

Aug-2012

Purchase Order Terms and Conditions

1. **Contract:**

The contract resulting from the acceptance of this order is to be construed according to the laws of the state from which the order issues as shown by the address of Buyer, which is printed on the face of this order.

2. **Delivery Schedule:**

Deliveries are to be made both in quantities and at times specified herein. Buyer shall not be required to any payment for goods delivered to Buyer which are in excess of quantities specified in the delivery schedules. Buyer may from time to time change the delivery schedules or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this order. Seller must notify Buyer of any change in the delivery schedule caused by any Seller action.

3. **Force Majeure:**

Each party shall not be liable for and shall be excused from any failure to perform its respective obligations hereunder due to acts of nature, government and quasi-governmental actions, acts of war, terrorism, insurrection, civil war or similar hostile disputes, fire, flood, or other similar events.

4. **Warranty:**

Seller hereby warrants that all articles or work furnished hereunder shall conform to the appropriate specifications, drawings, or samples and shall otherwise be free from defects in materials or workmanship for a period of (12) twelve months after acceptance unless otherwise specified in this order. Buyer shall have the option to require Seller to repair or replace defective articles or work without any charge or expense to Buyer, or to reject any defective articles or work and obtain full credit for any payments therefore plus transportation charges for their return. The warranty shall survive inspection, acceptance, and payment.

5. **Inspection and Acceptance:**

All materials shall be received subject to Buyer's inspection and rejection. Defective material or material not in accordance with Buyer's specifications will be held for Seller's instruction and at Seller's risk. No goods returned as defective shall be replaced without an order issued by Buyer.

Payment for material on this order prior to inspection shall not constitute an acceptance thereof.

6. **Cancellation:**

Buyer reserves the right to cancel all and any part of the undelivered portion of this order with no liability to Seller if Seller does not make delivery as specified in the schedules or if Seller breaches any of the terms hereof including the warranties of Seller.

7. **Termination:**

Buyer may terminate this order in whole or in part at any time for any reason whatsoever by written or telegraphic notice. Upon receipt thereof, Seller, upon direction from Buyer, shall terminate work under this order, including work by any subcontractors outstanding hereunder, and take any necessary action to protect property in Seller's possession in which Buyer has or may acquire and interest.

9. **Changes in Specifications:**

Buyer reserves the right at any time to make changes to drawings and specifications as to any material and/or work covered by this order. Any difference in price or time for performance resulting from such changes shall be equitably adjusted and the order modified accordingly.

10. **Material Furnished by Buyer:**

All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this order, or for which Supplier has been reimbursed by Buyer, shall be and remain the property of Buyer. Seller shall bear the risk of loss of and damage to Buyer's property. Buyer's property shall at all times be properly housed and maintained by Seller; shall not be used by Seller for any purpose other than the performance of this order. Upon the request of Buyer, such property shall be immediately released to Buyer or delivered to Buyer by Seller. All such property not so accounted for or returned shall be paid for by Seller.

11. Tools:

Unless otherwise agreed, Seller at its own expense shall furnish, keep in good conditions and replace when necessary all dies, tools, gauges, fixtures, and patterns necessary for the production of material ordered. Buyer has the option, however, to take possession of title to any dies, tools, gauges, fixtures, and patterns that are special for the production of material covered by this order and shall pay to Seller the unamortized costs thereof, provided, however, that this option shall not apply if the material hereby ordered is the standard product of Seller or if a substantial quantity of like material is being sold by Seller to others.

12. Ingredients Disclosure and Hazardous Materials:

If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods purchased hereunder; (b) the amount of one or more ingredients; (c) information concerning any changes in or additions to such ingredients; and (d) any applicable Material Safety Data Sheets (MSDS). Prior to and with the shipment of the goods purchased hereunder, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on goods, containers, and packing) of any hazardous material which is an ingredient or any part of the goods, together with special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution which will best prevent bodily injury or property damage in the handling, transportation, processing, use of disposal of the good, containers, and packing shipped to Buyer.

13. Remedies:

The remedies herein reserved shall be cumulative, and additional to any other or further remedies provided in law or equity. No waiver of a breach of any provisions of this order shall constitute waiver of any other breach, or of such provision.

14. Intellectual Property:

Seller agrees to defend, hold harmless and indemnify Buyer, its successors and customers against all claims, demands, losses, suits, damages, liability and expenses (including reasonable attorney fees) arising out of any suit, claim or action for actual or alleged direct or contributory infringement of, or inducement to infringe, any United States or foreign patent, trademark, copyright, or masked work right by reason of the manufacture, use or sale of the goods and services order, or for actual or alleged misuse or misappropriation of a trade secret resulting directly or indirectly from Seller's actions.

15. Technical Information Disclosed to Buyer:

Seller agrees not to assert any claim (other than a claim of Patent infringement) with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this order.

16. Confidentiality:

Seller agrees to maintain as confidential any and all information contained on this order and in any other documents relating thereto and that it will not disclose, or permit disclosure, of this order or any information contained herein, for any reason whatsoever, to any third party unless explicitly permitted to do so in writing by Buyer. Seller recognizes that the loss to Buyer which could arise from a breach of the confidentiality obligation contained herein cannot be responsibly and adequately compensated in damages in an action at law. Therefore, Seller expressly agrees that Buyer, in addition to any other rights and remedies which it may possess, shall be entitled to injunctive relief to prevent a breach of confidentiality obligations contained herein.

17. Insurance:

If this order covers the performance of labor for Buyer, Seller agrees to indemnify and protect Buyer against all liabilities, claims, and demands for injuries and damage to any person or property growing out of the performance of this order. Seller further agrees to furnish upon Buyer's request insurance carrier's certificates showing that Seller has adequate public liability and property damage insurance coverage.

18. Insolvency:

Buyer may immediately cancel this order without liability to Seller in the event any of the following occurs which is not vacated or nullified: (1) insolvency of Seller; (2) Seller files a voluntary petition of bankruptcy, (3) a third party files an involuntary petition to have Seller declared bankrupt.

19. Duty Drawbacks:

This order includes all related customs duty and import drawback rights, if any, (including rights developed by substitution and rights which may be acquired from Seller's suppliers) which Seller can transfer to Buyer. Seller agrees to inform Buyer of the existence of such rights and upon request to supply such documents as may be required to obtain such drawback.

20. **Discounts:**

Discount time will be computed from the date of delivery or from receipt of correct invoices, prepared in accordance with the terms of this order, whichever date is later. For purposes of earning a discount, payment is deemed to be made on the date of Buyer's check.

21. **Set-Off:**

Buyer shall be entitled at all times to set off any amount owing from Seller to Buyer or any of its affiliated companies against any amount due or owing the Seller.

22. **Compliance with Laws:**

This order shall be governed by and construed, solely and exclusively, in accordance with the laws of Israel. All disputes with respect to this order shall be resolved in the courts of Haifa, Israel. Both Buyer and Seller shall make all filings with governmental authorities as shall be required by Applicable Laws in connection with this order and the activities contemplated hereunder or thereunder. In fulfilling its obligations under this order Buyer and Seller agree to comply in all material respects with all Applicable Laws.

23. **Assignment:**

The delegation of assignment by Seller of any or all of its duties or rights under any contract involving this order without Buyer's written consent shall be void.

24. **Modification of Offer:**

Acceptance of the offer represented by this order is expressly limited to the terms hereof. Signing and returning the acknowledgement copy of this order (if attached hereto) or, in any event, delivery in whole or in part of the articles or services to be furnished hereunder shall constitute acceptance of this order. It is the entire contract and no changes are binding on Buyer unless they are in writing and signed by an authorized representative of the Buyer's Purchasing Department.