



# ASTRONAUTICS C.A. LTD.

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## PURCHASE ORDER TERMS AND CONDITIONS

### 1. ENTIRE AGREEMENT AND ACCEPTANCE

This Purchase Order will become the exclusive agreement between the parties, subject to the terms and conditions hereof, when accepted by acknowledgment or commencement of performance. Additional or different terms proposed by Vendor shall not be applicable, unless accepted in writing by Astronautics C.A. Ltd. (hereinafter called "Astro")

No change in, modification of, or revision to this Purchase Order shall be valid unless in writing and signed by an authorized employee of Astro. All supplements, sheets, specifications, schedules, exhibits, riders or other attachments annexed hereto or referenced herein, are made part of this Purchase Order and Vendor agrees to them by acceptance of this Purchase Order. Failure of Vendor to send to Astro a written acceptance or advice that Vendor has commenced performance within ten (10) days after the date hereof shall entitle Astro, at Astro's option, at any time prior to receipt of such written acceptance or advice, to cancel this Purchase Order without cost or liability to Astro.

### 2. DEFINITIONS

As used herein, the term "products" shall include goods, supplies, materials, packaging, services, work and data expressly or impliedly ordered herein. The term "FAR" means U.S. Federal Acquisition Regulation. The term "DoD FAR Supp." (DFARS) means the U.S. Department of Defense Federal Acquisition Regulation Supplement.

### 3. CHANGES

(a) Astro may at any time make changes by means of written change order to this Purchase Order in one or more of the following: quantity, drawings, designs, specifications, technical data, delivery schedules, place of inspection, acceptance or delivery, method of shipment, and packaging. If such change results in an increase or decrease in the cost or time required for performance of the work under this Purchase Order, an equitable adjustment shall be made in price, delivery schedule, or both. Any claim for such adjustment shall be deemed waived by Vendor unless submitted in writing to Astro within thirty (30) days of receipt by Vendor of the change order or within such other period of time as may be agreed upon in writing by Astro and Vendor. Astro may require that claims for equitable adjustment pursuant to this paragraph shall be submitted on the applicable forms contained in FAR part 53, and shall be governed by the principles prescribed by FAR part 31, whether or not this Purchase Order bears a U.S. or Israeli government contract number. Failure of Vendor to submit its claim in the prescribed manner or within the time allowed, shall be grounds for Astro to make a unilateral determination of the amount, if any, due Vendor for the change and such determination shall be final. Where the cost of property made obsolete or excess as a result of a change is included in Vendor's claim for adjustment, Astro shall have the right to prescribe the manner of disposition of such property. Failure to agree on any claim for equitable adjustment under this paragraph shall be a dispute within the meaning of the disputes clause hereof. Such dispute shall not relieve Vendor from proceeding without delay in the performance of this Purchase Order as changed. Changes shall not be binding upon Astro unless evidenced by a change order issued and signed by an authorized employee of Astro.

(b) Any communication, purchase order, agreement, amendment, change, stop work order, extension or acceleration, cancellation or termination notice, course of performance or course of dealing, supplementing, modifying, rescinding or waiving any of Astro's rights or obligations shall be void unless executed or ratified in a writing which expressly states that it constitutes an amendment or change of this Purchase Order and which is signed Astro's representative duly authorized in writing in order that Astro shall be bound only by such writing and not by construction, implication, or apparent authority. Information, advice, approvals or instructions by Astro's technical or other personnel shall be deemed expressions of personal opinions only and shall not affect Astro's or Vendor's rights and obligations.

### 4. DISPUTES

This Agreement shall be interpreted in accordance with the laws of the State of Israel. By entering into this Agreement, Vendor irrevocably consents to the jurisdiction of the courts located in the State of Israel. Vendor may litigate any dispute arising hereunder or in connection herewith in a court of competent jurisdiction, provided, however, that no action may be instituted or maintained against Astro in any state, without Astro's prior written consent, except in the

State of Israel. Pending settlement or final judgment, Vendor shall proceed diligently with the performance of this Purchase Order.

### 5. DELIVERY

Time is of the essence in the performance by Vendor of this Purchase Order. Astro may at any time postpone delivery of all or any of the products ordered herein for a reasonable time. Astro may retain or return to Vendor at Vendor's expense, products received in advance of their required delivery dates as specified in this Purchase Order. No such retention shall waive Astro's rights to return subsequent shipments delivered in advance of the required delivery date, nor shall said retention accelerate the time for payment. Over-shipments may be returned at Vendor's expense or retained by Astro at no increase in price. In the event of the return by Astro to Vendor of advance or over shipments, Astro shall charge to Vendor all shipping costs, both ways, plus a reasonable charge for its services in effecting such return. Vendor shall not, without Astro's written consent, manufacture or procure materials in advance of Vendor's normal flow time or deliver in advance of schedule. In the event of termination or change, no claims will be allowed for any such manufacture or procurement or delivery, unless there has been such prior written consent by Astro. It is Vendor's responsibility to furnish the proper quantity called for in this Purchase Order. No variations in the quantity specified herein shall be accepted as compliance with this Purchase Order, except by Astro's prior written consent.

### 6. INSPECTION

All products furnished pursuant to this Purchase Order, must comply with specifications, or if no specifications are given, a standard quality as understood by the trade must be furnished. All products including raw materials, work in process, and end items shall be subject to inspection and test by Astro or its designee at all times, prior to shipment by Vendor and final inspection and acceptance at destination within twelve (12) months of receipt notwithstanding any prior payment or inspection and acceptance. Final inspection shall not relieve Vendor of its obligations under its warranties. Astro may reject and hold at Vendor's expense, subject to Vendor's disposal, all products not conforming to applicable specifications, drawings, samples or descriptions. Astro shall have the option of returning rejected products to Vendor at Vendor's risk and expense and Astro shall charge to Vendor transportation both ways, plus a reasonable charge for Astro's services in effecting such return. Without limiting any other rights it may have, Astro at its option may require Vendor to repair or replace at Vendor's expense any products which fail to meet the requirements of applicable specification, drawings, samples or descriptions. Rejected products may not be re-tendered to Astro by Vendor unless notification of such past rejection is submitted with the re-tender and Astro has consented to such re-tender. Astro shall have the option to retain defective products, in which event Astro shall be entitled to an equitable reduction in price to be determined by Astro. Astro shall also have the option to perform or have performed by others the necessary repairs or to replace such products by contract or otherwise, and charge the cost of such repairs or replacements to Vendor. In the event that products furnished by Vendor fail to pass Astro's usual inspection. Astro may charge Vendor for the time required for such additional inspections as may be necessary. Vendor shall maintain an inspection and quality control system acceptable to Astro. Vendor shall keep records of all inspections made of the products and shall at all reasonable times, including the period of manufacture, allow Astro, the Government, Astro's customers or the customer's representative to inspect and test the products and inspect the plants, including those of Vendor's subcontractors where the work is performed. The records of all inspections by Vendor shall be kept complete and available to Astro during the performance of this Purchase Order and for the duration of any applicable warranties. Vendor shall provide, without additional charge, reasonable facilities and assistance for safe and convenient inspection or test. If this Purchase Order specifies that government source inspection is required prior to shipment from Vendor's plant, Vendor shall, upon receipt of this order, promptly notify the Government representative who normally services Vendor's plant so that appropriate arrangements for Government inspection can be made. In the event that the Government representative or office cannot be located, Astro shall be notified immediately. All facilities used to perform the work must comply with the requirements of this Purchase Order.

### 7. WARRANTIES

In addition to all other warranties, express or implied in law, Vendor warrants that all products delivered hereunder shall be merchantable, free from defects in workmanship and materials, and shall strictly conform to applicable specifications including performance specifications, drawings and approved samples, if any, and will be fit and sufficient for the purposes intended, and if of Vendor's design, will be free from design defects. Vendor further warrants that all products shall be in conformance with the most current standards established by the U.S. Occupational Safety and Health Act of 1970 and the U.S. Consumer Product Safety Act of 1972 as amended. All warranties including service warranties and guarantees shall run to Astro, its customers and subsequent owners of the products or end products of which they are a part. In the event of a breach hereunder, Astro may require that the products be repaired or replaced by Vendor, or Astro may return all or some of the products to Vendor for refund or Astro may retain the products. In the event Astro retains the products, the price of this Purchase Order shall be equitably reduced. Astro may replace such products with similar products and charge the Vendor the cost occasioned to Astro thereby. Astro shall also have the option to perform or have performed by others the necessary repairs and charge the cost of such repairs to Vendor. Transportation charges to and from Vendor's plant and other incidental expenses and responsibility for defective products while in transit shall be borne by Vendor. In the event of breach of any of the warranties herein provided or of any warranties express or implied in law, Vendor agrees to pay and indemnify Astro, its customers or subsequent owners for all liability, loss, costs and expenses resulting from such breach, including the cost of tests performed by Astro in determining whether a breach has occurred and all costs of disassembly and reassembly, attorney's fees and costs of litigation. The rights and remedies of Astro herein provided shall not be construed to negate, replace, or limit, but shall be additional to any rights of Astro as a result of breach of warranty by Vendor by virtue of any applicable laws or regulations. All Warranties shall be construed as conditions as well as promises and shall not be deemed to be exclusive. Except for latent defects, fraud, or gross mistake amounting to fraud, the term of this warranty shall be twelve (12) months after delivery to and acceptance by Astro's customer or twenty four (24) months after delivery to and acceptance by Astro, whichever first occurs. Any products corrected or furnished in replacement by Vendor pursuant to this paragraph shall also be subject to all the provisions of this paragraph to the same extent as products initially delivered. The warranty with respect to such products shall be equal in duration to that herein set forth and shall run from the date of delivery and acceptance by Astro of such corrected or replaced products.

### 8. PACKING AND SHIPPING

All goods shall be prepared for shipment and packed by Vendor to prevent damage or deterioration, secure lowest transportation rates, and comply with carrier tariffs. All packages must bear Astro's Purchase Order number and show gross fare and net weights and quantity. No additional charges will be made to Astro for boxing, wrapping, packaging, packing, cartage or storage unless specified in this Purchase Order. When delivery is F.O.B. at a point other than Astro's plant, Vendor shall not declare a value on the bill of lading except when a declaration of value will result in decreased cost of shipment, in such event, Vendor shall make such declaration of value that will result in the minimum transportation rates. If it appears Vendor will not meet the delivery schedule specified in this Purchase Order, Vendor shall, if requested by Astro, ship via air or expedited routing to avoid or minimize delay to the maximum extent possible, the added cost to be borne by Vendor. This shall be in addition to Astro's other remedies.

### 9. INVOICES AND PAYMENTS

- Payment of Vendor's invoices is subject adjustment for any shortage or rejection, or any other cause specified in this Purchase Order
- Individual invoices must be issued for each shipment.
- Freight and other similar charges as well as any discounts to which Astro is entitled, must be stated on the invoice.

### 10. PRICES

Vendor warrants that the prices for the products sold to Astro under this Purchase Order, are not less favorable than those currently extended by Vendor to any other

customer for the same or substantially similar products in equal or lesser quantities. In the event that the price or prices shown in this Purchase Order, are less favorable or in the event that Vendor reduces its price to any other customer for such products during the term of this Purchase Order, Vendor agrees to reduce the prices hereof correspondingly.

#### **11. SUBCONTRACTING AND/OR ASSIGNMENT BY VENDOR**

No contract shall be made by Vendor with any other party to furnish any of the completed or substantially completed products, spare parts or work herein contracted for, nor shall Vendor sell or assign this Purchase Order or any part thereof or any monies due or to become due hereunder, without the prior written consent of Astro, except that a claim for monies due or to become due under this Purchase Order may be assigned by Vendor to a bank, trust company, or other financing institution without such consent. Astro shall be furnished with two (2) copies of the notice of assignment and two (2) copies of the assignment. The notice of assignment and assignment shall be signed by both the assignor and assignee. Payment to assignee of any such claim shall be subject to set off or recoupment for any present or future claim or claims which Astro may have against Vendor. Astro reserves the right without notice to the assignee to make direct settlements or adjustments in price with Vendor, notwithstanding any assignment of claim for monies due or to become due.

#### **12. NON - WAIVER**

The remedies herein set forth shall be cumulative and additional to any other or further remedies provided in law or equity. No waiver by Astro of any breach of any provision hereof shall constitute a waiver of any other recurring breach of this or any other purchase order. Failure of Astro to insist upon strict performance of any of the terms and conditions of this Purchase Order, shall not constitute a waiver of such terms and conditions or a waiver of any default.

#### **13. DRAWINGS, SPECIFICATIONS AND TECHNICAL INFORMATION**

Drawings, specifications, data, designs, inventions and other technical information supplied by Astro, shall remain Astro's property and shall be held in confidence by Vendor. Such information shall not be reproduced, used or disclosed to others by Vendor without Astro's prior written consent and shall be returned to Astro upon completion of this Purchase Order or upon demand. Astro does not grant indemnity to Vendor for infringement of any patent, trademark, copyright or data rights. Any information which Vendor may disclose to Astro with respect to the design, manufacture, sale or use of the products covered by this Purchase Order, shall be deemed to have been disclosed as part of the consideration for this Purchase Order and Vendor shall not assert any claim against Astro, by reason of Astro's use of such information. All data generated or developed in the course of performance of this Purchase Order, shall be the sole property of Astro and Vendor shall not use, duplicate or disclose such data for any purposes other than the performance of the work required hereunder without the prior written consent of Astro. The purchase price of this Purchase Order is, in part, consideration for any design work performed by Vendor in connection with this Purchase Order and incorporated in the products to be delivered hereunder, and Vendor shall not supply such products to others without Astro's prior written consent.

#### **14. TERMINATIONS**

(a) The termination for convenience provisions set forth in Part 49 of FAR are incorporated herein by reference and made a part hereof, except that "Government" and Contracting Officer" shall mean Astro, "Contractor" shall mean Vendor, and "Contract" shall mean this Purchase Order. Astro may terminate all or any part of this Purchase Order at any time or times for convenience by telegraphic or other written notice to Vendor. The rights and obligations of the parties shall be in accordance with FAR 52-249-1 or 52.249-2, as appropriate, provided, however that Vendor must submit its termination claim to Astro within sixty (60) days after the effective date of termination. The provisions of this subparagraph shall not limit or affect the right of Astro to terminate this Purchase Order for default.

(b) The termination for default provisions set forth in Part 49 of FAR are incorporated herein by reference and made a part hereof. Astro may terminate all or any part of this Purchase Order in accordance with FAR 52 249 8 except that "Government" and "Contracting Officer" shall mean Astro, "Contractor" shall mean Vendor, and "Contract" shall mean this Purchase Order, and the references to a "Disputes" clause are inapplicable. If the parties fail to agree on the amount to be paid for items referred to in 52 249 8(e) of the default clause, the amount shall be the reasonable value thereof as determined by Astro.

(c) Astro may, by written notice to Vendor, terminate the whole or any part of this Purchase Order in the event that Vendor shall become insolvent or make a general assignment for the benefit of creditors, or a receiver or liquidator is appointed or applied for, or if Vendor admits in writing its inability to pay its debts as they become due, or if any proceeding under any applicable bankruptcy or insolvency law is brought by or against Vendor. Such termination shall be deemed for default in accordance with paragraph 14(b) of this Purchase Order and the rights and obligations of the parties shall be determined as therein provided.

#### **15. SUSPENSION OF WORK**

Astro may order the indefinite suspension of all or part of the work. If the suspension has a material effect on cost or delivery, an appropriate adjustment shall be made in price (excluding profit) or delivery, but not to the extent that the work would have been otherwise interrupted. No claim shall be allowed unless made within thirty (30) days after the suspension ends.

#### **16. COMPLIANCE WITH LAWS**

Vendor warrants that in the performance of this Purchase Order, it will comply with all applicable Federal, State and local laws and ordinances and all lawful orders, standards, rules and regulations thereunder now in effect or as hereafter amended, including but not limited to the Occupational Safety and Health Act, the Fair Labor Standards Act, the Walsh-Healey Public Contracts Act, the Contract Work Hours and Safety Standards Act. Where Vendor is not subject to U.S. laws, Vendor warrants that in the performance of this Purchase Order, it will comply with all laws and ordinances and all lawful orders, standards, rules and regulations as will from time to time be in effect during the performance hereof takes place. Vendor covenants to save and hold Astro harmless and to reimburse Astro for any and all costs, damages and expenses including attorney's fees, suffered or occasioned to Astro directly or indirectly through any failure of Vendor to comply with any such law, ordinance, order, standard, rule or regulation. On Vendor's invoice or in other form satisfactory to Astro, Vendor shall submit certification that the products covered by this Purchase Order were produced in compliance with all applicable requirements of the Fair Labor Standards Act, as amended, and of the regulations and orders of the U.S. Department of Labor issued thereafter, or where Vendor is not subject to U.S. laws in compliance with all laws to which Vendor is subject.

#### **17. ACTIONS AND GOVERNING LAW**

No action under or relating to this Purchase Order, may be instituted or maintained against Astro in any State or country without its prior written consent, except in the Courts of Tel-Aviv Israel which will have exclusive jurisdiction. The Law governing this Purchase Order, shall be the law of Israel.

#### **18. RELEASE OF INFORMATION**

Vendor shall not, without obtaining Astro's prior written consent, disseminate the fact that Vendor has furnished or has contracted to furnish to Astro the products covered by this Purchase Order, nor shall Vendor disclose any of the details connected with this Purchase Order to third parties. No news releases, photographs, films, advertisements, public announcements, confirmation or denial of this Purchase Order, its subject matter or any phase thereof, shall be made without Astro's prior written consent.

#### **19. INSURANCE AND INDEMNITY**

Vendor agrees to defend and shall indemnify and hold harmless Astro, its agents, customers, successors, assigns and users of its products against any loss, damage and liability, including costs and expenses by reason of any and all claims and suits charging, (a) personal injury, property or other damage or (b) actual or alleged infringement of any patent, copyright or trademark, arising out of the use or sale of the products purchased hereunder or arising from any alleged defect in the products, whether latent or patent, including allegedly improper construction and design, or from the failure of the products to comply with specifications or with any express or implied warranties of Vendor or arising out of the alleged violation of any statute, ordinance, administrative order, rule or regulation connected with the manufacture or sale of the products including but not limited to the Federal Occupational Safety and Health Act of 1970 as amended. If an injunction is issued as a result of any such infringement, Vendor agrees to refund to Astro the amount paid to Vendor pursuant to this Purchase Order. Vendor shall have no liability with respect to patent infringement for products as to which Astro furnished complete design specifications. The furnishing of performance specifications by Astro to Vendor

shall not relieve Vendor of indemnifying and holding harmless Astro for any actual or alleged patent infringement. Vendor further agrees to obtain and maintain during the life of this Purchase Order at its expense, product liability insurance, with an endorsement in favor of Astro in such form and amount and by such company as may be approved by Astro in writing. Satisfactory evidence of such insurance shall be submitted to Astro upon request.

#### **20. ASTRO PROPERTY, MATERIALS, TOOLING OR TEST EQUIPMENT**

Title to and the right to immediate possession of all tooling, materials or equipment furnished by Astro under this Purchase Order, shall remain in Astro at all stages of use or storage by Vendor. All such items shall be used only for the purpose of fulfilling this Purchase Order. Vendor shall keep such items in good condition and repair at its expense. Vendor shall be liable for safekeeping and the preservation of all Astro property. In the absence of any provision in this Purchase Order to the contrary, all Astro's property shall be returned to Astro in as good condition as when received by Vendor, except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of this Purchase Order. If this Purchase Order is for tooling, upon any payment therefore, title shall pass to Astro in accordance with the provisions of this Purchase Order.

#### **21. RESPONSIBILITY FOR SUPPLIES AND TRANSFER OF TITLE**

Vendor shall not reserve title or a security interest in products shipped to Astro. Except as otherwise provided in this Purchase Order, title to products purchased under this Purchase Order shall pass from Vendor to Astro at the F.O.B. point designated on the face of this Purchase Order, regardless of the place of inspection. However, regardless of the passage of title, loss or damage discovered after transfer of title determined to be the result of faulty packaging or handling by Vendor shall be Vendor's responsibility. Acceptance by Astro shall be final only after completion of inspection at Astro's plant. Vendor shall bear all risks for rejected products after notice of rejection. Nothing herein shall limit any of Astro's rights under the warranty clause of this Purchase Order.

#### **22. WORK ON ASTRO'S OR ITS CUSTOMER'S PREMISES**

If Vendor's work under this Purchase Order involves operations by Vendor on the premises of Astro or one of its customers, Vendor shall take all necessary precautions to prevent the occurrence of any injury to persons or property during the progress of such work, and, except to the extent that any such injury is due solely and directly to Astro's or its customer's negligence, shall indemnify Astro and the customer against all loss which may result from any act or omission of Vendor, its agents, employees, or subcontractors. Vendor shall maintain and furnish Astro with copies of such public liability, property damage and employer's liability compensation insurance as will protect Astro and its customers from said risks and from any claim under any applicable Workers' Compensation and Occupational Disease Act.

#### **23. TAXES**

(a) Except as otherwise specifically agreed or required by law, Vendor will pay or assume all taxes imposed upon or in connection with the sale of furnishing of the products, including all Federal, State or municipal excise and personal property taxes on any property in the possession of Vendor until title passes to Astro. Vendor agrees to take advantage of any tax exemptions to which it is entitled and Astro is entitled to a price reduction in the amount of any taxes for which Vendor could have obtained an exemption but failed to do so.

(b) If any export licenses or permits are required in respect of this Purchase Order, Vendor shall be responsible to procure the same.

#### **24. INDUSTRIAL LAWS**

Vendor agrees that neither Vendor nor any of the persons furnishing materials or performing work or services required by this Purchase Order are employees of Astro within the meaning or the application of any Federal or State Unemployment Insurance law, Old Age Benefit Law, Social Security Law, Workers' Compensation Industrial Accident Law, or other Industrial or Labor law. Vendor agrees, at its own expense to comply with such laws and to assume all liability or obligations imposed by them.

#### **25. NEW PRODUCTS**

New and unused products only shall be furnished pursuant to this Purchase Order.