

Aug-2012

TERMS AND CONDITIONS OF SALE

The following sets forth the terms and conditions of sale of products and services of Advanced Dicing Technologies Ltd. ("ADT") as of the date set forth above. All terms and conditions are subject to change, subject to the provisions of paragraph 3 below relating to price.

1. **ACCEPTANCE** - No order for ADT products or services shall be binding upon ADT until accepted in writing by an authorized ADT representative. Purchaser shall be deemed to have agreed to all terms and conditions of sale provided herein and to any special terms and conditions contained in a quotation and acknowledgement or other writing signed by an authorized ADT representative. Purchaser shall also be deemed to have agreed to all changes or additions to such terms and conditions which become effective subsequently, and prior to ADT's acceptance of Purchaser's order, unless Purchaser notifies ADT in writing to the contrary within five (5) days after Purchaser receives notification of the new or changed conditions, in which case ADT shall have the right to cancel Purchaser's order if not already shipped.

2. **CANCELLATION** - Purchaser shall advise ADT of cancellation prior to shipment (whether wholly or in part) in writing. Upon receipt of Purchaser's written notification of cancellation, ADT will arrange to stop all work on the products and/or services cancelled as promptly as reasonably possible. Except in the case of a cancellation in accordance with paragraph 1 above, and in recognition of the difficulty of determining ADT's loss as a result of any such cancellation, Purchaser shall pay to ADT, as liquidated damages for loss of profits, a cancellation charge of up to 40% of the contract price for the products and/or services cancelled, in accordance with the following cancellation schedule:

Days Notice Prior to Scheduled Shipment Cancellation Charge

More than 60 days 15% of contract price, 31 to 60 days 20% of contract, price 0 to 30 days 40% of contract price.

Purchaser agrees to reimburse ADT, in addition to the liquidated damages described above, the full cost of all labor, supplies and materials, engineering work, services, and all commitments made by ADT with respect to the relevant products and services up to the time of ADT's receipt of notice to cancel, less credit for all standard items which can be used at the time of cancellation to fill another order.

3. **QUOTATIONS AND PRICING** - The prices stated in the price quotation attached to these terms and conditions of sale shall be firm for 30 days from the date of the quotation and are thereafter subject to change until ADT accepts the order. Prices shown in published price lists or other literature are not offers to sell and are subject to confirmation by specific quotations. ADT quotation is not assignable by Purchaser without the prior written consent of ADT.

4. **NON-STANDARD ACCEPTANCE REQUIREMENTS** - All ADT manufactured machines and their options are thoroughly tested during manufacture to ensure that published specifications are met. At any time prior to the shipment of an order, customers may review ADT quality control data

at the Yokneam, Israel facilities or at any other ADT facility, when accompanied by an ADT customer representative. If a customer requires additional custom acceptance tests, the written test procedure and acceptance criteria with sample customer materials and components must be approved by ADT prior to the acceptance of the order. Costs for these additional tests, if any, will be estimated by ADT and must be included in the purchase order for the equipment being purchased.

5. PAYMENT - All invoices to customers shall be payable in full within thirty (30) days of the date of the invoice, unless otherwise specified in the attached quotation. All payments not made when due shall be subject to a late charge of 2% per month; provided, however, that the rate of the late charge shall not exceed the highest applicable rate allowed by law. Unless otherwise agreed by ADT in writing, international payment terms are by Confirmed Irrevocable Letter of Credit, confirmed and payable through a bank approved by ADT.

6. SHIPPING AND RISK OF LOSS; SECURITY INTEREST

(a) Delivery - The availability of ADT products to the designated transfer point for loading by the Purchaser's designated carrier shall constitute delivery to the Purchaser and accordingly, all risk of loss or damage shall pass to Purchaser at that time. Purchaser is responsible for all transportation, delivery, and insurance costs incurred in connection with the delivery of the products to the designated site.

(b) Packaging - ADT requires and packages all equipment suitable for transportation by air-ride padded van due to the sensitive nature of the equipment. The Purchaser will be invoiced for any special packaging requested outside of the normal ADT packaging specifications.

(c) Security Interest - Purchaser hereby grants to ADT a security interest in products sold to it, and in any proceeds (including accounts receivable) thereof as security for its obligations hereunder. This security interest shall commence upon delivery of any product and terminate upon full payment therefore. At the request of ADT, Purchaser shall execute any document required and take any other required to perfect this security interest.

(d) Shipping Schedule - The shipping schedule shall be computed from the date ADT accepts Purchaser's order for products with full instructions, samples, and such other information or items as ADT may need in order to proceed with the design, manufacture, and test of the products ordered. In the event that Purchaser fails to supply ADT with shipping instructions in a timely manner, ADT shall have the right to arrange for shipment in any reasonable manner.

(e) Shipping Cost Invoices - If the cost of shipment is prepaid by ADT at Purchaser's request, ADT shall invoice the products upon shipping to reflect shipping costs known to ADT; additional shipping costs shall be invoiced as they become available from the shipper. A partial shipment will be invoiced as per the unit price.

(f) Claims for Defects - All claims for defects in delivery of products or services shall be deemed waived unless presented in writing within 10 days after delivery. Purchaser's receipt of products and/or services shall constitute a waiver of any claim for delay.

(g) Returns - No product shall be returned without authorization and shipping instructions first being obtained from ADT. All freight forwarding, transportation or any other shipping costs and custom clearance charges shall be paid by the Purchaser.

7. SITE PREPARATION - Purchaser shall be responsible for, and shall bear the expense of, preparing the site where the products will be located. In preparing the site, Purchaser shall, without limitation: (i) ensure that the site meets environmental and other criteria required by ADT and communicated to Purchaser prior to delivery; and (ii) make available utilities necessary for the production operation, or maintenance of the products and/or performance of the related services.

8. TAXES AND OTHER CHARGES - Purchaser shall pay any manufacture tax, retailer's occupation tax, use tax, sales tax, excise tax, duty, custom inspection or testing fee, or other tax, fee or charge of any nature whatsoever, (other than taxes based solely on ADT's net income) imposed by any governmental authority, on or measured by any transaction between ADT and Purchaser. In the event ADT is required to pay any tax, fee, or charge, Purchaser shall reimburse ADT thereafter; or, in lieu of such payment, shall provide ADT at the time the order is submitted with the exemption certificate or other documentation acceptable to the authority imposing the tax, fee or charge. Purchase orders must state the existence and amount of any tax, fee, or charge if ADT must collect such tax, fee or charge from Purchaser and pay it to the authority.

9. SOFTWARE LICENSE - ADT grants to the Purchaser a non-exclusive right and license to use any ADT software provided as part of the products sold solely for purposes of operating that portion of the products constituting equipment at the designated site and only in connection with Purchaser's business. Title to the software and any modifications, corrections or enhancements, and any related materials and documentation, no matter by whom shall remain with ADT at all times prior to and following the payment of the purchase price. Pursuant to paragraph 6 (c) above, Purchaser shall execute a financing statement or any documents required by ADT to protect its interest in the software. Purchaser acknowledges that such software is governed and protected by a copyright obtained in the name of ADT, and Purchaser promises to observe all copyright laws applicable to the software. Purchaser shall not directly or indirectly sell, reverse engineer, decompile, disassemble, copy or transfer all or part of the software provided by ADT without ADT's prior written consent. Purchaser shall treat all software provided by ADT as confidential proprietary information subject to the provisions of paragraph 10 of these terms and conditions of sale.

EXCLUSIONS: All parts of ADT products are covered under this policy except for the following items which are warranted for ninety (90) calendar days (parts and labor)

1. Fuses
2. Lamps & bulbs and plates
3. Filters
4. Vacuum cups
5. Brush type motors - Brushes: 90 days ; Motor: 365 days
6. Spindle brushes
7. Precision and positioning pins
8. Rubber belts
9. O-Rings
10. Springs
11. Precise wear blades

10. **CONFIDENTIALITY** - Purchaser acknowledges that the software provided to it by ADT is ADT's proprietary information and is valuable and not otherwise obtainable from other sources and shall not be copied without ADT's written permission. Purchaser agrees to exercise due diligence to protect and preserve in confidence the software and other confidential information which ADT designates as such, including but not limited to instruction and operating manuals. Purchaser shall not disclose or publish such information or use the information for any purpose other than Purchaser's operation of equipment in connection with its business, as contemplated herein. In addition, Purchaser shall conform to all requirements relating to confidentiality which are set forth in Seller's Operating Manual, which provisions are incorporated herein by reference.

11. **WARRANTY** -

(a) Machine Warranty - ADT warrants the product (other than software) manufactured by it to be free from material defects in material and workmanship for one (1) year (except those parts normally considered as consumables/expendable tools such as blades and others). The warranty commences (30) days from the date of shipment, and includes labor and parts during the warranty period.

There is "No Warranty" for consumables/expendable tools, items are not covered under this Warranty.

ADT warrants those parts replaced under warranty for a period equal to the This warranty coverage shall apply solely to (i) the machine and machine remaining warranty coverage of the machine receiving the part, or ninety components in the original configuration as stated in the original invoice, (90) calendar days from the shipment date of the part to Purchaser, or as and (ii) per the standard Technical and Performance Specification with any provided in the original invoice, whichever is longest. Exceptions agreed to between ADT and Purchaser and explicitly noted in the original machine Purchase Order. ADT warrants its workmanship of repair for 30 days from day of repair.

ADT's sole and exclusive obligation under these warranty provisions shall be to repair, or at its sole option exchange defective products or the relevant part or component, but only if: (i) Purchaser reports the defect to ADT in writing and provides a description of the defective product and complete information about the manner of its discovery within ten (10) days of its discovery; (ii) ADT has the opportunity to investigate the reported defect and determines that the defect arises from faulty material, parts or workmanship; and (iii) if deemed appropriate by ADT, Purchaser returns the affected product, component or part to a location designated by ADT.

(b) Software Warranty - ADT warrants that the software it provides to Purchaser will be free from manufacturing defects that would, when properly installed in a system, prevent that system from substantially meeting the specification supplied by ADT.

The warranty period for machine product software shall be the same as the warranty for the ADT equipment with which the software is supplied, and is limited to the original software and to revisions solely applicable to the original software version supplied with the machine product and noted in the original invoice.

ADT's sole and exclusive obligation under this warranty shall be to correct any defect or error, at its option, by either replacing the original software or making available any necessary or corrective programs or alternate operating instructions, but only if: (i) Purchaser reports the defect to ADT in writing and provides a description of the software error and complete information about the manner of its discovery within ten (10) days; (ii) ADT has the opportunity to investigate the

reported defect to determine if the defect rises from a malfunction in program logic, or from clerical program preparation and installation or does not execute when properly installed; and (iii) Purchaser returns the affected software to a location designated by ADT if deemed necessary.

This software warranty shall not apply to defects resulting from modification not performed by ADT or to software or interfacing supplied by a third party.

(c) Warranty Limitations - Any repairs, replacements, modifications or corrections made pursuant to the foregoing warranties shall be made, at ADT's option, either at the machine site or at a qualified ADT service location.

Custom or special systems, machines and machine components are subject to the Warranty Terms and Conditions as expressly established in the purchase order.

Any repairs, replacements, modifications or corrections on site shall be made during Monday through Friday (excluding holidays), from 8:30 a.m. to 5:30 p.m. local time. Requests to ADT Field Service for on site warranty repairs shall be carried out on a best effort basis, or in accordance with specific Terms and Conditions established in a Purchaser-specific Service Contract between ADT and the Purchaser.

If the repair, replacement, modification or correction is made at a qualified ADT service location, freight for the return of the equipment or software to ADT and the subsequent return to Purchaser shall be paid by the Purchaser including forwarding, transportation, insurance and other shipping costs and customs clearance charges. No product shall be returned to ADT without authorization and shipping instructions from ADT.

Where production figures have been stated or implied, such figures have been understood by Purchaser to be estimates based on field and applications data available to ADT at the time. ADT does not guarantee or warrant such production figures are applicable to all devices and/or conditions.

These warranties shall not apply to (i) products repaired or altered by anyone other than those authorized by ADT, (ii) products subjected to negligence, accidents or damage by circumstances beyond ADT's control,

(iii) products delivered by ground transportation by any means other than air-ride padded van, or (iv) products subjected to improper operation or maintenance (i.e. operation or maintenance not in accordance with ADT's Operation, scheduled Maintenance, Installation Manuals and/or Instructions) or for use other than the original purpose for which the product was designed to be used.

ADT reserves the right to make changes to the design of any products sold to Purchaser at any time without incurring any obligation to install the new design on products previously purchased or shipped.

ADT shall not be responsible for the correctness, accuracy or consistency of any information provided by others, including information provided by Purchaser.

The warranties set forth herein shall be void if: (A) Purchaser violated its duties under the Software License or Confidentiality clauses of these terms and conditions of sale; or (B) Purchaser directly or indirectly sells, leases or transfers the products to a third party without ADT's prior written consent.

THE WARRANTIES SET FORTH ABOVE ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE.

This warranty policy applies only to ADT products purchased directly from ADT or from an authorized ADT distributor.

ADT provided service is the exclusive remedy of Purchaser for product defects or any other claim of liability in connection with the purchase or use of ADT products.

12. REMEDIES - In addition to ADT's remedies as stated in the above paragraph, and in addition to other available remedies, ADT shall have the following remedies:

In the event Purchaser fails to make any payment when due, ADT shall be entitled to: (i) offset the overdue amount against any other funds of Purchaser in ADT's custody; (ii) terminate ADT's obligations under these terms and conditions of sale and treat this agreement as if cancelled by Purchaser, in which case Purchaser shall be liable for any amount payable pursuant to paragraph 2 above; (iii) delay manufacture or delivery of all or part of the products and/or delay performance of the related services sold to Purchaser under this or any other sale or lease agreement between Purchaser and ADT; and/or (iv) recover or require Purchaser to return forthwith, at Purchaser's expense (including proper insurance with respect thereto), all products and other materials which ADT provided to Purchaser and with respect to which Purchaser failed to make timely payment.

Without otherwise limiting ADT's right to change the terms and conditions of sale as provided in paragraphs 1 above, if ADT at any time and in its sole discretion determines that Purchaser's financial condition or conduct jeopardizes ADT's right to payment, ADT may require payment in advance of shipping all or part of the products or performing related services pursuant to these terms and conditions of sale.

ADT shall have the right to obtain an injunction against unauthorized copying or use of ADT software or designated confidential information in violation of paragraphs 9 or 10 above. ADT reserves the right to assign any overdue amount to a third party collection agency. Purchaser will be responsible for all collection expenses.

13. LIMITATION OF LIABILITY - In addition to the limitations of ADT's liability set forth in paragraph 11 above, the following limitations are also applicable:

(a) Patent Infringement - ADT warrants that ADT equipment does not infringe any apparatus claims of any U.S. Patent, and further, ADT agrees to defend any patent infringement suits based on any such patent claim brought against Purchaser if such a suit is based on an assertion that

Purchaser's use the equipment furnished by ADT infringes any such claim of a U.S. Patent, provided that (1) Purchaser timely notifies ADT within 10 days after Purchaser becomes aware of any possible charge of infringement, and (2) Purchaser gives ADT the authority to defend and settle, as well as information and assistance needed for the defense of a suit or the threats of a suit and makes no compromising admission, offer to settle or the like in the context of any such claim. ADT may, at its option and expense (i) procure for Purchase the right to continue using the accused equipment (ii) modify the equipment to render it non-infringing equipment, or (iii) take back the accused equipment and refund the purchase price (less depreciation) and the Purchaser's transportation and installation cost of the equipment.

The foregoing states the entire liability for patent infringement and ADT shall have no obligation to defend any infringement suit if: (1) Purchaser's alleged infringing use of the ADT equipment is based upon contributory infringement or results from the use of ADT's equipment in connection with a product or equipment supplied or designed by others, or (2) Purchaser's infringing use arises from the use of the ADT equipment for purposes not intended by ADT.

(b) General Limitations of Liability - In addition to any other limitations on ADT's liability under this Agreement, except as expressly herein provided ADT shall not in any event have obligations or liabilities to the Purchaser or any other party for direct, incidental, special, consequential, exemplary or punitive damages, including, but not limited to, loss of profits, loss of use of the equipment or production, loss of information or increased cost of operation or delays in operation whether based on contract, tort (including negligence), strict liability, or any other theory or form of action, even if ADT has been advised of the possibility thereof, arising out of or in connection with the manufacture, sale, delivery, use, inability to use, repair or performance of ADT products or software, or any failure or delay in connection with any of the foregoing or for breach of any warranty set forth herein. Without limiting the generality of the preceding sentence, ADT shall not be liable to the Purchaser for personal injury or property damages, except for bodily injury, death or tangible property damage caused by the negligence of ADT or any of ADT's employees. In no event shall the liability of ADT to the Purchaser arising under or in connection herewith exceed the original invoice amount of all product and software purchased pursuant to such invoice.

1. FORCE MAJEURE - ADT shall not be held responsible or liable for any loss or damage resulting from a delay in the delivery of the products or any failure to perform its obligations to Purchaser if the causes of such delay or failure are attributable to Acts of God, governmental authority, or Purchaser, or due to strikes, embargoes, supply shortages or other causes beyond the reasonable control of ADT. In the event any delay occurs because of these causes, the date of delivery shall be extended by at least the period of time attributable to the delay.

2. INDEMNIFICATION - Purchaser shall defend, indemnify and hold ADT harmless from any and all liability, claims, losses, damages, costs and expenses (including reasonable attorney's fees and costs) arising from Purchaser's breach of these terms and conditions of sale, including Purchaser's duties and obligations as described in paragraphs 9 and 10 above. Purchaser shall also defend, indemnify, and hold ADT harmless from liability in contract, tort or for copyright, trademark, patent or other intellectual property infringement for any products furnished and manufactured by ADT in accordance with designs proposed by Purchaser.

3. EXPORTS - Equipment manufactured by ADT may be subject to export control by the U.S. Department of Commerce and, possibly, may not be exported without application and

issuance of appropriate licenses from the Department of Commerce. Purchaser is responsible for obtaining the appropriate export licenses when reselling the equipment, at any time, to a party other than that which was named in the original contract of sale as the end user of the equipment.

14. MISCELLANEOUS -

(a) Assignment - These terms and conditions of sale shall inure to the benefit of and shall be binding upon the heirs, successors, and assigns of the parties hereto. Purchaser shall not assign its duties and obligations hereunder without ADT's prior written consent.

(b) Controlling Law - These terms and conditions of sale shall be governed by, construed under, and enforced in accordance with the laws of the State of Israel.

(c) Waiver - No waiver by ADT of any breach of the terms and conditions hereof by Purchaser shall be effective unless made in writing. Failure of ADT to object to provisions contained in any purchase order or other communication from Purchaser (including but not limited to penalty clauses) shall not be construed as acceptance of those provisions or as a waiver of these terms and conditions of sale.

(d) Integration and Merger - These terms and conditions of sale, as well as the attached price quotation, the latest published terms and conditions of sale in effect at the time of acceptance of an order, and any special conditions of sale contained in a writing signed by an authorized ADT representative, are the complete and exclusive statement of the terms of the Agreement between Purchaser and ADT. All prior proposals, negotiations and representations, if any, pertaining to this transaction, are merged into these terms and conditions of sale. Except as stated herein, no other terms, conditions, agreements or understandings, in any way modifying or adding to these terms and conditions of sale whether contained in Purchaser's work order or form of acceptance or elsewhere, shall be binding on ADT unless made in writing and signed by an authorized ADT representative.