

General Terms and Conditions for Rotem's customers

The following terms and conditions shall apply to all offers and contracts for the sale of goods and supply of services by Rotem Industries Ltd. (hereinafter "Rotem"). Any general terms and conditions of the customer do not apply and are not valid in relation to the relationship between Rotem and the customer. In case of contradictions between these general terms and conditions and specific terms in a purchase agreement signed between the Parties, the terms in the purchase agreement shall prevail.

1. **Price Quotation:**

Price quotations by Rotem that do not include any acceptance deadline shall expire within thirty (30) days of being made ("Validity Period"), and may be revoked by Rotem at any time unless Rotem receives written confirmation of acceptance by the customer prior to the end of the Validity Period. Rotem reserves the right to effect changes to the specifications of any of its goods subject to notice prior to acceptance of customer's purchase order according to the price quotation.

2. **Price, Dispatch, Packaging, and Scope of Delivery.**

All prices shall be EXW (Incoterms 2020) Rotem's premises and shall exclude any applicable tax including value added tax. Rotem shall select the type of packaging for the items to be delivered. If the customer requests that Rotem arrange delivery beyond the abovementioned shipping terms, the costs thereof shall be charged to the customer and delivery shall be at the customer's risk. The customer shall take care of disposing of the packaging provided that Rotem does not request its return. Any complementary documents that will be requested by the customer that were not mentioned in the purchase order, will be subject to additional costs.

3. **Delivery Times and Force Majeure.**

Adherence to delivery times shall require performance of contractual duties by the customer. Delivery times and/or Rotem's performance of its obligations under a supply contract, shall be reasonably extended or suspended, as applicable, in the context of events relating to force majeure

(hereinafter, an "Event of Force Majeure"). For purposes hereof, an "Event of Force Majeure" shall mean an act of God, war (declared and undeclared), army mobilization, blockade, revolution, riot, insurrection, civil commotion, sabotage, lightning, fire, earthquake, storm, flood, explosion, strike or other labor unrest, unavailability or inability to obtain or delay in availability of necessary materials, equipment or transport, and any other cause whether of the kind specifically enumerated above or otherwise which is not reasonably within Rotem's control, including commercial impracticability such as, for example, significant, unforeseen increases of raw material costs.

4. **Payment, Due Date, Payment of Deposits, Default.**

Payment shall be made on or before the due date. If no due date has been stipulated in the acknowledged purchase order or quotation, then due date shall be net 30 days from date of delivery for each shipment or batch. Any bank fee or transfer fee that will be required in order to affect the Payment shall be borne by the customer. The payment that will eventually be deposited into Rotem's account shall be the full payment amount without any reductions - Any discrepancy shall be considered as payment default on the customer's side. The price quoted or charged by Rotem for the goods or services is exclusive of (i) taxes or duties of any kind, including without limitation, national and local consumption, sales, goods and services, excise or value added taxes, customs duties, imposts, levies, assessments, withholding taxes, sales taxes or similar charges imposed by any governmental entity upon sale, import, export, or delivery of the goods or services by Rotem to customer. Up to seven (7) days prior to the delivery date, Rotem may require as a condition of delivery that the customer provide as security for payment an irrevocable and confirmed letter of credit, banker's bond or a bank guarantee. Payment default shall commence upon the due date for payment. With effect from the due date, all amounts owed shall be subject to interest at the rate of fifteen (15%) percent per annum. Rotem reserves the right to claim further damages and does not waive any other remedy available to it by law, equity or contract. If a partial or instalment payment

General Terms and Conditions for Rotem's customers

arrangement has been agreed, and if the customer defaults on an instalment, then the remaining amount shall become due immediately. Withholding of payments with respect to any counterclaims or right of setoff of the customer, which are not acknowledged by Rotem or which have not been established by final court decision, are strictly prohibited.

5. Cancellation

Orders may be cancelled or deliveries deferred by customer with written consent of Rotem only upon the condition that customer assumes immediate liability and makes payment to Rotem for all work complete and incomplete, recovering Rotem costs and lost profits. Rotem will recover from customer:

(i) the unit sales price of completed work, (ii) work in progress on the basis of the percentage completion, (iii) raw material costs, (iv) unamortized tooling costs, (v) engineering, (vi) handling, (vii) overhead charges, and (viii) other cancellation charges incurred on the basis of cost to Rotem, as well as, lost profits. All cancellation charges shall be determined at the time of cancellation or deferment.

6. Delivery

Unless specifically stated so on the Quote, the goods and/or services being offered by Rotem are "EXW (Incoterms 2020) – Rotem premises", and do not include shipping from Rotem's facility. Goods sold hereunder shall become the property of customer only after full payment for the goods. Rotem will ship materials in accordance with a mutually agreeable schedule, subject to delays caused beyond Rotem's control. Costs incurred by Rotem due to any delay caused by customer, customer's Agent, customer's customer or other entity working in conjunction with the customer will be reimbursed to Rotem by the customer upon presentation of reasonable supporting documentation. Rotem reserves the right to charge reasonable storage / handling fees for customer's items left in Rotem possession beyond the contractual delivery date of those items (unless authorized in writing by Rotem). For those item(s) left in Rotem possession (even if paid for partially or in full by the customer) for a period of

time well after the contractual delivery date, customer agrees to forfeit its rights of ownership of said item(s) and allow Rotem disposition of these items at its discretion, once reasonable attempts have been made in writing by Rotem to inform customer of such action.

7. Taxes

The amount of any present or future sales or other similar tax applicable to the material shall be added to the prices contained herein and paid by the customer in the same manner and with the same effect as if originally added hereto.

8. Credit

Credit and delivery of goods shall be subject to the Seller's approval and the seller reserves the right to alter the terms and fix a limit of credit.

9. Confidentiality

The customer must maintain confidentiality regarding any proprietary information or any other information that is customarily considered to be confidential, received from Rotem and/or its representatives and/or subsidiaries or affiliated companies.

10. Warranty

Rotem warrants that the supplied Goods shall conform to the agreed specifications (as acknowledged and expressly accepted by Rotem in the purchase documents) and unless indicated otherwise by Rotem, for a period of at least six (6) months from the date the relevant goods have left Rotem's premises, and provided that the goods have been handled reasonably and according to all manufacturer's instructions.

THE FOREGOING WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND ALL SUCH OTHER WARRANTIES AND REPRESENTATIONS OF WHATEVER KIND ARE HEREBY DISCLAIMED BY ROTEM AND ITS AFFILIATES AND WAIVED BY THE CUSTOMER. ROTEM MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PURPOSE WITH RESPECT TO THE GOODSS.

11. Liability

Rotem shall in principle be liable for "Defects"

General Terms and Conditions for Rotem's customers

to its goods for a period of thirty (30) days from the date of delivery, except in the case of a claim for non-compliance with shelf-life, which must be made within the time of the shelf life of the goods. For purposes hereof, a "Defect" shall exist when the goods sold fail to comply with their specifications, including shelf life, or there shall be a defect in respect of title to the goods. The customer shall be required to furnish evidence that the material Defect existed at the time of transfer of risk, unless the customer cannot reasonably be expected to do so in individual cases. In the event of a Defect, Rotem shall, in its own discretion, be entitled by way of a subsequent performance to affect a replacement delivery of the defected goods or to rectify the Defect.

ROTEM AND ITS AFFILIATES SHALL HAVE NO LIABILITY TO ITS CUSTOMER OR ANY OF ITS AFFILIATES FOR ANY GENERAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOST PROFITS ARISING OUT OF THE MANUFACTURE, IMPORTATION, USE, OFFER FOR SALE OR SALE OF THE GOODS OR SERVICES.

ROTEM'S AGGREGATE LIABILITY FOR DAMAGES HEREUNDER UNDER ANY THEORY OR BASIS OF LIABILITY ARISING FROM ANY CONTRACT, NEGLIGENCE, TORT, STRICT LIABILITY, OR OTHER LEGAL OR EQUITABLE THEORY, WILL IN NO CIRCUMSTANCES EXCEED THE AMOUNT THAT THE CUSTOMER HAS PAID TO ROTEM IN THE TWELVE-MONTH PERIOD PRIOR TO THE INITIAL OCCURRENCE OF THE CAUSE OF THE DAMAGES.

12. Retention of Title.

Rotem shall retain title to all items delivered until receipt of payment in full and shall be entitled to withdraw from the contract if the customer is in arrears with such payment. Retention of title shall also extend to claims that Rotem acquires retrospectively against the customer in connection with items delivered hereunder. The customer shall be entitled to resell the items delivered in the course of ordinary business dealings.

13. Laws on Foreign Trade.

Rotem shall be responsible for adherence to Israeli regulations insofar as goods

manufactured in Israel are exported. The observance and implementation of the relevant rules under the laws on foreign trade (e.g. import licenses, foreign-currency transfer authority, etc.) and other laws applying outside the State of Israel shall be the exclusive responsibility of the customer.

14. Limitation of Claims.

All claims of the customer, irrespective of their legal basis, shall be subject to a limitation period of one (1) year. The statutory limitation periods shall apply with respect to intentional behavior or fraudulent conduct and claims under Israeli law.

15. Place of Performance, Place of Jurisdiction, and Applicable Law.

The business relations shall be exclusively subject to the laws of the State of Israel. The UN Convention on the International Sales of Goods (1980) shall not apply. The place of performance and the place of jurisdiction with regard to all goods supplied shall be the competent courts of jurisdiction in Beer-Sheva, Israel. Rotem shall be entitled at its discretion to assert its own claims at the customer's place of jurisdiction. The customer shall not be permitted to bring a counterclaim before courts other than the court before which the original action is brought, or to seek to offset its own claim against the claim in the action before courts other than the first court invoked.

16. Severability.

In the event that any term hereof should be or become invalid, this shall not affect the validity of the remaining terms.

17. Trade Sanctions.

17.1 Customer agrees to comply with all applicable trade sanctions and export control laws and regulations, including where applicable the U.S. trade sanctions administered by the U.S. Treasury Department's Office of Foreign Assets Control (31 C.F.R. Part 501 et seq.), the U.S. Export Administration Regulations (15 C.F.R. Part 734 et seq.), and European Union trade sanctions and export laws (including without limitation Council Regulation (EC) No.

General Terms and Conditions for Rotem's customers

428/2009 (as amended)).

17.2 Customer represents and warrants that neither customer, its directors, executive officers, agents, shareholders nor any person having a controlling interest in the customer are (i) a person targeted by trade or financial sanctions under the laws and regulations of the United Nations, the United States, the European Union and its Member States, the United Kingdom or any other jurisdiction that is applicable to the Services to be provided under the Agreement, including but not limited to persons designated on the U.S. Department of the Treasury, Office of Foreign Assets Control's List of Specially Designated Nationals and Other Blocked Persons and Consolidated Sanctions List, the U.S. State Department's Non-proliferation Sanctions Lists, the UN Financial Sanctions Lists, the EU's Consolidated List of Persons, Groups and Entities Subject to EU Financial Sanctions, and the UK HM Treasury Consolidated Lists of Financial Sanctions Targets; (ii) incorporated or headquartered in, or organized under the laws of, a territory subject to comprehensive U.S. sanctions (each, a "Sanctioned Territory") (currently, Cuba, Iran, Crimea, North Korea and Syria, but subject to change at any time) or (iii) directly or indirectly owned or controlled by such persons (together "Restricted Person"). Customer further represents and warrants that customer will notify Rotem in writing immediately if customer or any of its directors, executive officers, agents, shareholders, or any person having a controlling interest in customer becomes a Restricted Person or if customer becomes directly or indirectly owned or controlled by one or more Restricted Persons.