



### STANDARD TERMS AND CONDITIONS OF SALE

- 1. Prices.** The prices stated herein are based upon current costs and are firm for seven (7) days, unless otherwise noted in the purchase order. The prices of all deliverables scheduled for delivery ("Products") for more than six months beyond the date of a purchase order based on these prices may be increased upon 30 days notice to reflect higher costs due to increases in wage rates and material prices. The prices specified herein do not include any applicable sales or use taxes, customs duties or other taxes and fees and charges, including, without limitation, shipping, handling, packaging, insurance or other similar charges, and the amount of any such taxes and fees and charges which Horizon Electronics Ltd. ("Seller") may be required to pay or collect may be added to the purchase order or separately invoiced by the Seller to you.
- 2. Split Shipment.** Split shipments of the quoted quantities may require additional set-up charges unless otherwise specified on your purchase order.
- 3. Delivery Point.** All shipments shall be made Ex-Works, plant Horizon Electronics Ltd., Petach-Tikva, Israel, and once Seller has made the Products available to you at Seller's plant, risk of loss or damage to, or destruction of the Products, from and after their delivery to the carrier shall be with you unless expressly provided herein to the contrary.
- 4. New Product Warranty.** Seller warrants that all Products supplied hereunder will be of the kind described in any specification and drawings approved by Seller, and will be free from defects in material or workmanship under normal use and prescribed maintenance for a period of one (1) year from the date of shipment. This warranty shall not apply to any Products delivered hereunder which have been damaged or subject to alteration or negligent treatment after delivery. Seller's only obligation under this warranty shall be the repair or replacement, without charge, of any Products or part thereof which within such one (1) year period is proven to its satisfaction to have been defective, provided that you shall have notified Seller of the defect within such one (1) year period and received Seller's authorization to return such Products, and Seller shall have the option of requiring the return at your expense, of the defective material or Products to establish the claim; provided, further, that Seller will bear any transportation costs incurred in repairing or replacing any Products which are shown to be defective during the warranty period. The cost of any repairs made by Seller to Products no longer covered by this warranty shall be borne solely by you. Seller shall in no event be liable for your manufacturing costs, lost profits, goodwill or any other special, consequential, incidental, or other damages resulting from a breach of the foregoing warranty. THERE ARE NO OTHER WARRANTIES, EXPRESS OR IMPLIED (INCLUDING THE WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE) WHICH EXTEND BEYOND THE WARRANTY SET FORTH HEREIN OR WHICH EXTEND BEYOND THE DESCRIPTION OF THE DELIVERABLES CONTAINED HEREIN.
- 5. Limitation of Liability.** Under no circumstances shall Seller be liable to you for any special, incidental or consequential damages or expenses of any kind, including, but not limited to personal injuries and lost profits, arising out of or in connection with these Terms and Conditions. The maximum liability of Seller under these Terms and Conditions shall not exceed the total payment due by you to Seller as set forth in the purchase order.
- 6. Delivery Delay.** Scheduled shipping dates are approximate and are subject to prompt receipt from you of all information necessary to manufacture the Products. Time is not of the essence in the sale contemplated by these Terms and Conditions and Seller shall be entitled to a reasonable period of grace in the event of any delay in delivery beyond the scheduled shipping date. Seller shall in no event be liable for any damages, including special, indirect or consequential damages arising from any delay in delivery of the Products irrespective of the reason.
- 7. Payment.** Terms of payment are net 30 days on each shipment invoiced, unless otherwise expressly provided herein. Notwithstanding any specified payment terms, Seller may require payment in advance before making any shipment if your credit shall at any time, in the sole judgment of Seller, become impaired. The total prices set in the purchase order shall become immediately due and payable, and Seller may cancel the unperformed portion of the purchase order under these Terms and Conditions upon your failure to make any payment when due. In the event Seller elects to terminate, any increase in the unit cost of the Products already delivered or then enroute to you shall be payable by you. Payments made beyond 30 days shall be subject to an interest charge equal to the maximum legal rate of interest available under applicable law.
- 8. Cancellation.** You may cancel your purchase order only upon written notice to Seller and upon payment of reasonable cancellation charges, which will take into account any expenses incurred by and commitments made by Seller in reliance upon such purchase order, but in no event shall be less than twenty percent (25%) of the purchase order price.
- 9. Your Specifications.** You will indemnify, protect and hold harmless Seller against all suits, and from all damages, claims, demands, costs and expenses, including counsel's fees, for actual or alleged infringements of any intellectual property rights arising out of the manufacture of the Products by Seller in accordance with specifications supplied by you.
- 10. Assignment.** No assignment of these Terms and Conditions or the warranty contained herein shall be valid or binding upon Seller unless such assignment shall be in writing and duly approved in advance by Seller by endorsement thereon of its consent thereto.
- 11. Governing Law.** All questions relating to the construction and validity of these Terms and Conditions shall be governed and construed under the laws of the State of Israel.
- 12. Jurisdiction.** Sole Jurisdiction in all issues concerning these Terms and Conditions, shall rest with the competent courts of Tel-Aviv-Jaffa district, Israel. Nothing in this Agreement shall prevent Seller from seeking and obtaining injunctive relief concerning its confidential information and other rights from any court of competent jurisdiction.
- 13. Entire Agreement; Amendments.** These Terms and Conditions contain the complete and final understanding of the parties with respect to the subject matter thereof, and no previously signed and/or unsigned contracts, agreements, understandings and/or negotiations between the parties shall be deemed in any way to affect the specific terms thereof. No Subsequent modification of, or addition to, these terms and conditions shall be effective unless specified in writing, duly signed by both parties.