

## **TERMS AND CONDITIONS OF SALE**

### **1. Purpose.**

The following terms and conditions ("**T&C**") will apply by and between Eltek Ltd. ("**Eltek**" or "**Seller**") and the party purchasing printed board circuit products ("**Products**") from Eltek (the "**Buyer**") and shall govern the terms of the sale and delivery of Eltek's products to the Buyer. These terms and conditions shall be part of each Buyer Order by the Buyer from Eltek.

### **2. Acknowledgment.**

Acceptance of all orders placed by the Buyer from Eltek Ltd is expressly conditioned upon the Buyer's assent to the T&C set forth below. These T&C shall supersede and override any other agreements or documentation, unless specified otherwise in writing in the Seller's acknowledgment.

### **3. 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.

### **4. Payment Terms.**

Payments or 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 Buyer's credit by Seller, and Seller may, if in its sole judgment Buyer'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 Buyer, Buyer shall be responsible for all costs of collection including and without limitation attorney's fees and other litigation or settlement costs.

### **5. 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 Buyer for such Products.

## 6. **Shipment.**

All products are sold and priced at EX-WORKS (Which is defined under INCOTERMS 2010) Seller's point of shipment unless other terms are agreed in writing. A delay in delivery shall not constitute a breach of this order.

- 6.1. The shipping date excludes the external laboratory test timetable.
- 6.2. Items shall be packed, marked in accordance with IPC standards, unless specifically specified otherwise in writing in the acknowledgement.
- 6.3. X-Out is allowed unless specified otherwise in writing in the acknowledgement.

## 7. **Taxes.**

The price for each Product shall be as set forth under the PO, and shall be net of all taxes, duties, levies or similar charges.

- 7.1. Buyer shall be responsible for paying 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.
- 7.2. All payments to be made by Buyer 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 Buyer shall be required by applicable law to make any deduction or withholding from any payment to Seller then Buyer shall gross up the payments due to Seller to cover any such tax payments it may be required to deduct or withhold.
- 7.3. Any personal property taxes assessable on Products after delivery from Seller's premises shall be borne by Buyer.

## 8. **Warranty.**

Seller warrants that, under normal use, each of the Products delivered hereunder shall conform to the specifications and be free from defects in material and workmanship in accordance with market standards for a period of six (6) months after delivery of such Products to the Buyer (the "**Warranty Period**"). 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 Buyer.

- 8.1. Eltek shall not be liable to Buyer for the warranty provisions set forth herein if: (i) modifications are made to the Products by someone other than Eltek (ii) the Product is not properly stored, tested, installed, used, operated, maintained or repaired or otherwise subject to misuse or abuse; or (iii) failure of the Products is caused by factors external to the Products, including, without limitation, improper environment, power failures and/or electrical power surges, etc.
- 8.2. Notwithstanding anything to the contrary herein or otherwise, Buyer's sole and exclusive remedy under the Warranty is limited to either of: (i) the replacement of any defective Product, which was proven not to conform to this Warranty and which shall be subsequently returned by the Buyer to Eltek's facility during the Warranty Period; or (ii) refund to the Buyer of the price paid to the Eltek for such non-conforming Product, all at Eltek's sole and absolute discretion, and subject to the receipt of immediate notification of such defect from the Buyer.
- 8.3. THE WARRANTY SET FORTH IN THIS SECTION 8 IS AND SHALL REMAIN THE SOLE AND EXCLUSIVE WARRANTY PROVIDED BY ELTEK TOWARDS BUYER, AFFILIATES, AND CUSTOMERS AND IN LIEU OF ALL OTHER WARRANTIES, EITHER WRITTEN, OR IMPLIED, WHICH ARE HEREBY SPECIFICALLY DISCLAIMED AND EXCLUDED BY ELTEK.
- 8.4. THE REPLACEMENT OR REFUND OF THE PRODUCTS IN THE MANNER PROVIDED ABOVE WILL CONSTITUTE FULL AND FINAL FULFILLMENT OF ALL OF ELTK'S OBLIGATIONS WITH RESPECT THERETO.

**9. Limitation of Liability.**

EXCEPT TO THE EXTENT THAT LIABILITY MAY NOT BE LAWFULLY EXCLUDED, IN NO EVENT SHALL ELTEK BE LIABLE, WHETHER IN CONTRACT, TORT OR OTHERWISE, TO BUYER OR TO BUYER'S CUSTOMERS FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, BUSINESS, INCOME, GOODWILL OR OTHER COMMERCIAL LOSS, ARISING OUT OF OR RELATED TO THE PRODUCTS AND THESE T&CS OR THE PERFORMANCE OR BREACH THEREOF, INCLUDING THE SALE OF THE PRODUCTS, EVEN IF ELTEK HAS BEEN ADVISED OF THE POSSIBILITY THEREOF.

EXCEPT TO THE EXTENT THAT LIABILITY MAY NOT BE LAWFULLY EXCLUDED, IN NO EVENT SHALL ELTEK'S CUMULATIVE LIABILITY, IF ANY, TO BUYER OR TO BUYER'S CUSTOMERS HEREUNDER EXCEED THE TOTAL AMOUNTS THAT HAVE BEEN PAID TO ELTEK HEREUNDER BY THE BUYER WITH RESPECT TO THE APPLICABLE SPECIFIC PURCHASE ORDER.

**10. Cancellation**

Buyer cannot cancel all or any part of the PO. In the event the Buyer cancels all or any part of the PO, the Buyer will bear the full price of the goods in the PO.

**11. 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, explosions, 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 Buyer hereunder.

**12. 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. Buyer shall be responsible for inspecting and testing all products delivered to it hereunder upon receipt and before any use by Buyer. 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 Buyer 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 Buyer of all claims with respect to such products.

- 12.1. Products which conform to samples supplied to Buyer and pre-qualified or previously accepted and any products used by Buyer shall be deemed satisfactory and Buyer shall have no right to make claims with respect to such products.
- 12.2. Buyer 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 Buyer'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.

### **13. Specifications/Drawing.**

The Products provided under any PO, shall be provided in accordance with the IPC standards, unless specified otherwise in writing in the acknowledgement.

### **14. General**

- 14.1. If any liquidation or bankruptcy proceedings are initiated against the Buyer or in the event of the appointment of a receiver or trustee over the whole or any substantial part of the Buyer's assets, Seller shall have the right to cancel all or any part of any open PO.
- 14.2. 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.
- 14.3. Buyer may not assign, transfer, convey or delegate any or all 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 its rights or obligations under this PO to an affiliate at any time.
- 14.4. 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.
- 14.5. 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.

- 14.6. 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.
- 14.7. 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.
- 14.8. The validity, performance and construction of these T&C shall be governed by and interpreted in accordance with the laws of the State of Israel (without regard to its conflict of laws principles). Any claim or dispute with respect thereto shall be submitted to the exclusive jurisdiction of the competent courts of Tel Aviv to the exclusion of any other jurisdiction.
- 14.9. All notices given by one party to the other party shall be given in writing, and shall be deemed to have been delivered to the addressee immediately upon their delivery if delivered by hand, or within one (1) business day following transmission if sent by facsimile and confirmed by a machine printout, or within five (5) business days after being sent by registered mail, to the addresses or facsimile numbers provided by either party.