

## **General term & conditions of sale and supply**

### Offers

Our offers are not binding and we are under no obligation to accept an order. Supply contracts are only valid with our written order confirmation. Verbal, telex or telegraphic agreements are only valid if they are confirmed by us in writing. Conditions stipulated by the customer, e.g. conditions printed on order forms etc., are not valid.

### Modifications

We reserve the right to make technical design modifications without prior notice and without the customer being entitled to drive any claims from it.

### Special designs

In the case of special designs, we reserve the right to deliver and charge a surplus of up to 10% over the quantity ordered for manufacturing reasons.

### Prices

The prices quoted are valid ex works, exclusive of packing and insurance fees. If our prices are increased before the date of delivery, we are entitled to charge the price valid at that time. We reserve the right to make a surcharge for delivery of small quantities.

### Terms of delivery

Scheduled dates or terms of delivery will commence from the day the order has been accepted by us, all technical details have been settled, and, if agreed upon, when we are in receipt of a deposit or securities furnished by the customer. Delivery dates or terms are understood as indications subject to change. If the delivery time is more than six months behind schedule due to our fault, the customer is entitled to withdraw from the contract after a reminder has been unsuccessful. Claims for damages of any kind due to delays are not accepted by us.

### Contracts and orders on call

In the case of contracts and orders on call as well as orders with postponed execution at the request of the customer and with our consent, the customer is obliged to accept delivery within one year from the date of the contract or order or his request for postponement, unless otherwise agreed upon in writing.

### Packing

Packing materials are charged at cost prices. We are not obliged to accept returned packing materials

### Dispatch

All goods are dispatched for the customer's account and risk, i.e. even in the case of carriage paid consignments or other terms of delivery. Consignments arriving in a damaged condition must be accepted explicitly with a proviso after the damage has been assessed officially.

### Deficiency claims, warranty

Deficiency claims have to be entered in writing within eight days after receipt of the goods. If the claimed deficiencies have evidently been caused by poor materials, faulty design or poor workmanship, we shall repair or replace the damaged parts as quickly as possible at our discretion, whereby the replaced parts will become our property. We only accept the costs incurred by a repair or replacement in our workshops. Any other or further-reaching claims due to defective deliveries are excluded.

### Payment

Our invoices have to be paid net within 30 days after date of issue, unless different conditions were agreed upon individually. Deductions of discounts are not accepted. In the event of payment default we reserve the right - without a previous reminder - to charge interest on arrears at a rate of at least 2 % over the current bank-rate of the Bank of Israel.

### Property reservation

The entire consignment will remain our property until full payment has been received. The customer is obliged to assist in securing the effectiveness and the protection of this property reservation.

### Secrecy

It is prohibited to pass our technical drawings and other documents of any kind to a third party or to use them for manufacturing the respective products by the customer or by a third party. In the case of violations of this clause we are entitled to claim damages in full and to cancel the supply contracts immediately .

### Settlement or bankruptcy proceedings

In the event of settlement or bankruptcy proceedings, all amounts deducted for discounts, rebates, etc. on our invoices will become invalid. Therefore, the dividend due to us in such proceedings will be calculated on the basis of the gross amount shown on our invoices.

### Jurisdiction

Any disputes arising hereunder will be settled before a competent court of law in Tel-Aviv, Israel. The legal position is subject to the Israeli law.

Elma Electronic Israel LTd., Petach-Tikva, 18.2.03.