

PLASAN SASA LTD.
GENERAL TERMS AND CONDITIONS OF SALE
(October 2010 Edition)

1. **Definitions.** Herein, the following capitalized terms shall have the meanings ascribed to them below:
 - 1.1. **"Buyer"** – the purchaser of the Products hereunder.
 - 1.2. **"PO"** – a purchase order for Products issued by the Buyer.
 - 1.3. **"Plasan"** – Plasan Sasa Ltd. or any other entity that controls, is controlled by, or is under the common control with Plasan Sasa Ltd.
 - 1.4. **"Products"** – Plasan's products ordered by the Buyer and detailed in the PO or in any documentation attached to the PO or to which the PO refers.
 - 1.5. **"Terms"** – these General Terms and Conditions of Sale.
2. **Formation of Contract.** These Terms, together with the PO and any documents attached to the PO or to which the PO refers, such as a proposal issued by Plasan to the Buyer, any statement of work and any other related documentation (collectively, the **"PO Documents"**) shall, once the Plasan has accepted the PO in the manner provided herein, form a contract pursuant to which Plasan shall manufacture, sell and deliver to the Buyer the Products and the Buyer shall pay for and take delivery of the Products (the **"Contract"**). Where indicated in the PO Documents, the Contract shall also govern the design and development of the Products or the adjustment of Plasan standard Products in the manner required in order to meet the Buyer's requirements (the **"Development and Adjustment Work"**). Plasan may signify its acceptance of the PO in any commercially normal and accepted manner, provided that this is in writing, such as by written approval sent by fax, email, courier, etc. No PO shall be deemed accepted by Plasan by oral communications or through conduct, such as Plasan purchasing materials or commencing initial work or taking other steps in contemplation of acceptance of the PO.
3. If these Terms are attached to or referred to in a proposal issued by Plasan (the **"Proposal"**), then these Terms shall also form an integral and inseparable part of the Proposal. Plasan may revoke or amend any Proposal at any time prior to Plasan's actual acceptance of the PO issued by the Buyer in response to the Proposal. Applicable Proposals shall always be considered as one of the PO Documents.
4. Except for these Terms and the contents of any other PO Documents, no other terms shall be included in the Contract, no matter where they appear, including without limit, any terms appearing on, attached to, or referred to in the PO or otherwise transmitted by the Buyer or any party on the Buyer's behalf. Phrases in these Terms such as "herein", "hereunder", "hereof", etc. shall be deemed to be referring to these Terms and the PO Documents only. The Terms are subject to all applicable laws, rules and regulations.
5. **Effective Date.** The effective date of each Contract formed hereunder (the **"Effective Date"**), shall be the date upon which Plasan receives notice of the issue of the letter of credit under Section 7 below, or if a payment method is agreed other than by letter of credit, the date upon the security issued to Plasan under Section 7 comes into effect, or if no letter of credit or other form of security for payment is required by Plasan in connection with the PO, then the Effective Date shall be as defined in any applicable PO Documents, or if no other definition is provided, the Effective Date shall be the date that Plasan accepts the PO. All delivery schedules and other time tables shall only start running as of the Effective Date.
6. **Purchase Price.** The purchase price payable for all Products and any other work ordered under the PO shall be as stated in the applicable Proposal, or if there is no Proposal, then in the PO. Unless stated otherwise in the PO or the applicable Proposal, the price quoted is ex works, Plasan under INCOTERMS 2000 (for Buyers in the U.S., be aware that ex works under INCOTERMS is the equivalent to FOB, Plasan under US domestic terms) and is net of all taxes, charges and duties, all of which shall be added to the price to be paid by the Buyer.
7. **Terms of Payment; Security.** Unless otherwise stated in the PO or in the applicable Proposal, payment shall be by the issue in favor of Plasan of an irrevocable letter of credit in a form acceptable to Plasan. If another payment method is provided by the Contract, then the Buyer shall secure the payment by providing other appropriate security for payment acceptable to Plasan, unless Plasan explicitly waives such requirement. Plasan shall only be entitled to exercise its rights under such security for payment if the Buyer has defaulted on payment of any delivery, Plasan has notified the Buyer in writing of the default and the Buyer has not rectified the default within 5 days. If the Buyer is in default of any payments by more than 15 days, then Plasan shall also be entitled to interest on the amount in default at the rate of LIBOR plus 3% for every day of the delay.
8. **Repeated Defaults.** If the Buyer defaults on payment on two or more occasions in respect of the same Contract, then Plasan shall have the right to terminate the Contract with immediate effect and secure draw down of any and all amounts remaining under any applicable security, in addition to any other rights available to Plasan and arising from the breach of contract.
9. **Terms of Delivery and Delivery Schedule.** Delivery terms are as provided in Section 6 above.

If terms of delivery are ex works, then Plasan will provide the Buyer with 5 business days notice of the time that each batch of Products are ready for collection from Plasan's premises (the **"Delivery Date"**). If the Buyer fails to collect the Products within 15 business days of the Delivery Date, then the Buyer will incur reasonable daily storage costs for each additional day that the Products remain uncollected, the amount of which shall be notified to the Buyer by Plasan at the appropriate time (the **"Storage Fee"**). Thereafter, the Products will not be released by Plasan to the Customer until it has received full payment for the Storage Fees. Without prejudice to Plasan's continuing rights to mounting Storage Fees, if the Products remain uncollected from Plasan's premises for a period of 45 business days, then Plasan shall be entitled to send the Products to storage at a third parties premises, the costs of which shall be on the Buyer's sole account and shall be added to the Storage Fees. Plasan shall invoice the Buyer for the accrued Storage Fees on a monthly basis and
10. **Documentation.** All documentation delivered by Plasan to the Buyer in connection with the Contract shall be in English.
11. **Tooling; CFE/BFE/GFE Materials.** The Buyer hereby represents and warrants that any dies, tools, jigs, gauges, fixtures, associated manufacturing equipment, CFE/BFE/GFE furnished materials that are delivered by it or on its behalf to Plasan for the purpose of the PO are free and clear of all defects and are in good condition. The Buyer further represents and warrants in the case of CFE/BFE/GFE materials, that all such materials are new and unused materials. Notwithstanding anything to the contrary contained herein, Plasan shall have no responsibility for any defects in any Products arising from any breach of the Buyer's representations and warranties contained in this Section 11.
12. **Changes.** Each party shall have the right to request changes to the Products ordered, including the quantity thereof and delivery schedules by delivering a written change request to the other party detailing the required changes (the **"Change Request"**). Where the Buyer issued the Change Request, then Plasan shall provide written notice to the Buyer (the **"Amendment Notice"**) detailing the effects of the changes requested to the delivery schedule, price, specifications or any other term contained herein (the **"Amendments"**). Where Plasan issued the Change Request, then it shall detail the Amendments in the Change Request. The Buyer shall have 30 business days to respond to the Amendments contained in the Change Request or in the Amendment Notice, as the case may be. If the Buyer fails to provide written notice of its acceptance of the Amendments proposed by Plasan in the time provided herein, then it shall be deemed to have rejected the Amendments in full. If the Buyer does not accept the Amendments in full, then the Change Request and Amendment Notice (if applicable) shall have no further effect following expiration of the relevant notice period. If the Buyer accepts all of the Amendments in writing in the time provided, then the Change Request and the Amendment Notice (if applicable), shall form a legally binding amendment to the Contract. Any variations to the Amendments stated by Plasan in any Change Request or Amendment Notice (as applicable) shall only be effective as a legally binding amendment to the Contract, if such changes are set in writing and signed by both parties.

Notwithstanding the foregoing, where the PO is issued as a subcontract under a U.S. Government acquisition contract and the changes requested by the Customer directly flow from changes requested by the U.S. Government under the terms of the prime contract and if the Customer so requests, then Plasan shall put the changes into effect as soon as reasonably possible following its receipt of the Change Request, regardless of whether Plasan and the Buyer have agreed to all Amendments. Any Amendments in connection with a U.S. Government Contract not agreed by Plasan and the Buyer within a reasonable time shall be determined as follows: (i) the parties shall refer the disagreements to their respective Chief Executive Officers for amicable agreement; and (ii) failing amicable agreement, either party may refer the disagreements shall be considered a dispute for resolution under Section 22(ii) below, in the framework of which, Plasan shall be entitled to receive equitable adjustments to price, delivery terms and all other relevant items referred to in the Amendment Notice as a result of the changes requested. Nothing in this second paragraph of Section 12 shall be construed as requiring Plasan to accept any changes that are so material in nature that they should be more rightly considered as a termination of the existing PO and issue of a new PO on significantly different terms.
13. **Acceptance.** Following completion of any Development or Adjustment Work, or prior to serial production where Plasan must re-establish the production line for the Products, Plasan will perform a First Article Inspection (FAI) of the Product. Following successful completion of FAI, Products manufactured by Plasan and its subcontractors during serial production are subjected to Acceptance Tests Procedures (ATP) prior to shipment to the Buyer. Precise descriptions of the FAI and ATPs will be agreed with the Buyer in writing in advance of Plasan's acceptance of the PO and these documents shall be incorporated in, and form part, of the Contract. In the event that no FAI or ATP is discussed or agreed by Plasan and the Buyer, then Plasan shall implement an FAI or ATPs (as applicable) for the Products that it deems, at its sole discretion, to be suitable, acceptable and in line with standard industry practices. The Buyer and ultimate end-user customer may attend all FAI and ATPs. It is for the Buyer to notify Plasan if it intends to send its or its customer's representatives to any FAI or ATP within good time for this to be coordinated with Plasan. All successful FAI and ATPs will be signified by the signing of Plasan's standard certificate of compliance (**"COC"**) by Plasan's QC representative and by the Buyer's or Buyer's customer's QC representative. If the Buyer and its customer did not send a QC representative, then the QC representative of Plasan shall sign the COC in the Buyer's stead.
14. **Incoming Inspection; Rejection.** The Buyer shall be entitled to perform an incoming inspection on the Products and report any defective Products or non-conformance with POs, packing lists, etc. to Plasan, provided that any such defects or non-conformances are reported to Plasan within 30 days of delivery. The Buyer will return to Plasan any defective Products or Products that otherwise do not conform to POs (such as excess deliveries) that it has reported within the said 30 days, this return to be coordinated with Plasan and at Plasan's expense. Plasan will promptly replace or repair, at its discretion, any defective Products and return them to the Buyer, following a repeat of the applicable ATPs. After the 30 day notification period has expired, the Buyer shall be deemed to have accepted all Products not reported to Plasan as defective and the Buyer shall thereafter not have the right to reject such Products, though Plasan's warranty obligations with respect to those Products under Section 16 shall continue to apply. Any deliveries that exceed or fall short of the number of Products actually ordered or that do not match the Products ordered, shall be deemed to be accepted by the Buyer, if the same have not been reported to Plasan within the 30 day notification period and therefore, the PO shall be deemed to have been amended accordingly. In cases where items were damaged, lost or stolen in transit, then the losses

arising therefrom shall be borne by the party carrying the risk at the time under the INCOTERMS 2000 (or UCC for US Orders) applicable to the PO, but the other party will provide any assistance reasonably required for making insurance claims. In the case of theft, the parties will cooperate with each other in reporting and assisting the relevant authorities in connection therewith.

15. **Transfer of Title and Risk of Loss.** Unless specified otherwise in the Contract, title and risk of loss to the Products shall transfer to the Buyer in accordance with the INCOTERMS 2000 applicable to the PO.
16. **Warranty.** Plasan hereby warrants that, unless any other periods are specified in the Proposal or other applicable PO Documents, for a period of 12 months from delivery (the “**Warranty Period**”), the Product shall be free and clear of defects in design, material and workmanship, provided however, that where Plasan is working to build-to-print orders or is otherwise not responsible for the design of the Products, no warranty as to defect free design applies, nor does any warranty apply with respect to CFM. Plasan’s sole and exclusive responsibility under this warranty shall be to repair or replace any defective item, as Plasan shall choose at its sole and absolute discretion, provided that the Product has not been damaged by (i) misuse of the Product or handling, assembly, disassembly, or storage of the Product other than in compliance with all instructions provided to the Buyer; (ii) alterations, changes, modifications, repairs and the like to any part of the Product other than by authorized personnel of Plasan; (iii) normal wear and tear of the Product; and (iv) subjecting Product to accident or to any form of attack, including without limitation ballistic attack; provided however that in the case of ballistic attack, if the Buyer can prove that the Product would not have been damaged in the ballistic attack but for the defect found in the design (where applicable), material (where applicable) or workmanship, then the warranty will still be valid in such a case. For the avoidance of doubt, the Buyer agrees and acknowledges that the specifications for the Products do not require a 100% success rate and the fact that a threat penetrates the Product or that the Product was damaged in an attack does not in and of itself prove the existence of a defect. This warranty is also subject to any other conditions stated in any of the PO Documents.

To claim under the warranty provided in this Section 16, the Buyer shall be required to notify Plasan in writing of the defect within 30 days of the defect arising, providing full descriptive details of the defect and the manner in which it was discovered. Where Plasan requires, the Buyer shall promptly send the defective item to Plasan’s premises, or allow Plasan representatives with access to the defective item. All costs or labor and materials in removing, transporting, returning and installing the defective items shall be at the sole cost of the Buyer.

The warranty provided herein is provided solely and exclusively to the Buyer to the exclusion of all other parties. The Buyer shall not be entitled to transfer the benefit of the warranty provided herein to any other party, save that if the PO was issued as a subcontract under a U.S. Government contract, then the rights under the warranty may be transferred to the U.S. Government.

17. **LIMITATION OF LIABILITY.** THE WARRANTY PROVIDED IN SECTION 16 ABOVE REPRESENTS PLASAN’S ONLY WARRANTY TO THE BUYER WITH RESPECT TO THE PRODUCTS OF ANY KIND, WHETHER EXPRESS OR IMPLIED AND, BY PURCHASING THE PRODUCTS, THE BUYER HEREBY WAIVES ALL OTHER WARRANTIES (INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY IMPLIED WARRANTY ARISING FROM THE COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE). IT IS AGREED THAT PLASAN SHALL PROVIDE THE BUYER WITH ITS EXISTING INSURANCE POLICIES, AND PLASAN’S LIABILITY HEREUNDER SHALL BE LIMITED SPECIFICALLY TO THOSE EVENTS, WHICH THE INSURANCE POLICY COVERS (“**INSURANCE EVENTS**”). PLASAN SHALL BE RESPONSIBLE TO PAY THE PREMIUM ON ITS INSURANCE POLICIES. UPON THE OCCURRENCE OF AN INSURANCE EVENT, PLASAN’S LIABILITY TO THE BUYER SHALL BE LIMITED TO THE MAXIMUM COVERAGE PROVIDED IN THE INSURANCE POLICY FOR SUCH EVENT, AND SUBJECT TO THE TERMS OF ITS COVERAGE. ANYTHING TO THE CONTRARY IN A PO SHALL NOT APPLY, AND SPECIFICALLY DECLARED VOID. PLASAN SHALL NOT BE REQUIRED TO PURCHASE ANY INSURANCE OTHER THAN AS SPECIFIED HEREIN. IN NO EVENT SHALL PLASAN BE LIABLE TO THE BUYER FOR ANY INDIRECT OR CONSEQUENTIAL CLAIMS OR DAMAGES INCLUDING WITHOUT LIMITATION, CLAIMS FOR DAMAGES FOR LOSS OF USE, REVENUE OR PROFIT, WHETHER OR NOT PLASAN WAS ADVISED OF THE POSSIBILITY THEREOF. BY PURCHASING THE PRODUCTS HEREUNDER, THE BUYER HEREBY WAIVES ALL RIGHTS, OBLIGATIONS AND WARRANTIES, OTHER THAN THOSE EXPRESSLY STATED HEREIN, AND EXPRESSLY ASSUMES ALL OTHER RISKS AND LIABILITIES
18. **Export Controls.** The Buyer recognizes that sale and export of the Products are subject to the laws and regulations of the State of Israel, and may also be subject to laws and regulations of the United States, including without limitation, the International Traffic in Arms Regulations (ITAR) or other governments. Therefore, the Buyer hereby represents

and warrants that it is the end-user of the Products. If the Buyer is not the end-user of the Products, it shall provide Plasan with full details of the identity of the end-user and the sale stated herein shall be subject to Plasan’s receipt of the applicable export licenses. The Buyer agrees to comply in full with all applicable export laws and permits. Without derogating from the generality of the foregoing, the Buyer agrees and undertakes to keep all technical data of any kind related to the Products only on secured information storage systems. Where technical data is stored on any digital media, the Buyer shall ensure that such media shall have sufficient access controls (such as strong passwords and data encryption technologies) which ensure that access to the technical data is restricted to identified and authenticated authorized persons only. The Buyer shall ensure that technical data shall not be left unattended. Technical data from Plasan shall not be uploaded onto any kind of third party site, such as FTP sites. Technical Data shall not be sent by email or other unsecured electronic transmittal means (such as FTP, etc.), but only by secured and encrypted data transmission means, such as using Plasan’s FTPS site, the use and control of which shall be supervised by Plasan’s IT department.

19. **Intellectual Property.** Nothing herein shall be deemed to grant to the Buyer any rights in and to any of Plasan’s intellectual and other proprietary rights in and to the Products, whether or not such are registered or registerable. Unless specifically provided otherwise in the Contract, the price quoted in the Contract does not include the costs related to any development of intellectual property required to comply with the PO, but only time and materials. Accordingly, no intellectual property developed by Plasan in connection with the PO shall be considered work-made-for-hire and all rights therein shall remain vested solely in Plasan.
20. **Confidential Information.** The Buyer shall treat as strictly confidential all documentation and other information provided to the Buyer in connection with the Product and the Contract, whether or not the same was provided in tangible or intangible form and regardless of when the same was provided (collectively, the “**Confidential Information**”). The Buyer shall not disclose any Confidential Information to any other party or use it in any manner other than as strictly permitted by Plasan. If Plasan and the Buyer have entered into a separate non-disclosure agreement that specifically relates to the sale of the Products as described herein, then such non-disclosure agreement shall continue to apply and shall prevail over any discrepancies contained in this Section 20.
21. **Bankruptcy.** In the event of (i) any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against the Buyer, or (ii) the appointment with or without the Buyer’s consent of an assignee for the benefit of creditors or of a receiver, or (iii) the Buyer ceases to conduct its operations in accordance with accepted business practices (including an inability to meet its obligations as they mature), then Plasan shall be entitled to cancel any part of the Terms contained herein without any liability whatsoever and the Buyer shall reimburse Plasan, for any out-of-pocket expenses it has incurred in the performance of its obligations hereunder up to the date of cancellation, in which case any completed Product and any other material charged to the Buyer shall become the property of the Buyer and Plasan shall safely hold the same for the Buyer, subject to receipt of the Buyer’s written shipping or other disposition instructions. Absent Plasan’s receipt of such instructions from the Buyer within a reasonable time, the ownership of the Products and materials shall automatically revert to Plasan and Plasan shall be entitled to use or dispose of the same as it shall choose at its sole discretion.
22. **General.** (i) These Terms do not create any relationship between the parties other than that of independent contractors and no employee, agency, distributorship or other relationship shall be implied. Nothing hereunder shall be deemed to prevent Plasan from entering into any business relationship of any nature with any other party. (ii) These Terms shall be construed and governed by the laws of the State of Israel without reference to its conflicts of laws provisions and the parties submit **solely and exclusively** to the jurisdiction of the competent courts of Tel Aviv-Jaffa, Israel to determine any dispute arising herefrom. (iii) Neither party shall be liable with respect to the non-performance or partial non-performance of any of its undertakings hereunder where such non-performance or partial non-performance was caused by an event of force majeure, such as, without limitation, earthquakes, floods and other acts of God, general shortages of raw materials, general strikes, wars, terrorism, etc. (iv) If any part of these Terms are held by any competent court of jurisdiction to be invalid or otherwise unenforceable, then to the extent that such is possible, the invalid part shall be deemed removed herefrom and the validity of the remaining terms and conditions shall not be effected. (v) The provisions of these Terms shall prevail in the case of any conflict with any of the documents referred to or referenced herein. No amendment to any part hereof shall be valid unless made in writing and signed by both Plasan and the Buyer. Neither party shall be deemed to have waived any of its rights hereunder unless it made the waiver in writing and signed it. (vi) The Buyer shall not assign any of its rights or obligations hereunder without Plasan’s prior written agreement. (vii) Notices shall be in writing and shall be effectively delivered personally, or by registered mail, or by fax or email by fax (+972 (0)4 680 9001) or by email plasan@plasan.com (following confirmation of receipt), in the case of Plasan, for the Attention of Mr. Dan Ziv, Plasan Sasa Ltd., Kibbutz Sasa, Merom Hagalil, 13870 Israel, and in the case of the Buyer, as provided in the PO. Each party may change or add to its contact details by providing the other with written notice thereof.