NETAFIM'S GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Scope and Acceptance. Unless Supplier (as hereinafter defined) and Netafim Ltd. ("**Netafim**") have entered into a separate written agreement governing the supply of goods and/or services and signed by both parties, then Netafim's offer to purchase goods and/or services from Supplier (collectively, "**Items**"), via issuance of individual purchase orders (the "**Purchase Orders**"), along with these Terms and Conditions of Purchase, constitutes the entire and exclusive agreement ("**Agreement**") between the supplier identified in the Purchase Order (the "**Supplier**") and Netafim 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. 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 Recipient uses to protect its own Confidential Information. "Confidential Information" shall mean confidential or proprietary information concerning Netafim or any of Netafim's processes, inventions, formulae, customers, suppliers, 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. This obligation will survive termination of this Agreement for a period of 5 years. B. Further Information. On request, and in any event, upon termination of this Agreement, Supplier will return all Confidential Information to Netafim. 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 hereof. 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 disclose to Netafim shall not be deemed to be 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 period of 24 months after delivery to Netafim, all Items shall be free from defects in design, workmanship, material, and manufacture; shall be of merchantable 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 consist of new (not used or recycled) material; Netafim 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 (collectively "**Rights and Encumbrances**"). 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 replace the Item or repair the Item; return the Item to Supplier and recover the purchase price; correct the Item itself and charge Supplier the reasonable cost of correction; or 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 Netafim's personnel engaged in such testing. Items 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 expeditious 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 by Netafim.

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 SALE, BUSINESS, PROFITS, DATA, OPPORTUNITY OR GOODWILL, EVEN IF NETAFIM HAS BEEN ADVISED OR KNEW 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 any patent, copyright, trade secret, trademark, know-how, mask works, moral rights, or other intellectual property rights under any jurisdiction (collectively, "**IP Rights**"), that are created, conceived, made or reduced to practice by or for Supplier and that are related to Items, are hereby irrevocably assigned and transferred to Netafim by Supplier, and Supplier shall cause its employees, agents, contractors and sub-tier suppliers (regardless whether they sell directly to Supplier) to also assign and transfer all such IP Rights to Netafim unless such IP Rights (a) were developed independent of, and do not contain or reflect the assistance (financial or otherwise), collaboration, input, involvement, development efforts, or creative or inventive contribution of Netafim or Netafim employees, consultants, contractors or other suppliers, and (b) do not reflect or rely upon Netafim's Proprietary Information, and are not an improvement, enhancement, modification, or derivative work of any IP Right belonging to Netafim or transferred to Netafim by this Section. B. License to Netafim. If any Item incorporates or relies upon any IP Rights created, conceived, made or reduced to practice by or for Supplier that are not transferred to Netafim by this Section (collectively "**Supplier IP Rights**"), then Supplier, as partial consideration for this Agreement, grants to Netafim an irrevocable, perpetual, non-exclusive, royalty free, paid-up, world-wide right and license, with rights of sublicense, to use, distribute, import, improve, sell and have sold such Supplier IP Rights as is necessary for Netafim to fully exploit the Items. Netafim shall also be entitled to grant licenses to its customers to use such Supplier IP Rights as related to the operation of Netafim's products. C. No Unauthorized Modification of Netafim IP Rights. Supplier shall not (and shall cause its employees, agents, contractors and sub-tier suppliers not to) improve, enhance, or modify IP Rights of Netafim without Netafim's prior written consent; if such an improvement, enhancement, or modification is nevertheless made, Supplier hereby irrevocably assigns and transfers to Netafim, and Supplier shall cause its employees, agents, contractors, and sub-tier suppliers (regardless of whether they sell directly to Supplier) to also assign and transfer to Netafim, all IP Rights in each such improvement, enhancement, or modification. If any of the foregoing transfers and assignments are to any extent ineffective, Supplier shall grant to Netafim an irrevocable, perpetual, royalty free, non-exclusive, paid-up world-wide right and license with rights of sublicense, to use, distribute, import, improve, sell and have sold, and make and have made such modifications to Netafim's IP Rights.

7. Responsibility for Goods; Risk of Loss; Title. Notwithstanding any prior inspections, Supplier bears all risks of loss, damage, or destruction to Items until final acceptance by Netafim at Netafim's delivery destination. Supplier bears all such risks with respect to any Items: (a) rejected by Netafim; or (b) required to be remedied or corrected; provided, however, that Netafim shall be responsible for loss occasioned solely by willful misconduct of Netafim's employees acting within the scope of their employment. Items shall be shipped to Netafim by Supplier in accordance with the terms of this Agreement. Transfer of title in and to the Items shall be affected upon actual acceptance by Netafim at Netafim's or any of its affiliates' final delivery destination.

8. Cancellation. A. General. Netafim may cancel the Purchase Order, this Agreement, or both, in whole or in part by written or electronic notice, if

Supplier: (1) fails to deliver Items in accordance with specified delivery times, Item requirements or other specifications; (2) fails to replace or correct defective Items as Netafim requires; (3) fails to comply strictly with any provision of or repudiates or anticipatorily repudiates this Agreement; (4) becomes insolvent, files a petition for relief under any bankruptcy, insolvency or similar law, makes an assignment for the benefit of its creditors, or takes any action for (or in anticipation of) any of the foregoing or (5) there is a material change in control or ownership of Supplier's business. B. Upon Cancellation. Upon cancellation pursuant to this Section, Supplier shall: (1) supply any portion of the Items for which this Agreement is not cancelled; (2) be liable for additional costs, if any, for the purchase of similar goods and services to cover such default; and (3) at Netafim's request, transfer title and deliver to Netafim: (a) any completed Items, (b) any partially completed Items and (c) all unique materials and tooling. Prices for partially completed Items and unique materials shall be negotiated, but in no event shall they exceed the price set forth herein. Netafim's rights and remedies as described herein are in addition to any other rights and remedies provided at law or in equity.

9. Indemnity by Supplier. Supplier shall defend, indemnify and hold harmless Netafim (and its officers, directors, agents and representatives) from and against any and all claims, suits, 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 Rights and Encumbrances; (b) any 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 enemy, acts of Government (in sovereign or contractual capacity), accidents, fire, flood, epidemic, strike, freight embargo and unusually severe weather. When Supplier becomes aware of any actual or potential force majeure condition, Supplier shall immediately notify Netafim of the condition. Supplier is not 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, insurance, 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 (i) for a service level (ground, air, 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 transportation of Items between 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 will 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.

12. Termination for Convenience. Netafim may terminate the Purchase Order, this Agreement, or both for its convenience in whole or in part at any time by written or electronic 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 process 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 six months after Netafim's notice of termination. **Change Orders.** By written notice, Netafim may suspend performance under 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 other documents; (b) 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 in the price or other terms of this Agreement if requested by Supplier in writing prior to change implementation. Supplier shall continue with performance of this Agreement in accordance with the notice of change or amendment. A change by Netafim pursuant to this Section shall not constitute a breach or default by Netafim.

13. 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 of an invoice shall not constitute acceptance 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 in connection with any discount term will 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.

14. 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 entity in connection with any Purchase Order. Each payment to be made by Netafim under a Purchase Order shall be subject to any deduction, withholding or set-off of tax as may be required under applicable laws, and Supplier will upon request provide Netafim with appropriate tax documentation that is necessary to prevent or minimize such deduction, withholding or set-off of tax. Every invoice must include Supplier's VAT Identification Number.

15. Insurance. Supplier will 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.

16. 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 and 17. 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; Supplier warrants and represents that no applicable law, rule, regulation, order or ordinance of any state, any governmental agency or authority of any country has been violated in supplying the Items ordered herein. 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 the Purchase Order and this Agreement, such a conflict will be resolved in favor of the Purchase Order.