

TEXAS INSTRUMENTS ISRAEL LTD. ("TI")
Terms and Conditions of Purchase ("Purchase Terms")

1. Scope

1.1 These Purchase Terms shall apply to the supply of all goods and services ("Supplies") to TI for which TI issues individual purchase orders ("Purchase Orders").

1.2 If a supplier of Supplies ("Seller") proposes its own terms and conditions, then these shall not be binding on TI save to the extent they are expressly accepted in writing by an authorized TI representative. Acceptance of and / or payment for Supplies by TI shall not be construed as acceptance by TI of Seller's terms and conditions even if TI is aware of such terms and conditions.

1.3 Changes, modifications, waivers, additions or amendments to these Purchase Terms shall not be binding on TI save to the extent that they are in writing and signed by an authorized TI representative. A waiver of the written form shall also be made in writing.

2. Applicable Law

The validity and interpretation of these Purchase Terms and any Purchase Order shall be governed by laws of the State of Israel, without reference to conflict of law principles. The International Sale of Goods Law 1999 and the United Nations Convention on the International Sale of Goods (CISG) shall not apply.

3. Venue

The place of jurisdiction for all disputes arising out of or in connection with these Purchase Terms shall be in accordance with the laws of the State of Israel. TI is also entitled to sue Seller at Seller's principal place of business.

4. Release of Information

4.1 Neither party hereto shall, without the prior written consent of the other party (which shall not be unreasonably withheld or delayed), publicly announce or otherwise disclose, the existence or the content of any Purchase Order. Nothing in these Purchase Terms shall be construed as granting any rights to Seller (a) in any TI intellectual property or rights; (b) to use TI's trademarks, trade names, name or logo on any marketing literature, websites, presentations, press releases or any other media form or in connection with any product, service or promotion; or (c) to use TI as a reference account.

4.2 Any knowledge or information that Seller may disclose to TI shall not be deemed to be confidential information and shall be acquired by TI free from any restrictions as to use or disclosure thereof, unless TI shall have agreed to accept confidential information from Seller pursuant to a duly executed nondisclosure agreement defining TI's obligations with respect to such information.

5. General Indemnity

Seller shall indemnify TI, its officers, directors, employees, agents, affiliates, successors and assigns, against all claims, losses, damages, costs and other expenses (including reasonable attorneys' fees) ("Claims"), arising out of or related in any way to: (a) the Supplies delivered hereunder; (b) any act or omission of Seller, its employees or agents in connection with the performance of any Purchase Order; (c) failure of Seller, its employees, or agents to comply with applicable laws and regulations in connection with the performance of any Purchase Order; or (d) breach by Seller, its employees, or agents of these Purchase Terms.

6. Insurance

Seller shall obtain and maintain in force adequate insurance coverage, including product liability insurance.

7. Inspection Quality System

7.1 TI is entitled to verify or have verified the quality of Supplies at any production stage in Seller's facility. Verification may consist of a physical assessment or surveillance of Seller's facilities and quality programs and/or a source inspection. Deficiencies identified during such verification shall be corrected by Seller in the most expeditious manner possible. Seller shall provide all reasonable facilities and assistance for the safety and convenience of personnel engaged in such verification. Seller shall include in each subcontract Seller enters into appropriate provisions to the same effect.

7.2 Seller shall ensure that the manufacturing processes used meet all the requirements of any drawings, specifications and engineering changes, including requirements specific to the applicable Purchase Order. Seller shall maintain an inspection system sufficient to verify that it is meeting such requirements. Further, at TI's request, Seller shall provide objective evidence that such inspection system has been implemented and is in operation.

8. Acceptance of Delivery and Rights in Case of Defects

8.1 Inspection upon Delivery. TI is entitled to discharge its statutory inspection obligation by inspecting

Supplies on a statistical sampling basis after delivery. TI is entitled to reject an entire lot based on defects revealed by such inspection.

8.2 Supplies subject to Acceptance. The following are subject to acceptance by TI: (a) Supplies that require installation or mounting; (b) Supplies that are non-fungible newly-manufactured or newly-produced goods; and (c) services rendered, which are to bring about a specific result. Acceptance must be made in writing.

8.3 Notification of Defects. TI will notify Seller of any defects that are apparent upon inspection within two (2) weeks of delivery or, if Section 8.2 applies, in the acceptance statement. TI will notify Seller of any hidden defects within two (2) weeks of their detection.

8.4 Quality of the Supplies. All Supplies shall be delivered by Seller free from defects of material and title. They shall conform to the requirements, specifications, drawings, samples and other descriptions furnished by TI or referenced in the applicable Purchase Order. Seller will make available process control data, inspection and test reports covering Supplies and their parts, for review and examination by TI or its authorized representatives to verify conformance to such specifications and drawings. TI's approval of designs furnished by Seller shall not relieve Seller of its obligation under this Section 8.4.

8.5 Remedies. In case of defects, all remedies available at law shall be available to TI.

8.6 Urgent Repairs. If Supplies are delivered when Seller is already in default, TI shall be entitled, without notice, to repair or have repaired defective Supplies at Seller's expense.

9. TI Property

9.1 Seller conveys to TI full and clear ownership and title to all goods, special drawings, dies, patterns, tooling, intellectual property or other items paid for by TI.

9.2 Any materials, equipment, special drawings, dies, patterns or other items that may be provided by TI to Seller ("Assists") shall remain the property of TI. Seller shall preserve Assists in good condition, reasonable wear and tear excepted, and shall return them when the applicable Purchase Order has been completed or terminated, or at any other time if requested by TI. Seller shall not use Assists, or any special drawing, die, pattern, tool or other item made by Seller for

the use of or delivery to TI, or for use by Seller in supplying TI, for any purpose other than supplying TI, without TI's prior written consent. All risk of loss of or damage to Assists shall be upon Seller from the time of shipment to Seller until redelivery to and receipt by TI. Assists shall be stored separately by Seller and marked as property of TI.

10. Rights in Work Product

10.1 In the course of its performance under any Purchase Order, Seller may conceive or reduce to practice inventions, discoveries, improvements, concepts, in tangible or intangible form, written materials, documentation, databases, designs, discs, tapes, programs, software, architectures, files and other material (collectively "Work Product"). Any and all rights in intellectual property, including rights under copyright and rights in patents, trademarks, designs, databases, know-how, trade secrets and other confidential information, whether registered or not and including any applications for the foregoing (collectively "Intellectual Property Rights") in and to the Work Product shall be the exclusive property of TI from the date of inception. Seller shall transfer and hereby transfers such Intellectual Property Rights to TI. Seller will waive any moral rights in favor of TI. The remuneration for such transfer and waiver shall be included in the remuneration agreed in the respective Purchase Order. The Work Product shall be deemed to be TI confidential information and shall not be disclosed to any third party or used by Seller or others without TI's prior written consent.

10.2 Notwithstanding the above, Seller and its licensors retain any and all pre-existing Intellectual Property Rights whether in tangible or intangible form, and developed, acquired or prepared by Seller prior to the issuance of the respective Purchase Order (collectively "Pre-Existing Rights"). To the extent that Seller's Pre-Existing Rights are embedded in or are an integral part of any Supplies provided to TI under any Purchase Order, Seller grants to TI a perpetual, irrevocable, worldwide, nonexclusive, transferable license (with the right to sub-license) to make, have made, use, reproduce, modify, distribute and display such Pre-Existing Rights. The remuneration for such license shall be included in the remuneration agreed in the respective Purchase Order. Seller shall notify TI in advance of any Pre-Existing Rights to be embedded in or made an integral part of any Supplies.

10.3 Prior to commencement of work under any Purchase Order by any employee or third party performing work on behalf of Seller, Seller shall enter into valid and sufficient arrangements or agreements with such employee or third party such that all rights in and to all Intellectual Property Rights made by such employee or third party vests in Seller. Seller shall, to the extent necessary, acquire any employee inventions pertaining to or embodied in any Work Product and shall compensate such employee inventors in accordance with the applicable statutory requirements.

11. Indemnification for Infringement of Third Party Intellectual Property Rights

11.1 Seller shall indemnify TI, its affiliates, officers, directors, agents, employees, and vendees (mediate and immediate), at Seller's expense, against all Claims that the purchase, use, or sale of Supplies and / or Work Products infringe(s) any third party Intellectual Property Rights. Seller shall not be obligated to defend or be liable for costs and losses to the extent the Claim is solely due to and would not have occurred but for (a) Seller's compliance with designs furnished by TI to Seller or (b) a modification by TI of Supplies that was not authorized by Seller.

11.2 Without prejudice to Section 11.1, if any Supplies are, or in TI's reasonable opinion are likely to become, the subject of a Claim, Seller shall, at its sole expense, procure the right for TI to continue using the Supplies. In the event Seller cannot procure such rights, Seller shall, at its option, either modify the Supplies to make them non-violating, but still functionally equivalent, or replace the Supplies with functionally equivalent Supplies that are non-violating.

12. Changes

12.1 From time to time, TI is entitled to change any of the drawings, specifications or instructions for work covered by any Purchase Order. In such event, Seller shall attempt to comply with such reasonable change notices. If such changes result in a decrease or increase in Seller's cost or in the time for performance, Seller shall notify TI in writing of its request for an adjustment in the price or time of delivery within five (5) business days after its receipt of the change notice. The parties will negotiate in good faith regarding any adjustments in the price and time for performance to be made. Any such adjustments must be agreed by authorized representatives of the parties in writing.

12.2 Seller shall not make any changes in manufacturing, materials, testing, configuration or otherwise that alter the form, fit or function of the Supplies nor shall it make any changes to any specifications or requirements, unless it has obtained TI's prior written consent.

13. Cancellation

13.1 TI shall be entitled, without any liability to Seller, to cancel Purchase Orders where Supplies are scheduled for delivery more than three (3) months after the order date by giving at least two (2) months prior notice.

13.2 TI is entitled to cancel any Purchase Order in whole or in part at any time without cause by written notice to Seller. Such notice shall state the extent and effective date of such termination and, upon receipt of such notice, Seller shall comply with TI's directions pertaining to work stoppage and the placement of further orders or subcontracts.

13.3 Within three (3) months after TI's cancellation notice under Section 13.2, the parties shall negotiate in good faith with regard to the amount of reimbursement, if any, to be paid to Seller for work performed prior to TI's notice of cancellation and/or the amount of prepayments to be refunded by Seller to TI for work not performed. Seller shall mitigate its claim to the maximum extent possible. In particular, Seller shall divert raw material and "work-in-progress" material to other uses and assign its employees to work on other customer orders.

14. Liability

14.1 Seller's liability shall be as stipulated by law.

14.2 If TI is held liable on the basis of product or environmental liability or because of a violation of government or other safety regulations or standards, Seller shall indemnify TI against any such claim to the extent Supplies have caused the damage.

14.3 Seller must also reimburse TI all costs which result from or in connection with any product recall necessitated in TI's reasonable opinion by defects of the Supplies. As far as reasonably possible, TI will inform Seller of the content and scope of a planned recall and provide Seller with the opportunity to comment.

15. Prices

15.1 Prices shall be as stated in the applicable Purchase Order.

15.2 If Seller issues a general price decrease for any equipment and/or materials similar to the items described in any Purchase Order, a comparable price reduction shall automatically apply to the items described in such Purchase Order.

15.3 No extra charges of any kind, including charges for boxing or cartage, will be allowed unless specifically agreed to by TI in writing. Pricing by weight, where applicable, covers net weight of material.

Seller shall not subcontract any portion of the work to be performed by it under any **Purchase Order** without **TI's** prior written consent.

16. Payment Terms

Invoices will be paid within the time period specified in the applicable **Purchase Order**. Invoices may only be issued after delivery. Payment term starts upon **TI's** receipt of the relevant invoice. Invoices must include a valid **Purchase Order** number corresponding to the applicable **Purchase Order**. Provision by **Seller** of bank information to which payment should be sent will facilitate more efficient payment.

17. Taxes

With the exception of Value Added Tax ("VAT") which, if applicable, shall be at the rate valid at the time of delivery, **Seller** is responsible for all taxes imposed by any taxing authority or government entity in connection with any **Purchase Order**. Each payment to be made by **TI** under a **Purchase Order** shall be subject to any deduction, withholding or set-off of tax as may be required under applicable laws, and **Seller** will upon request provide **TI** with appropriate tax documentation that is necessary to prevent or minimize such deduction, withholding or set-off of tax. Every invoice must include **Seller's** VAT Identification Number.

18. Delivery

18.1 Delivery will be made in accordance with the Incoterm specified in the relevant **Purchase Order**. If no Incoterm is specified, then the applicable Incoterm will be DDP (Incoterms 2010). Time of delivery is of the essence. **Seller** shall notify **TI** as soon as it becomes aware of a possible delay in delivery.

18.2 Failure to meet agreed upon delivery dates shall be considered a material breach of contract and, in addition to any other rights available to **TI** under these **Purchase Terms** or at law, **TI** is entitled to cancel the affected **Purchase Order** without liability if it becomes clear that **TI**-specified delivery dates will not be met.

18.3 **TI** is entitled to reject late shipments and return them to **Seller** at **Seller's** expense.

18.4 **Seller** shall not make commitments for material or production in excess of the amount or in advance of the time necessary to meet **TI's** delivery schedule. It is **Seller's** responsibility to comply with this schedule, but not to anticipate **TI's** requirements. **TI** is entitled to return to **Seller** **Supplies** shipped to **TI** in advance of schedule, at **Seller's** expense.

18.5 **TI** is entitled to reschedule the delivery of any unshipped **Supplies** for later delivery within ninety (90) days of the originally scheduled delivery date without liability.

19. Contingencies

19.1 Force Majeure. If, despite **Seller's** best efforts, **Seller** is prevented from delivering or **TI** is prevented from receiving **Supplies** as a result of governmental actions or regulations, fires, strikes, accidents, natural disasters or other unforeseeable causes beyond the control of the party affected thereby ("**Affected Party**"), the obligation to receive or deliver shall be suspended for no longer than a reasonable time during which such causes continue to exist. The **Affected Party** must (a) give the other party immediate, detailed notice of the initial situation as soon as possible, (b) deliver ongoing detailed status reports to the other party regarding its efforts to fully remedy the situation and (c) deploy all available reasonable resources to mitigate adverse impacts of the delay. Should such cause persist for more than forty-five (45) days, the other party is entitled to cancel the affected **Purchase Order** without liability.

19.2 **Seller** is not excused by Section 19.1 from any of its obligations 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 **Seller's** own personnel, third party equipment or software changes).

20. Over-Shipments

Seller shall ship only the quantity(ies) specified in the applicable **Purchase Order**. **TI** reserves the right to return any overshipment at **Seller's** expense.

21. Packing and Shipping Instructions

Seller shall ensure that shipments are properly packed and described in accordance with **TI** specifications and /or applicable carrier regulations. Shipments will be made in accordance with **TI's** shipping instructions.

22. Export Compliance

22.1 **Seller** acknowledges that all products, services, proprietary technical data and information, or any other items provided to **Seller** by **TI** or otherwise obtained by **Seller** from **TI** pursuant to any **Purchase Order** may be subject, in particular, to U.S. Government, Israeli or European export control laws and regulations. Unless prior authorization is obtained from the competent authority, neither **Seller** nor its subsidiaries shall export, re-export, transfer, or release, directly or indirectly, any items, including **Supplies** and any products, equipment, software (or direct product thereof), technology (or direct product thereof), technical data or technical information (written or otherwise) provided to **Seller** by **TI** including **Assists** ("**TI Material**"), to any destination, country or person to which the export, re-export, transfer or release of any such items would be prohibited by applicable export control laws or regulations. Without limiting the generality of the foregoing, **Seller** shall control the disclosure of and access to **TI Material** in accordance with applicable export controls laws and regulations.

22.2 If, pursuant to these **Purchase Terms**, **Seller** provides any **TI Material** or **Supplies** to any third party who is permitted by **TI** to receive such items, such as **Seller's** permitted subcontractors, **Seller** shall give notice of the need to comply with such laws and regulations to such third party. **Seller** will be responsible for obtaining any export, re-export licenses or any other government authorizations required for the export or re-export of any **TI Material** or **Supplies**.

22.3 **Seller** will not prepare or execute any import or export documentation or make any certification or representation on behalf of **TI** relating to the importation, exportation or re-exportation of any **TI Material** or **Supplies** except as specifically authorized by **TI** employees designated in writing by **TI** for such purposes. Each party shall secure, at its own expense, such licenses and export and import documents as are necessary for each respective party to fulfill its obligations under any **Purchase Order**. If government approvals cannot be obtained, Section 19 shall apply.

23. Supply Chain Security

Seller will comply with applicable **TI** supply chain security requirements in providing **Supplies** for **TI** and will provide supply chain security information to **TI** as requested, including information about **Seller's** status with regard to the US Customs Trade Partnership Against Terrorism (C-TPAT) initiative and the European Union Authorized Economic Operator (AEO) program, including provision of **Seller's** C-TPAT account number and AEO certificate number, where applicable. If requested by **TI**, **Seller** will ship goods using only **TI**-authorized transportation providers.

24. Subcontractors

25. Seller Ownership Change

Seller will notify **TI** immediately in writing in the event **Seller** is acquired by or merges with any other company or a majority or controlling interest in **Seller** is obtained by another company.

26. Ozone Depleting Substances

Except where **TI** has given written approval to **Seller** in advance of shipment, **Seller** shall not use or introduce a Class I ozone depleting substance or introduce a Class II ozone depleting substance (as such terms are defined in 40 CFR 82.104) or use or introduce substances that deplete the ozone layer within the meaning of the Regulation (EC) No 1005/2009 and/or other European and/or local rules of a similar nature, as applicable (collectively "**ODS**"), into any **Supplies** or part thereof. Where **TI** has agreed to accept **Supplies** containing or manufactured using an ODS, **Seller** will label the **Supplies** with a warning or will otherwise effectively warn **TI** of such use in accordance with any applicable law (including 40 CFR 82, Subpart E and Regulation (EC) No 1005/2009). Should **Seller**, where permitted under the foregoing rules, choose to warn **TI** through a mechanism other than a warning label or other warning accompanying the shipment, a copy of such warning shall be sent to **TI** in advance of shipment.

27. TI - Controlled Chemicals and Materials Specification, REACH

27.1 **Seller** shall comply with the **TI - Controlled Chemicals and Materials Specification**, Number 6453792, which is updated from time to time and is located at <http://wpl.ext.ti.com>.

27.2 **Seller** shall (a) comply with the Regulation (EC) No 1907/2006 (REACH) and/or other European and/or local rules of a similar nature; (b) ensure that all registration requirements under the foregoing rules are fulfilled; and (c) provide to **TI** all information and data, including safety data sheets, required to be provided under the foregoing rules, or required by **TI** to fulfill its obligations under the foregoing rules.

28. Ethical Conduct

Seller's provision of **Supplies** shall be in accordance with the highest ethical standards. **TI** will not do business with any entity or person that **TI** believes has engaged in unethical practices. **TI** expects its suppliers to abide by this policy and not to engage in any activity that results or may result in a conflict of interest, embarrass **TI**, or harm **TI's** reputation. **Seller** will: (a) maintain transparency and accuracy in corporate record-keeping and (b) act lawfully and with integrity in handling competitive data, proprietary information and other intellectual property. **Seller** will not engage in corrupt practices, including public or private bribery or kickbacks.

29. Conflict Minerals

29.1 **Seller** will promptly provide information to **TI**, in the format reasonably requested by **TI**, to assist **TI** in meeting its obligations or responding to third-party requests relating to conflict minerals, such as gold, tungsten, tin, and tantalum and their derivatives, ("**Conflict Minerals**") as such minerals are defined pursuant to Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and its implementing regulations as amended periodically or other US, European and/or local rules of a similar nature, as applicable (collectively, the "**Conflict Minerals Rules**"). The foregoing includes but is not limited to providing **TI** with information relating to **Seller's** process for determining the source of any **Conflict Minerals** supplied to **TI** or used in **Supplies** rendered to **TI**.

29.2 **Seller** further agrees to comply, to the extent applicable to **Seller**, with the **Conflict Minerals Rules** and with the then-current **TI Conflict Minerals Policy** located at <http://wpl.ext.ti.com>. **Seller** will adopt policies and establish systems to procure **Conflict Minerals** from sources that have been third-party verified as conflict free.

30. Antidiscrimination and Humane Treatment of Workers

30.1 **Seller** will employ workers on the basis of their ability to do the job and not on the basis of their personal characteristics or beliefs.

30.2 **Seller** will assure that products (including parts) will not be produced, manufactured, mined, or assembled with the use of forced, prison, or indentured labor, including debt bondage, or with the use of illegal child labor in violation of International Labor Conventions for minimum age (ILO-C138) and child labor (ILO-C182). **Seller** will not require workers to remain in employment for any period of time against their will. If **Seller** provides housing or eating facilities, it will assure the facilities are operated and maintained in a safe and sanitary manner.

30.3 **Seller** will operate safe, healthy and fair working environments, including managing operations so that overtime does not create inhumane working conditions. **Seller** will pay workers at least the minimum legal wage. **Seller** will assure that workers are free to join, or refrain from joining, associations of their own choosing, unless otherwise prohibited by law.

31. Data Protection

31.1 **TI** will collect, process and use personal data of **Seller** for managing and administering the **Seller** relationship, including the performance of the **Purchase Order** and communication in relation to any **Purchase Order**. As applicable, **TI** may further process personal data of **Seller** for purposes of security and access control to **TI** facilities and enabling appropriate usage of IT infrastructure and **TI** assets.

31.2 For the above purposes, personal data of **Seller** may be shared with other **TI** affiliates and/or third party service providers, including entities located in countries not providing for the same level of data protection as considered adequate in the European Union.

31.3 Data subjects concerned by **TI's** processing of personal data will, in accordance with applicable laws, have the right to access, rectify and ask for the deletion of their personal data and/or, for legitimate reasons, to object to its collection, processing or use. Any personal data provided to **TI** by **Seller** is provided of the own free will and consent of the data subject who is under no legal obligation to provide such data, however, without providing such data **TI** may not be able to issue **Purchase Orders** to **Seller**. **Seller** shall notify the data subjects of the contents of this Section 31.

32. Record Keeping and Audits

32.1 **Seller** shall identify, create, and safely retain full and detailed accounts and exercise all such controls as may be necessary or helpful for proper financial management, documentation and compliance under any **Purchase Order**. **Seller's** records, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data related to any **Purchase Order** ("**Records**") shall be preserved for a period of three (3) years after final payment or for such longer period as may be required by law.

32.2 **TI** shall have the right to audit all of **Seller's** **Records** (in whatever form they may be kept, whether written, electronic or other) and operations related to any **Purchase Order**. **Seller** shall provide **TI's** external auditors (and internal auditors, provided **Seller** consents) that are under a professional obligation to secrecy with access to **Seller's** offices and/or manufacturing locations and relevant records and physical items during normal business hours, for purposes of auditing

Seller's compliance with these **Purchase Terms** or the terms of any **Purchase Order**. **TI** shall provide **Seller** with twenty-four (24) hours prior written notice of its intention to audit **Seller**. **Seller** shall include in its agreements with permitted subcontractors audit provisions that allow **TI** to directly audit such subcontractors, to the same effect as the foregoing.

33. Waiver

Any failure of **TI** to enforce any of the provisions of these **Purchase Terms** at any time, or for any period of time, shall not constitute a waiver of such provisions nor of **TI's** right to enforce each and every provision.

34. Severability

Should any provision of these **Purchase Terms** be or become invalid, the remaining provisions shall remain unaffected.

March 2016

subject to change