

GENERAL TERMS AND CONDITIONS OF SALE

The following provisions govern all orders, contracts, sales, deliveries and other services provided by Polygal Industries LTD ("Seller") to purchasers of Seller's products ("Buyer" and the "Products").

- Effect:** These terms and conditions shall supersede and prevail over any other terms and conditions pertaining to the sale of the Products and may be amended or supplemented only by written document duly signed by the Seller's authorized representative. Neither receipt by the Seller of any form of terms and conditions or other document (including Buyer's general terms and conditions), nor annexing or enclosing the same to any document, shall be deemed as acceptance of such terms by Seller.
- Orders:** Any order submitted by Buyer shall be deemed to be an offer to purchase Seller's Products according to these general terms and conditions of sale. No order shall be deemed and Seller shall be under no obligation to sell any Products, unless Seller, by its authorized representative, expressly confirms in writing Buyer's order.
- Quality; Warranty:** The Products are warranted to meet the Seller's specified characteristics, on the date of delivery. In the event that a warranty certificate shall be supplied by Seller together with the Products, then in case of a discrepancy or contradiction between the warranty and these general terms and conditions, the terms of such warranty shall supersede and prevail. In the event that no warranty certificate shall be supplied by Seller together with the Products, then these general terms and conditions shall apply and the warranty contained in this section shall be in lieu of all other warranties, express or implied, as to the quality, description, fitness of the Product/s for any purpose or use, merchantability or otherwise.
- Licenses/Duties:** Unless Seller, by its authorized representative, expressly confirms otherwise in writing, all import charges including duties, taxes and license fees, shall be borne by the Buyer. The Buyer shall be responsible for obtaining all necessary licenses and permits for the import and/or processing and/or sale of the Products in the country of destination.
- Title/Risk:** Title to and the ownership of the Products shall remain vested in the Seller and shall not pass to Buyer until the full payment therefor has been paid and received by Seller. Risk of loss and/or damage in or to the Products shall pass to Buyer upon delivery thereof at the agreed delivery location(s).
- Liability:** Notwithstanding anything to the contrary herein or elsewhere contained, the Buyer's sole and exclusive remedy and Seller's sole liability shall be limited to the replacement of the non-conforming Product or the repair of the non-conforming Product; or if Seller so elects, to refund Buyer the amount paid for the non-conforming Product, all at the sole discretion of the Seller, provided that any claim by the Buyer shall be notified to the Seller within 14 (fourteen) days from the date of delivery of the Product/s, unless the non-conformance of the Product/s was not apparent on reasonable inspection, in which case the claim shall be notified within 14 (fourteen) days after discovery of the non-conformance. If Buyer shall not notify the Seller of its claim within the above time frame, the Seller shall have no liability with respect to such non-conformance and such Products shall be deemed, for all intents and purposes, to fully conform to the agreed specifications. SELLER SHALL NOT BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING LOSS OF PROFIT) AND IN NO EVENT WILL THE SELLER'S LIABILITY ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS AND/OR THE PRODUCTS, EXCEED THE AMOUNT ACTUALLY PAID TO THE SELLER FOR THE PRODUCTS IN RESPECT TO WHICH THE CLAIMS ARE MADE.
- Overdue Payments.** Any delay of more than 7 (seven) days in payment of any amount due to Seller shall bear interest at the rate of 1% per Month.
- Suspension or Cancellation of Deliveries:** Upon the occurrence of any of the following events, the Seller may, without prejudice to its other rights or remedies, suspend or cancel further deliveries or terminate any order or agreement between Seller and Buyer, as the Seller shall deem fit at its sole discretion: (a) the Buyer fails to pay the Seller on the due date any amount owed to Seller; (b) Buyer breaches any of the material terms or conditions hereof, or breaches any non-material term or conditions hereof and fails to rectify such breach within 10 (ten) days; (c) a receiver is appointed for the Buyer, or all or a substantial part of its property; (d) the Buyer becomes insolvent and/or ceases and/or is unable to pay its debts as they become due, or makes an assignment for the benefit of its creditors; (e) any proceedings are commenced by or for the Buyer under any bankruptcy, insolvency or any other debtors' relief law; (f) Buyer commences to dissolve under applicable corporate law statutes.
- Intellectual Property Rights.** Seller reserves all right and title, including (without limitation) all patents, copyright, industrial design rights and any other intellectual property rights, in and to any and all data, designs, drawings, plans, layouts, specifications, models, documentation, reports and information in connection with the Products, in tangible or intangible form and nothing in these general terms and conditions or otherwise shall be construed as transferring any intellectual property right of Seller of any kind (including in connection with the Products), to the Buyer.
- Force Majeure:** The Seller shall have no liability to Buyer with respect to any delay or failure in performing any of its undertakings towards Buyer which is due to circumstances beyond Seller's reasonable control, including but not limited to the following: plagues (including COVID-19), acts of God, floods, fires, storms, act of government and/or other competent authorities (including quarantines), war, acts of hostility, acts of terror, armed insurrection, strikes, lock-outs, accidents, breakdowns of plant or machinery, shortage or unavailability of raw materials from normal sources of supply, delay in or unavailability of transportation.
- Governing Law and Jurisdiction:** The validity, construction, performance, termination and any other aspect of these general terms and conditions shall be governed by the laws of the State of Israel (excluding its choice of law rules). Exclusive jurisdiction shall be vested with the competent courts of Tel-Aviv, Israel. Buyer waives all jurisdiction, venue, and forum non convenience arguments relating to such courts. Notwithstanding the above provisions, Seller may institute legal proceedings against the Buyer in the country of registration of Buyer or where it conducts any of its businesses, in which case the applicable law shall be that of the country where legal proceedings were instituted as aforesaid.