

Celem sales terms and conditions.

The term "Supplier" as used herein shall mean Celem Passive components Ltd. The term "Buyer" shall mean the party placing the purchase order. No contractual relationship between Supplier and Buyer shall arise until such time as Buyer has placed an order that has been accepted by Supplier at its corporate office at Hi Tech Village 2/12 Givat-ram Jerusalem Israel and such acceptance has been indicated on a written acknowledgment. Tenders which do not stipulate an acceptance period shall not be binding. Orders shall be subject to all Supplier's standard terms and conditions printed below, subject to correction for clerical errors.

These Sales Terms and Conditions shall be binding if declared applicable in the tender or in the order acknowledgement. Any conditions stipulated by the Buyer which are in contradiction to these Sales Terms and Conditions shall only be valid if expressly acknowledged by the Supplier in writing.

Standard Terms and Conditions

- 1. TERMS OF SALE:** These terms and conditions constitute the sole and entire agreement between Buyer and Supplier with respect to the subject matter herein. Any term or condition in any document furnished by Buyer that is any way inconsistent with or in addition to these terms and conditions is hereby expressly rejected. Supplier's acceptance of any offer or order of Buyer is hereby expressly conditional on Buyer's assent to all terms and conditions hereof. Failure to object shall be conclusively deemed acceptance of these terms and conditions. Supplier's failure to object to any term or condition in any oral or written communication from Buyer, whether originated before or after the date hereof, shall not constitute an acceptance thereof or a waiver of any term or condition hereof. An authorized representative of Supplier must specifically agree to any change in the terms and conditions of sale contained herein in writing before becoming binding on the Supplier. All orders or contracts must be approved and accepted by the Supplier at its corporate office at Hi Tech Village 2/12 Givat-ram Jerusalem Israel.
- 2. PRICES:** Irrespective of any prices quoted by Supplier or listed on Buyer's order, an order is accepted only at the prices shown on Supplier's acknowledgment. Separate line items on the Buyer's purchase order are billable separately as they are completed. Prices listed on Supplier's acknowledgment are firm and not subject to unit or price change, except at Supplier's sole discretion. Unless otherwise agreed upon, all prices shall be deemed ex works according to the Incoterms 2000 (International Commercial Terms). All additional charges, such as packing, carriage, insurance, certificate of origin, import or export taxes shall be borne by the purchaser.
- 3. TAXES:** Any tax or government charge by the Federal, state, or municipal government applicable to the goods sold hereunder now imposed or hereafter becoming effective during the term of any contract made hereunder shall be added by Supplier to the sales price where Supplier has the legal obligation to collect or pay same, and shall be paid by Buyer unless Buyer provides Supplier with a proper tax-exemption certificate. Buyer shall state on its purchase order if purchased items are for resale.
- 4. TERMS AND METHOD OF PAYMENT:** Where Supplier has extended credit to Buyer, terms of payment shall be net (30) days from date of invoice. At Supplier's option, Buyer will be charged the maximum rate then permitted by law on overdue receipts. If Buyer fails to make payment for goods delivered as herein provided, or if in Supplier's opinion a change to Buyer's financial condition or other circumstances no longer warrants shipment on the terms originally specified in any contract made hereunder, Supplier may at any time limit or cancel the credit to Buyer as to time and amount and may demand payment in cash before delivery of any part of the goods.
- 5. NOTICE OF DEFECTS, WARRANTY:** The Buyer shall undertake to check whether the goods delivered hereunder will conform to Supplier's specifications in effect at the time of delivery. If the Buyer fails to make this check, or does not carry out it to the necessary extent or if the noticeable defects are not reported to the Supplier immediately, at the latest within 14 days after customs clearance, the goods shall be regarded as having been accepted as far as any defects are concerned (see also clause §10). Concealed defects shall be regarded as having been accepted, if they are not reported to the Supplier immediately on discovery, at the latest within 12 months from the date of shipment.
THE FOREGOING WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE ALL OF WHICH OTHER WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED.
The Supplier guarantees the equipment if the event giving rise to the failure is established as having its origin in the manufacture carried out by the Supplier.
The Buyer supports the burden of proof to establish the origin of the defect. If it is necessary for the Buyer to appoint an expert to establish the origin of the defect, the expert will be appointed in agreement with the Supplier.

Once the origin of the defect has been established as previously specified, the supplier may repair or replace in its sole discretion any goods delivered hereunder which become defective or fail to meet the applicable specifications during the warranty period due to bad workmanship, faulty design or faulty material, conditioned on: (a) Supplier is notified in writing by Buyer within thirty (30) days after discovery of defects or failure to meet specification; (b) Buyer obtains a Return Material Authorization (RMA) number from Supplier prior to returning any defective goods to Supplier; (c) the defective goods are returned to Supplier suitable packaged, transportation charges prepaid by Buyer; (d) the defective goods are received by Supplier for adjustment no later than four (4) weeks following the last day of the warranty period and (e) Supplier's examination of such goods shall disclose to its satisfaction that such defects or failures have not been caused by misuse, abuse, neglect, improper installation or application, repair, alteration, accident or negligence in use, storage, transportation or handling. In the event that any one or more of the foregoing conditions (a) through (e) is not satisfied, Supplier shall have no liability under this warranty whatsoever. Any repair or alterations of the goods shipped hereunder must be authorized in writing by Supplier to prevent voiding Supplier's warranty.
- 6. SPECIAL MANUFACTURE OR CUSTOM AT THE CUSTOMER REQUEST:** In case of customisation of a catalogue part and/or a complete custom design product, based on buyer's specific request, supplier shall have no liability and withdraw any responsibility concerning the said product.
- 7. TITLE AND DELIVERY:** The benefit and the risk of the goods shall pass to the Buyer by the date of their leaving the works according to the provisions stipulated in the INCOTERMS. Unless the Buyer gives specific instructions, Supplier will: (1) select the most economical method and route of shipment, and (2) forward shipment collect or will ship prepaid and invoice the Buyer for transportation charges depending upon the best method for each shipment
- 8. DELIVERY SCHEDULE:** Notwithstanding any of the foregoing, Buyer understands that any delivery schedule set forth hereto is estimated only and is presented in good faith by Supplier. Supplier can give no firm assurance that such estimated schedule will be met. Therefore, Supplier reserves the right, if it is unable to meet such schedule in the exercise of its best efforts, to delay, postpone, or terminate deliveries so scheduled in its discretion. Supplier shall not be liable to Buyer or any other person or organization for any failure to deliver all or any portion of the products scheduled and shall not be liable for any direct, indirect, incidental or consequential damages resulting from any failure to meet such schedule. Supplier may deliver any goods in instalments. If any shipment is delayed at Buyer's request, Supplier may invoice Buyer for such goods and risk of loss of such goods shall pass to Buyer on the date Supplier is prepared to make shipment.
- 9. CONSEQUENTIAL LOSS:** Save as elsewhere stated in these Terms, there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of contracts or for any other direct, indirect, incidental or consequential loss whatsoever.
- 10. CANCELLATIONS:** In the event of a request to stop work or to cancel the whole or part of an order, the Buyer shall make payments to Supplier as follows: a. Any and all work that can be completed within 15 days from date of notification to stop work on account of cancellation shall be completed, shipped, and paid for in full. b. For work in process and any materials and supplies procured or for which definite commitments have been made by Supplier in connection with the order, the Buyer shall pay Supplier the actual costs including burdens determined in accordance with the good accounting practice, plus 15%.
- 11. ACCEPTANCE:** Buyer shall inspect all products promptly upon receipt thereof at the shipping destination and shall contact customer service for a Return Material Authorization (RMA) number with respect to any products that fail in any significant respect to meet Supplier's specifications. Buyer's warranty return shall be not effective unless the subject products are returned freight prepaid to Supplier's designated site, suitably packed within ten (10) days of receipt of said RMA number. As promptly as possible, Supplier shall at its option and expense, either repair or replace products properly returned under Supplier's warranty.
- 12. NON-WAIVER OF DEFAULT:** Each shipment made under any order shall be treated as a separate sale and transaction, but in the event of any default by Buyer, Supplier may decline to make further shipments without in any way affecting its rights under such order. If, despite any default by Buyer, Supplier elects to continue to make shipments, its actions shall not constitute a waiver of any default or Buyer or in any way affect Supplier's legal remedies for any such default.
- 13. PATENTS:** Buyer shall indemnify, defend and hold Supplier harmless from and against any and all liability, damages, expenses, costs or losses resulting from any suit or proceeding brought for infringement of any patent(s), copyright(s), or trademark(s) or for misappropriation or use of any trade secret(s) or for unfair competition arising from compliance with Buyer's designs, specifications or instructions. With respect to goods manufactured solely to Supplier's designs and specifications, Supplier shall defend any suit or proceeding brought against buyer insofar as such suit or proceeding is based on a claim that any such goods finished hereunder infringe any patent of the United States. If Supplier is notified promptly in writing of such suit or proceedings, and is given full and complete authority, information and assistance by Buyer for such defence, Supplier shall pay all damaged and costs finally awarded against Buyer, in any such suit or proceeding, but Supplier shall not be responsible for any settlement thereof made by Buyer without the written consent of Supplier. In the event that such goods are held in such suit or proceeding, or in the opinion of Supplier such goods are likely to become the subject of a claim of infringement of a patent, Seller in its sole discretion and at its own expense may either, (a) procure for Buyer the right to continue using such goods, or (b) modify such goods so that they become non-infringing, or (c) replace such goods with non-infringing goods, or (d) accept the return of such goods, granting Buyer a refund. If infringement is alleged prior to the completion of delivery of the goods, Supplier may decline to make further shipments without being in breach of any agreement. Supplier shall have no liability to Buyer under any provision hereof for any patent infringement or claim thereof that is based upon (a) a modification of the goods not introduced by or approved by Supplier, or (b) the interconnection or use of the goods in combination with goods or other devices not made by Supplier, or (c) the use of the goods in other than application recommended by Supplier. The sale of goods confers no license of any kind upon Buyer, by implication or otherwise. **THE FOREGOING STATES THE ENTIRE LIABILITY OF SUPPLIER FOR INFRINGEMENT OF PATENTS BY THE GOODS OF ANY PART(S) THEREOF.**
- 14. CONTINGENCIES:** Supplier shall not be responsible for any failure to perform due to causes beyond its reasonable control. These causes shall include but not be restricted to fire, storm, flood, earthquake, explosion, accident, acts of the public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine, restrictions, labour disputes, labour shortages, transportation embargoes, or failures or delays in transportation, inability to secure material, or machinery for the manufacture of its devices, acts of God, acts of the Federal Government or any agency thereof, acts of any state or local government or agency thereof, and judicial action.
- 15. LAW:** The contract and any matters arising therefore or in connection therewith have been construed and shall be governed according to Israel substantive law. The place of jurisdiction for both the Buyer and the Seller shall be Jerusalem in Israel. The Supplier shall, however, be entitled to sue the Buyer at the latter's registered address.
- 16. LIMITATION OF LIABILITY:** In no event shall Supplier be liable for indirect, incidental or consequential damages and in no event shall the liability of Supplier arising in connection with any products sold hereunder; whether such liability arises from a claim based on contract, warranty, tort or otherwise exceed the actual amount paid by Buyer to Supplier for products delivered hereunder.

The signature by the Buyer of the abovementioned sales terms and conditions exclude the application of the Buyer's general conditions of purchase