

TERMS AND CONDITIONS OF SALE

1. **Acknowledgment.** Acceptance of all orders placed by the party purchasing Products ("Buyer" or "Purchaser") from Eltek Ltd ("Seller") is expressly conditioned upon Buyer assent to the Terms and Conditions ("T&C") below.

2. **Adjustments to Prices.** Prices are subject to change without notice. Seller is not responsible for typographical errors. In the event a product is listed at an incorrect price or with incorrect information due to typographical error or error in pricing or product information received from our suppliers, Seller shall have the right to refuse or cancel any orders placed for product listed at the incorrect price.

3. **Payment Terms.** Payments for goods and/or services covered by this agreement will be made in the currency set forth on the Purchase Order ("PO"). Payment in full is due thirty (30) days after the date of the invoice. Late payments are subject to a late payment charge of interest at the rate of 1.5% per month on all overdue accounts unless a lower rate is required by law. Seller's normal payment terms set forth above are subject to verification of Purchaser's credit by Seller, and Seller may, in its sole judgment if Purchaser's financial condition does not justify continuance of such normal payment terms, at any time require either full or partial advance payment. In case of default of any payment by Purchaser, Purchaser shall be responsible for all costs of collection including and without limitation attorney's fees and other litigation or settlement costs.

4. **Retention of Ownership.** Notwithstanding anything to the contrary herein, Seller shall remain the sole and exclusive owner of the Products and shall retain complete ownership and title thereto until the full payment by the Purchaser for such Products.

5. **Shipment.**
 - 5.1 All products are sold and priced EX-WORKS (Which defined under INCOTERMS 2010) Seller's point of shipment unless other terms agreed in writing.

 - 5.2 A delay in delivery shall not constitute a breach of this order.

 - 5.3 The ship date is excluding the external laboratory test time table.

 - 5.4 Items shall be packed, marked in accordance with IPC standards, unless specifically specified otherwise in writing.

6. **Taxes.** Purchaser shall be responsible to pay amounts equal to any fees, costs and taxes resulting from these T&C's, or any activities hereunder, including the delivery and importation of the Products (such as value added taxes, lives ,customs, duties, use, excise or similar taxes), exclusive of taxes based on Seller's net income. All payments to be made by Purchaser under this PO shall be made without any deduction or withholding of any taxes levied in the territory in which it is active, situated or elsewhere; provided that if Purchaser shall be required by applicable law to make any deduction or withholding from any payment to Seller then Purchaser shall gross up the payments due to Seller to cover any such tax payments it may be required to deduct or withhold. Any personal property taxes assessable on Products after delivery from Seller's premises shall be borne by Purchaser.
7. **Limited Warranty.** Seller warrants that its manufactured products will be delivered free from defects in material and workmanship ninety (90) days. This warranty does not extend to any products which have been subject to misuse, accident or improper installation, maintenance or application, nor does it extend to products which have been installed, repaired or altered outside Seller's plant unless authorized in writing by Seller or unless installation, repair alteration is performed or contracted for by Seller, nor does this warranty extend to any labor charges for removal and/or replacement of the nonconforming or defective product or part thereof. THIS WARRANTY IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, ARISING BY OPERATION OF LAW OR OTHERWISE, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR AGAINST INFRINGEMENT OR PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS. Seller shall have no liability for special, indirect, liquidated or consequential damages (including but not limited to damages for lost profits, or injuries to persons or property). Seller's liability under this warranty shall be limited, at Seller's option, to repairing by Seller or replacing, with transportation charges prepaid by the Purchaser.
8. **Cancellation** Purchaser cannot cancel all or any part of the PO. In the event the Buyer cancels all or any part of the PO, the Purchaser will bear the full price of the goods in the PO.
9. **Force Majeure.** Eltek shall not be liable for delay or failure of performance due to changes in government priorities or control of materials or other necessary compliance with changes in government regulations, or strikes, fires, flood, explosion, accidents,

war, epidemic disease, acts of God, or other causes beyond the Seller control and affecting its operations.

The following will also shall considered Force Majeure : failure in whole or in part, of Seller's suppliers or any subcontractor to deliver on schedule materials, equipment, or machinery to Seller, interruption of or delay in transportation, shortage of fuel, energy or utilities, or by any other event or circumstance of a similar or different nature beyond the Seller control; in no event shall Seller be obligated to purchase products from other suppliers in order to deliver products to Purchaser hereunder.

10. **Claim, Indemnification.** The liability of Seller with respect to a claim of any kind, whether as to quality or amount of product delivered or for non-delivery of products, shall not exceed the invoice price of the quantities of products as to which the claim is made. Purchaser shall be responsible for inspecting and testing all products delivered to it hereunder upon receipt and before any use by Purchaser. Any claim with respect to products must be made no later than thirty (30) days after the date of shipment thereof or prior to first use thereof, and failure by Purchaser to give Seller written notice of claim or to obtain from Seller an authorization number for return with respect to any products within such time shall constitute a waiver by Purchaser of all claims with respect to such products.

Products which conform to samples supplied to Purchaser and pre-qualified or previously accepted and any products used by Purchaser shall be deemed satisfactory and Purchaser shall have no right to make claims with respect to such products. Purchaser assumes all responsibility and liability for injury or damage, resulting from its handling, possession, use or sale of products supplied hereunder including but not limited to and injury or damage resulting from the use of products in Purchaser's manufacturing operations or in combination with other substances or products, and agrees to defend and indemnify Seller from, and against all claims, losses, liabilities and expenses including attorney's fees and other litigation or settlement costs arising out of such handling, possession, use or sale.

11. **Specifications/Drawing.** The Products provided under any purchase order, shall be provided in accordance with the IPC standards, unless specified otherwise in writing.

12. **General.**

- 12.1 In the event that the any liquidation or bankruptcy proceedings are initiated against the Purchaser or in the event of the appointment of a receiver or trustee over the whole or any substantial part the Purchaser's assets, Seller shall have the right to cancel all or any part of any open PO.

12.2 The failure of a party to insist upon strict performance of any provision of these T&C or to exercise any right arising out of these T&C neither impairs that provision or right nor constitutes a waiver of that provision or right, in whole or in part, in that instance or in any other instance. Any waiver must be in writing and signed by the parties to these T&C.

12.3 Purchaser may not assign, transfer, convey or delegate any or all of its rights or obligations under these T&C, whether directly or indirectly, without the prior written consent of Seller. Any assignment, transfer, conveyance or delegation, or attempt at the same, made without such prior written consent shall be void and without effect. However, Seller may, without notice or consent, assign any or all of its rights or obligations under this PO to an affiliate at any time.

12.4 These T&C and/or any PO issued shall not constitute and shall not be construed as constituting a partnership, joint venture or employment relationship between Seller and the Buyer.

12.5 If a court of competent jurisdiction adjudicates any part of these T&C invalid, unenforceable or illegal, such adjudication shall not affect or impair, in whole or in part, the validity, enforceability, or legality of the remaining portions of These T&C.

12.6 These T&C represent the entire understanding of the parties with respect to the subject matter hereof, and supersede and replace all prior discussions, writings or understandings between the parties on such subject matter. However, these terms and conditions and such order and other material may be changed or terminated only by a writing signed by both parties. No written purchase order shall affect or vary these terms and conditions. These T&C shall be governed by and construed in accordance with the laws of Israel.