

1) Basis for the agreement

Unless otherwise agreed in writing between the parties, all quotes, sales and deliveries of products shall be based on the following terms and conditions and the Israeli Sale of Goods Act in force at the time in question.

2) Quotations

Unless otherwise expressly agreed, the Seller's quotation shall lapse unless the Buyer's acceptance has reached the Seller no later than the weekday after the quotation date.

3) Orders

An order shall not be binding on the Seller until accepted in writing by the Seller.

The Buyer must determine the suitability of the products for the Buyer's purpose, and the Seller shall have no liability therefor.

4) Price

Information contained in price lists, etc., shall be considered guidance only and is exclusive of V.A.T. The Seller shall be entitled to change the price prior to delivery by the additional cost incurred by the Seller as a result of changes in raw material prices, customs duties, taxes, other duties and exchange rates.

5) Delivery time

The delivery time shall be determined by agreement between the Buyer and the Seller. Delivery made within two weeks of the delivery time specified in the order confirmation shall, in all respects, be considered delivery in due time.

In the event of delivery being delayed as a result of force majeure. cf. section 13, the delivery time shall be postponed by the time the hindrance remains in force, but with either party being entitled to cancel the agreement in writing without incurring any liability once the delay has lasted more than three months.

The parties may reach agreement on storing the goods for longer against the value of the goods being debited at the end of the normal deadline together with accrued storage rent. In this case the Seller disclaims responsibility for the consequences of any deterioration in quality during extended storage.

6) Delivery

Delivery shall be ex-works from the Seller factory in accordance with last Incoterms, unless otherwise agreed in writing between the parties.

7) Payment

The terms of payment are irrevocable and confirmed L/C unless other terms have been agreed by the Buyer and Seller. If, in the opinion of the Seller, the Buyer's solvency deteriorates after an order has been placed, the Seller shall

be entitled to demand advance payment or some form of security for an amount which the Seller finds reasonable as a precondition for the order being executed.

If the Buyer fails to take delivery of the goods within the agreed time, payment shall still be made as if delivery had been made at the agreed time. After the due date, interest on late payments will be charged at 5% above the current official discount rate.

8) Retention of title

In so far as any such retention of title is not restricted by statutory provisions, which cannot be contracted out of, the delivered goods shall remain the Seller's property pending payment in full.

9) Defects and complaints

Unless otherwise required by statutory provisions, which cannot be contracted out of, the following shall apply to liability for defects:

- a) The Seller guarantees on the terms below that the delivered goods are of the usual merchantable quality;
- b) If any defects are established in the delivered goods, the defect shall be rectified at the Seller's discretion either by replacement delivery of similar goods to the Buyer, by the Buyer's account being credited with the value of the defective goods against the return of the defective goods to the Seller for his account or by the Buyer being granted a discount on the goods. The Buyer shall only be entitled to cancel the agreement if the defect has not been rectified within a reasonable time.
- c) No claim for compensation brought against the Seller shall exceed the invoice amount for the goods sold.
- d) The Seller shall not be responsible for defects which can be ascribed to defective treatment, handling, transport, storage or any other negligence on the part of anyone other than the Seller.

Any claim for defects must be made in writing and sent by registered letter to the Seller immediately after the defect in question is or should have been observed, and never later than 2 months after delivery of the defective consignment.

However, any complaint resulting from defects caused in transit must be communicated to both the Seller and the carrier immediately after receipt of the goods so that liability for the damage can be determined without delay.

10) Tolerances

The Seller reserves the right to use the following tolerances:

Quantity: +/-10%

Tolerances specified in the Seller's sales material, brochures, etc., shall be for

guidance only. All agreements on tolerances must be in writing.

11) Industrial copyright

The Buyer shall be liable for violation of patents, copyright, trade names, patterns and the like.

12) Product liability

The Seller shall only be liable for damage or injury caused by the goods sold if it can be proved that the damage or injury can be ascribed to mistakes on the part of the Seller. However, the Seller shall never be liable for consequential loss, loss of profits or any other indirect loss.

In so far as the Seller is held liable vis-a-vis a third party in connection with the use to which the Buyer puts the goods sold-including resale - the Buyer shall be under an obligation to compensate the Seller in full for any liability which the Seller is deemed to have above and beyond the agreed limits.

The Buyer shall be under an obligation to permit a case to be brought against him before the same court as the one that hears claims for compensation against the Seller arising from the goods sold.

13) Force majeure

The following circumstances shall exempt the Seller from liability if they prevent the agreement from being fulfilled or make it unreasonably difficult for the agreement to be fulfilled:

Labor disputes and any other circumstance which is beyond the control of the parties such as fire, war, mobilization or unforeseen military drafting of a similar scope, seizure, currency restrictions, riot, unrest, lack of transport, general shortage of goods, scrapping of large consignments, fuel restrictions, and defects in or delays to consignments from subcontractors or suppliers which are caused by any of the above circumstances.

The party who wishes to cite any such circumstance shall immediately inform the other party in writing of the commencement and cessation of the circumstance.

14) Damages and Loss

The Seller shall not be liable for consequential loss, loss of profits or any other indirect loss resulting from the agreement, including indirect loss caused as a result of a delayed or defective consignment.

15) Applicable law and legal venue

Disputes arising from this agreement shall be settled in accordance with Israeli law and in the state of Israel with Klayman Meteor Ltd. as the legal venue.