section may cause immediate and irreparable harm to Netafim, which monetary damages cannot adequately remedy. Therefore, Supplier hereby agrees that injunctive relief may be sought against it, without bond, in order to remedy, or to prevent, a violation hereto. Supplier shall obtain Netafim’s written consent prior to any publication, presentation, public announcement, or press release concerning its relationship as a supplier to Netafim. Any knowledge or information that Supplier may derive shall not be deemed the confidential information and shall be acquired by Netafim free from any restrictions as to use or disclosure thereof, unless Netafim agrees to accept confidential information from Supplier pursuant to a duly executed nondisclosure agreement defining Netafim’s obligations with respect to such information.

3. **Warranty.** A. **General.** Supplier warrants that, for a minimum period of 24 months after delivery to Netafim, or for the warranty period it generally provides its customers, whichever comes later, all Items shall be free from defects in design, workmanship, material, and manufacture and free computer or typographical errors and machine readable errors that are in material error of quality and be fit and suitable for the purpose intended by Netafim; all Items shall comply with the requirements of this Agreement, including conforming to and/or performing in accordance with any of Netafim’s specifications, drawings or samples; all Items shall be in new condition; and to the extent they are expressly accepted in writing by an authorized Netafim representative and include a specific waiver of this Agreement, all Items shall acquire good and marketable title to all Items, free and clear of all liens, claims and encumbrances; and all Items shall be fabricated or supplied in a workmanlike and professional manner in accordance with the highest industry standards. The foregoing warranties are in addition to all other warranties, express or implied, and survive delivery, inspection, acceptance, or payment by Netafim.

B. **Infringement.** Supplier warrants that all Items, the sale of Items by Supplier, and the use and sale of Items by Netafim are and will be free from liability for infringement of, or claim of royalties for, patent rights, copyright, trademark, trade secrets or confidential or proprietary intellectual property rights, mechanic’s liens and other encumbrances of any person or entity having rights in the same. C. **Remedies.** If an Item does not meet its warranty requirements, then in addition to remedies available under applicable law, Netafim may, at its option, require Supplier to (a) replace the Item or repair the Item; return the Item to Supplier and recover the purchase price; correct the nonconformity at Supplier’s expense and at a reasonable cost of correction; or (b) return the Item to Supplier, purchase a comparable Item in the open market, and charge Supplier with any reasonable cost differential (including expedited manufacturing and delivery charges, if applicable).

4. **Inspection.** Items are subject to inspection and test by Netafim at reasonable times and places, including during the period of manufacture, and in any event, at any time prior to final acceptance. Supplier shall provide all reasonable facilities and assistance for the safety and convenience of the Supplier’s personnel, and is engaged in such testing. Items that are not considered to be accepted due to any preliminary inspection or payment of any invoice. If rejected or required to be corrected, Items shall be returned to Supplier for a refund or credit, replaced or corrected, in the most expedient manner possible, by and at the expense of Supplier as directed by Netafim (including storage charges, while awaiting Supplier’s returns shipping instructions). Any payment by Netafim to Supplier for work prior to Netafim’s rejection of such Items as non-conforming will not be deemed as acceptance.

5. **Disclaimer and Limitation of Liability for Damages.** In NO EVENT SHALL NETAFIM BE LIABLE TO SUPPLIER OR TO ANY OTHER PERSON OR ENTITY UNDER ANY EQUITY, COMMON LAW, TORT, CONTRACT, ESTOPPEL, NEGLIGENCE, STRICT LIABILITY, OR OTHER THEORY, FOR ANY SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL OR CONTINGENT DAMAGES, OR ANY DAMAGES RESULTING FROM LOSS OF SALES, BUSINESS, PROFITS, DATA, OPPORTUNITY OR GOODWILL, EVEN IF ADVISED OF, OR KNOWN OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

6. **Intellectual Property Rights and Licenses.** A. **Transfer to Netafim.** As partial consideration for this Agreement, any rights arising under, or transferred to, any IP Right in a derived work of any IP Right belonging to Netafim or any Netafim employee, consultant, contractors or other suppliers, and (b) do not reflect or rely upon Netafim’s Proprietary Information and/or Confidential Information, and are not an improvement, enhancement, modification, or derivative work of any IP Right belonging to Netafim or any Netafim employee, consultant, contractors or other suppliers, and (b) do not contain or reflect the assistance (financial or otherwise), collaboration, input, involvement, development efforts, or creative or inventive contribution of Netafim of Netafim employees, consultants, contractors or other suppliers, and (c) do not reflect or rely upon Netafim’s Proprietary Information and/or Confidential Information, and are not an improvement, enhancement, modification, or derivative work of any IP Right belonging to Netafim or any Netafim employee, consultant, contractors or other suppliers.
9. Indemnity by Supplier. Supplier shall defend, indemnify and hold harmless Netafim (and its officers, directors, agents and representatives and affiliates) from the Purchase Order for any and all claims, losses, penalties, damages (whether actual, punitive, consequential or otherwise) and associated costs and expenses (including attorney's fees, expert's fees, and costs of investigation) and all liabilities that are caused in whole or in part by: (a) any actual or alleged infringement of any patent, copyright, trademark, or trade secret, or breach by Supplier of this Agreement; (c) any negligent, grossly negligent or intentional act, error or omission by Supplier, its employees, officers, agents or representatives in the performance of this Agreement; (d) any act or omission of Supplier, its employees or agents in connection with the performance of any Purchase Order; or (e) any claims that are for, in the nature of, or that arise under warranty, strict liability or product liability with respect to or in connection with the Items. Nothing in this section shall limit any other remedy of Netafim.

10. Force Majeure. A failure by either party to perform due to causes beyond the control of and without the fault or negligence of such party is deemed excusable during the period in which such cause of failure continues. Such causes may include acts of God, or the public or private governmental (in sovereign or contractual capacity), accidents, fire, flood, epidemic, strike, freigh embargo and unusually severe weather. When Supplier becomes aware of any actual or potential force majeure condition, Supplier shall immediately notify Netafim. Supplier is excused from any of its obligations pursuant to this Agreement due to any reasonably foreseeable or preventable situation (including, but not limited to, late or insufficient deliveries by other suppliers, personnel turnover, labor disputes or strikes involving Supplier's own personnel or third party equipment).

11. Shipping and Delivery. Time is of the essence. No partial delivery or delivery of added quantities shall be made unless Netafim has given prior written consent. All prices for Items shown in this Agreement shall be deemed to include any fees or costs related to handling, packaging, crating, export, reconditioning, shipping or other related delivery expenses unless otherwise set forth in this Agreement. Unless specifically approved by Netafim in advance and in writing, Netafim shall not be responsible for delivery costs and expenses of returned merchandise (in service level (ground, second-day, next-day) that exceeds the authorized shipping service level; (ii) in excess of the costs determined by Netafim; (iii) for Supplier to use expedited delivery methods; or (iv) incurred in connection with the return or reconditioning of Items following delivery by Supplier and a sub-tier supplier or any other supplier. Netafim may recover and offset or adjust payment for those delivery costs and expenses that Netafim incurs, and for which Netafim is not responsible under this Section. Supplier shall preserve, pack, package and handle the Items so as to protect the Items from loss or damage and in accordance with best commercial practices in the absence of any specifications that Netafim may provide. Delivery method and delivery dates shall be as set out in the Purchase Order.

12. Termination for Convenience. Netafim may terminate this Agreement, or any of its provisions, at any time by written or oral notice. Upon such termination, Supplier shall, to the extent practicable and at the time specified by Netafim, stop work and terminate outstanding orders under the Agreement, protect all property in which Netafim has or may acquire an interest, and transfer title and make delivery to Netafim of all Items, materials or other property held or acquired by Supplier in connection with the terminated portion of this Agreement. Netafim's maximum liability for Items related to such termination shall be a pro-rata amount of the total Agreement price, less advances or other payments, based upon the price for Items delivered or completed prior to termination, and the actual costs (including a reasonable profit) for work in progress incurred by Supplier which are allocable to the terminated portion of this Agreement. Netafim shall have no liability at law or in equity under this Section unless Supplier submits a detailed claim to Netafim within three months after Netafim's notice of termination.

13. Change Orders. By written notice, Netafim may propose to change this Agreement, change the quantities of Items, extend or shorten delivery requirements or make other changes within the general scope of this Agreement, including without limitation, to: (a) applicable specifications, drawings and approvals, (b) the method of shipment or packing; and (c) the place or date of delivery, inspection or acceptance. If such a change causes an increase in the cost of or time required for Supplier's performance, then an equitable adjustment shall be made under this Section of this Agreement if requested by Supplier in writing prior to change implementation and subject to mutual consent of Netafim and Supplier. Supplier shall continue with performance of this Agreement in accordance with the notice of change or amendment. A change by Netafim to this Section shall not constitute a breach or default by Netafim.

14. Invoices; Payment Terms. Invoices shall contain purchase order number, a description of Items, quantities, unit prices, extended totals, applicable taxes and any other information specified by Netafim. Payment shall be made against presentation of a correct invoice and in accordance with the terms of the applicable purchase order. Payment shall be subject to any deduction, withholding or set-off as provided for in any purchase order or other applicable purchase orders. Payment by Supplier shall be subject to any deduction, withholding or set-off as provided for in any purchase order or other applicable purchase orders. Payment by Supplier shall be subject to any deduction, withholding or set-off as provided for in any purchase order or other applicable purchase orders.

15. Taxes. With the exception of Value Added Tax (“VAT”) which, if applicable, shall be at the rate valid at the time of delivery, Supplier is responsible for all taxes imposed by any taxing authority or government in connection with the sale of any Item. Each invoice shall contain purchase order number, a description of Items, and shall be subject to adjustment for errors, shortages, defects, or other causes. Netafim may set off any amount owed by Netafim against any amount owed by Supplier or any of its affiliated companies to Netafim. Payment by Supplier to Netafim shall be calculated from: (a) scheduled delivery date, (b) actual delivery date, or (c) the date an acceptable invoice is received, whichever is latest; payment under a discount term is deemed made on the date of mailing of Netafim's check. If payment is made electronically, payment shall be deemed made when the Supplier's depository institution receives or has control of the payment.

16. Insurance. Supplier shall secure and maintain insurance providing coverage for liabilities to third parties for bodily injury (personal injury) and damage to property in amounts sufficient to protect Netafim in the event of such injury or damage, and will be in compliance with any and all laws, regulations or orders addressing the liabilities of an employer to its employees for injuries and disease suffered in connection with employment. Supplier further will maintain such additional types of insurance as is customary for a company of similar size and similar operations to Supplier in the jurisdiction or jurisdictions in which Supplier’s operations take place and in any event an insurance sufficient in order to cover its obligations under this Agreement.

17. Compliance. A. Supplier warrants and represents that no applicable law, rule, regulation, order or ordinance of any state, any governmental authority or authority of any country has been violated in supplying the Items ordered herein B. Anti-Corruption and Anti-Bribery Laws and Anti-Bribery Laws and Anti-Bribery Laws: Supplier including its applicable stakeholders, including, inter alia, any owner, shareholder (direct or beneficial), officer, director, employee, agent, third party representative, subcontractor, contractor or other individual with any authority or control shall comply with Anti-Corruption Laws (defined below) and shall not cause Netafim, its subsidiaries or affiliates (collectively, “Affiliates”) to be in violation of any Anti-Corruption Law. “Anti-Corruption Laws” mean collectively applicable foreign and domestic anti-bribery and anti-corruption laws, regulations, conventions and international financial institution rules regarding domestic or international corruption, bribery, ethical business conduct, money laundering, political contributions, gifts and gratuities, or lawful expenses to public officials and private persons, agency relationships, lobbying, and influence peddlers as well as federal, state, local, and any other domestic or international governmental financial controls. The Supplier represents and warrants that it, its owners, directors, employees and its agents, and employees have and will not pay, offer, or promise to pay any money, financial benefit or thing of value to any Person (including, but not limited to, a customer or party employee at any level, including employees of state owned or controlled enterprises (“Government Officials”)) (i) for the purpose of influencing any act or decision of such person or party in order to obtain or retain business, or to direct business to any person; or (ii) with regards to Government Officials and/or private individuals, to induce that person to, or reward that person not to perform its functions in connection with that person’s employment or engagement. The Supplier further represents that the Supplier, nor any of its Affiliates or representatives have, directly or indirectly, taken any action that would cause them to be in violation of any Anti-Corruption Laws. The Supplier represents and warrants that no owner, shareholder (direct or beneficial), officer, director, employee, agent, third party representative, subcontractor, contractor or other individual with any direct or indirect beneficial interest in Supplier or Supplier’s payments under this Agreement, or any immediate family relationship of any such person (collectively, “Interested Parties”), is a foreign Public Official or Entity. A “Public Official or Entity” means (i) an officer, employee, agent, contractor or representative of any government or military, including, but not limited to, a customs official; (ii) any department, agency, corporate entity, instrumentality or political subdivision (as defined in any relevant law) and/or any person or commercial entity acting in an official capacity for or on behalf of any government or military; (iv) any candidate for public office, any political party or any official of a political party. Supplier shall notify the Company immediately if it learns at any time during the term of this Agreement that (i) an Interested Person becomes a foreign Public Official or Entity, or (ii) a foreign Public Official or Entity acquires an ownership, voting, or economic interest in Supplier or a legal or beneficial interest in Supplier’s business activities under this Agreement. C. The Supplier (a) is not a Sanctioned Person, (b) has not, in the past five (5) years engaged in, has any plan or commitment to engage in, direct or indirect dealings with any Sanctioned Person or in any Sanctioned Country, or (c) has in the past five (5) years not engaged in, any indirect dealings with any Sanctioned Person or in any Sanctioned Country, or party official, candidate or employee at any time under, any Sanctions Law, nor been the subject of an investigation or allegation of such a violation or sanctionable conduct. The Supplier shall conduct itself in accordance with Sanction Laws for the purposes of this Agreement. For the purposes herein, “Sanctioned Person” means, at any time, (a) any person listed in any sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union or any European Union member state, (b) any person operating, organized or resident in a Sanctioned Country or (c) any Person owned or controlled by such Person or Persons described in clauses (i) or (ii). “Sanctioned Country” means at any time, a country or territory which is the subject or target of any Sanctions. “Sanction Laws” means laws and executive orders of the United States of America, the United Nations Security Council, the European Union the United Kingdom, and the laws of any country which the Supplier operates, imposing economic or financial sanctions or trade embargoes, and regulations implementing such laws and executive orders. D. Privacy. Supplier shall comply with the applicable laws pertaining to privacy in its jurisdiction or jurisdiction of
activities pertaining to its relationship with Netafim E. In the event of a breach of the obligations contained in this section 16, the Agreement is void and the Company may cease making any subsequent payments hereunder.

18. Miscellaneous. A. Assignments. Subcontracting. No right or obligation under this Agreement and/or Purchase Order may be assigned by Supplier without the prior written consent of Netafim. Netafim may assign the rights or obligations or both of this Agreement in whole or part at any time. Supplier may not subcontract any of its rights or obligations under the Agreement and/or Purchase Order without Netafim’s prior written consent. B. Waiver. If Netafim fails to insist on performance of any term or condition, or fails to exercise any right or privilege hereunder, such failure shall not constitute a waiver of such term, condition, right or privilege. C. Survival of Obligations; Severability. The obligations of the following sections shall survive the cancellation, termination or expiration of this Agreement: 1, 2, 3, 5, 6, 7, 8b, 9, 12, 14, 15, 16, 17 and 18. Any provision of this Agreement that is held unenforceable or invalid for any reason shall be severed and the remainder of the Agreement shall continue in effect. D. Full Power; Compliance with Laws. Supplier warrants and represents that it has the full power to enter into the Purchase Order and to perform its obligations under the Purchase Order and the Agreement. E. Governing Law, Exclusive Forum. The Agreement shall be interpreted, enforced and governed by the laws of the State of Israel, to the exclusion of its conflict of law rules. Notwithstanding the foregoing, Netafim may seek interim or temporary injunctive relief in any court of appropriate jurisdiction with respect to any alleged breach of Netafim’s intellectual property or proprietary rights. The exclusive forum for any dispute related in any way to this Agreement or the Parties’ relationship shall lie in the competent courts of Tel-Aviv - Jaffa, Israel. F. CISG. The application of the United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980 shall be excluded. G. Relationship of Netafim and Supplier. The relationship of Netafim and Supplier is that of independent contractors. Nothing in this Agreement shall be construed as creating a partnership, joint venture, employment, agency or other relationship between Netafim and Supplier and their respective shareholders, directors, employees and/or consultants. H. Conflict. If there is a conflict between or among a Purchase Order and these general terms and conditions of purchase (the “Terms”), such a conflict will be resolved in favor of these Terms.