

## General terms of purchase

### I. General

1. The following general terms of purchase will be the only terms applicable in our purchase orders, and therefore, will be an inseparable part of any purchase agreement. Other terms of the supplier will not be part of the agreement, even if we do not explicitly oppose them, or if we are aware of contradicting terms of the supplier, and accept the goods without reservations.
2. All orders, approvals and side agreements, as well as amendments made thereafter in contracts, will be valid only if approved in writing by the two parties. Changes of this section must be also made in writing.
3. Supplementary terms shall apply to the assembly, maintenance, inspection, repairs and other services. Our general terms of purchase shall also apply to future transactions with the supplier.

### II. Prices

The prices specified in the order are fixed prices, and include the cost of all auxiliary services as necessary under the agreement (e.g., cost of shipment to our address on DDP terms, packaging, insurance, testing costs).

### III. Supply time

1. The agreed supply times are binding, and the supplier must meet them without any condition. Once a supplier realizes that he is incapable, in a partial or full manner, to meet his contractual obligations, or that he is incapable of meeting his contractual obligations in time, he must immediately notify us in writing, and state the expected delay and the reason for the delay.
2. If the supplier fails to meet his service / supply obligations, the requirements of the applicable law shall apply to him. Alternatively, we may impose a fine for a delay in supply.

### IV. Responsibility and warranty

1. The supplier undertakes that the supplied goods meets the specification and quality levels agreed in the contract, and that it meets recognized technical rules and the applicable administrative regulations and laws, and mainly the sections dealing with the environment, the accident prevention regulations and worker protection regulations, and that they are free from defects that may harm or reduce their value or fitness for use, as specified in the contract/ the common use.
2. If regulation (EC) no. 1906/2006 that was approved by the committee and European parliament on December 18, 2006 (REACH regulation) in its current version, is applicable to the supplied goods, then the supplier obligates that the supplied goods meets the REACH regulation requirements (including registration). The supplier will compensate us in case of claims filed against us by third parties (including public authorities) due to failure to meet the REACH regulation requirement. The supplier must notify us of possible amendments of the REACH standards concerning the supply times (for example, change in the MSDSs), immediately, without we having to request for it.
3. We are entitled to file warranty claims under the applicable law, unless agreed otherwise between the parties, in writing. We reserve the right to claim compensation in addition to the right to claim for supplementary performance. A damages claim also includes indirect, consequential and financial damages caused to us in relation to the supply of defected goods, unless the defects are not due to the supplier's operations.
4. The warranty period prescribed by law is the applicable period. For a replaced or repaired part, a new warranty period has to be provided for the same period of time like the original part.
5. The supplier will establish and maintain a recognized QA system and will provide us with proof, upon request.
6. In light of the QA duties of the supplier, the goods will be inspected only with respect to the quantity and quality, and with respect to damages that can be visibly detected on the outside, that are caused in shipment, once the goods are received. The buyer will notify of

any quality defects immediately, and within 10 days from the time they are detected, at the latest. The supplier waives the right to appeal in case of a delay in the notice about defects.

## **V. Third party rights, industrial property rights and design rights**

1. The supplier undertakes that the supplied goods is free from any third party rights, including, in particular, industrial property rights of third parties, like, for example, patent rights, design rights, trademarks and trade names. The supplier undertakes to compensate and hold us harmless in case of claims for violation of proprietary rights, and for compensations or costs that will be incurred by us due to the use or selling of goods under the contract, immediately, upon our first demand, in writing.
2. Drawings, designs, models, statistic profiles, data carriers etc., and any other material provided by us, will remain our property. This property is protected by copyrights, and may not be provided neither the products resulting from them, to any third party, without our consent. Moreover, third parties are not allowed to use this property, or use it for publication purposes, also after the end of the time specified in the contract, during which compensations may be granted due to violation of the contract. In addition, any such act will allow us to withdraw from the contract.

## **VI. Insurance**

The supplier will obtain, at his expense, liability insurance policy with sufficient coverage to cover all damages that may be caused by him, by his workers, by his representatives or by the products themselves. The supplier will notify us, upon request, of the amount of cover for every damage event.

## **VII. Shipment instructions**

The supplier undertakes to select the most suitable shipment method at the lowest cost for us.

## **VIII. Producing a tax invoice and payment**

1. Unless the purchase agreement specifies otherwise, the supplier must submit tax invoices, stating the applicable VAT rate, after the supply or performance.
2. The supplier has to specify our order number on all tax invoices, delivery notes and any other correspondence. If the supplier fails to do so, the supplier will bear all the resulting consequences.
3. The payment days will start counting at the specified date, but not before the supply/performance time, according to the contract, and not before a corresponding tax invoice is received.
4. Payment will not be considered as acceptance of the terms and prices. The payment time will not influence the supplier's obligations and the right to file a complaint due to defected goods.
5. Unless specified otherwise, explicitly and in writing, we will make the payment according to the payment terms acceptable in our company.

## **IX. Force majeure**

Force majeure, including wars and similar events, and any kind of interference with the business, strikes, stoppages or other causes or events that cause a restriction or delay in our business activity, will allow us to postpone our obligation to receive goods or to withdraw, partially or fully, from the contract. Such a delay or withdrawal will not provide the supplier with the right to claim for damages.

## **X. Supplier code of conduct**

Our supplier code of conduct contains description and specification of the internationally recognized principles for sustainable

development and fundamental standards for environmental protection, labor and social standards. This code of conduct can be viewed at <http://www.heidelbergcement.com/en/purchasing>. The supplier will strictly follow our supplier code of conduct. We are entitled to terminate the purchasing agreement – as necessary – after giving an early notice in writing, if the supplier violates the principles and standards specified in our supplier code of conduct. In addition, we expect the supplier to ensure that his workers and subcontractors also obey the standards brought in our supplier code of conduct.

#### **XI. Place of performance, the applicable law, jurisdiction and the binding version of the terms of purchase**

1. The place of performance will be the place where the goods have to be supplied or the place where the service has to be rendered.
2. This agreement and terms will be pursuant to the applicable Israeli law.
3. Any dispute that will be arise concerning or in relation to the contractual relationship will be forwarded to the judicial authority or the courts of Tel Aviv, or upon our discretion, to the general judicial authority of the supplier.
4. These general terms of purchase are written in Hebrew and translated into English. Unless agreed otherwise, explicitly and in writing, the English version of these terms of purchase shall serve for informative purposes only. In case of discrepancy between the Hebrew and English version, the Hebrew version shall prevail.

#### **XII. Severability clause**

If one of the terms in these general terms of purchase is invalid or becomes invalid, then the validity of the other terms shall not be affected.

Hanson (Israel) Ltd.

Of the HeidelbergCement AG group

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