



Standard Terms and Conditions of Sale

Ophir Optronics, Ltd. and its subsidiaries worldwide ("Ophir") provides the following Standard Terms and Conditions of Sale ("Terms and Conditions"), which apply to all quotations and sales made by Ophir with respect to its optics group's products. All purchases of products ("Goods") from Ophir by customer, owner, or its agent ("Purchaser") are subject to these Terms and Conditions, and no provision printed or otherwise, contained in any order, acceptance, confirmation, or acknowledgement which is inconsistent with, different from, or in addition to these Terms and Conditions is accepted by Ophir unless specifically agreed to in writing by a duly authorized officer of Ophir.

ORDERS: By submitting an order to Ophir, Purchaser agrees to be subject to these Terms and Conditions in their entirety. All orders must be bona fide commitments showing mutually agreed prices, quantities and shipping terms. If an order is submitted to Ophir in response to a written Ophir quotation, the order must contain the Ophir Quotation number. No order or other commitment, whether or not submitted in response to a quotation by Ophir, shall be binding upon Ophir until such order or other commitment is accepted in writing by Ophir. Acceptance of Purchaser's order by Ophir is subject to verification of Purchaser's credit worthiness.

TIME LIMIT. All quotations are valid for a period of thirty (30) days, unless otherwise specified.

SHIPMENT. Unless otherwise specified in a purchase order that was accepted in writing by Ophir, pricing and shipping terms shall be Ex-works Ophir plant from where the Goods were ordered. If the Purchaser has not issued inspection or shipping instructions by the time the Goods are ready for shipment, Ophir may select any reasonable method of shipment, without liability by reason of its selection. Shipments made on Purchaser's behalf shall be insured at Purchaser's expense. If Ophir is required to arrange for shipment of the Goods or any parts thereof, Purchaser shall reimburse Ophir for all freight, insurance and other shipping related costs and Purchaser will pay Ophir a handling fee for each such shipment. Shipment of Goods held by reason of Purchaser's request or inability to receive Goods will be at the risk and expense of Purchaser. Claims for shortages in shipment shall be deemed waived unless made in writing to Ophir within seven (7) days from the date of receipt of the Goods.

PAYMENT TERMS. Payments will be made in accordance with the specified payment terms and schedule in the purchase order that was accepted in writing by Ophir. All payments are due net thirty (30) days from the date of invoice, unless otherwise specified in the purchase order that was accepted in writing by Ophir. Purchaser's failure to make payment when due will be a material breach of the order and these Terms and Conditions. Ophir, at its sole discretion, may charge the Purchasers for a late fee of 1.5% per month on the outstanding amount until the date of actual payment. In addition, Ophir, at its sole discretion and without incurring any liability, may suspend its performance until such time as the overdue payment is received or until written approval by Ophir of an alternative payment schedule has been issued. In the event of such suspension of performance by Ophir, there will be an equitable adjustment made to the delivery schedule and order price reflecting the duration and cost resulting from such suspension. Purchaser may only suspend the order upon Ophir's written consent. In the event of such Purchaser's order suspension, the delivery time will be changed, taking into account the suspension, and Purchaser will promptly pay Ophir for all costs and related overhead costs resulting from such suspension. Ophir will equitably re-price the Goods and services if the cumulative suspension exceeds ninety (90) days. If in the judgment of Ophir, Purchaser's financial position does not justify the terms of payment specified, Ophir may require full or partial payment prior to shipment of the Goods. Purchaser agrees to furnish Ophir with the required credit information.

TAXES. Federal, state, or local indirect taxes, including but not limited to sales and/or use taxes, VAT taxes, GST taxes, transfer taxes or any similar tax are not included in the prices set forth herein. In the absence of proper evidence of exemptions supplied to Ophir, Purchaser will reimburse Ophir for all taxes, excises, duties, imposts or other charges which Ophir may be required to pay any government (national, state or local) upon, or measured by the production of any

phase or part of the production, storage, sale, transportation, delivery and/or use of the Goods.

LIMITED WARRANTY; DISCLAIMER OF WARRANTIES. Ophir warrants that the Goods sold hereunder shall be free from material defects in workmanship or materials and conform in all material respects to Ophir official specifications, which are available upon request, or Purchaser's supplied and accepted specifications, for one (1) year following the day of the original shipment from Ophir. Notwithstanding the foregoing, with respect to CO2 Products, any material discrepancies from the specifications or any material defects in workmanship or materials must be reported to Ophir in writing within the earlier of (i) one (1) year following the original shipment from Ophir and (ii) 30 days from the first use of the CO2 Product by the Purchaser, as shall be proven by tangible evidence by the Purchaser and if can not be proven, 30 days from the receipt of the Goods, and the Goods must be returned to Ophir within 90 days of their receipt or first use. This warranty does not cover Purchaser-furnished materials. All warranty claims must be submitted in writing to Ophir within the applicable warranty period and all non-conforming Goods must be returned to Ophir, at purchaser's cost and expense, before Ophir replaces the same or refunds the purchase price to the Purchaser as set forth below. No Goods shall be returned to Ophir without obtaining a Return Material Authorization (RMA) number first which must be clearly marked on the outside of the shipping container.

Ophir's liability for breach of warranty shall be limited to, in Ophir's sole discretion, (i) repairing or replacing Goods that Ophir determines do not conform to the foregoing warranty, or (ii) refunding the sales price received by Ophir in respect of the non-conforming Goods. This remedy shall be the Purchaser's sole and exclusive remedy for any defect or nonconformity in the Goods. This warranty extends only to the immediate purchaser from Ophir and does not extend, expressly or impliedly, to any other party.

In no event shall Ophir incur any obligation to repair or replace Goods which are determined by Ophir, at its sole discretion, to be defective due to (i) installation, maintenance, operation, modification, alteration, accident, neglect or use in any way other than in strict compliance with Ophir's published specifications for the Goods, (ii) the failure to maintain appropriate environmental conditions, as communicated by Seller, (iii) as the result of the use of unauthorized parts or repairs, or unauthorized modifications (iv) any repair work on the product that is performed by the Purchaser or any third party on behalf of the Purchaser (other than Ophir), or (v) modification or alteration of the Goods such that Ophir is unable to verify the defect with its standard test equipment.

EXCEPT FOR THE EXPRESS LIMITED WARRANTY STATED HEREIN, THE GOODS ARE SUPPLIED ON AN "AS IS" BASIS AND PURCHASER'S USE OF THE GOODS IS AT PURCHASER'S RISK. OPHIR DOES NOT MAKE AND HEREBY DISCLAIMS ALL OTHER EXPRESS AND/OR IMPLIED WARRANTIES WITH RESPECT TO THE GOODS, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE AND ANY WARRANTIES OF NONINFRINGEMENT AND TITLE.

GENERAL; INTELLECTUAL PROPERTY. When furnished, designed, developed and/or manufactured by Ophir, all tools and/or dies, together with incidental fixtures and materials necessary for the manufacture of Goods ordered, shall remain the property of Ophir. All tools, dies, fixtures and/or materials will be maintained for one (1) year after shipment. Unless otherwise agreed to in writing by Ophir, Ophir shall own all right, title and interest in and to the patent, design and other intellectual property rights in and to all products sold to Purchaser hereunder, and nothing contained herein shall give Purchaser any right to utilize any such intellectual property in any manner whatsoever except in connection with Purchaser's use of the applicable product in accordance with the documentation for the same provided by Ophir. Goods are sold to accepted manufacturing variations or tolerances, except when otherwise agreed to by both parties. Except for Goods that are manufactured to specifications provided by Purchaser, Ophir represents and warrants that Purchaser's use of the products sold by Ophir hereunder in accordance with Ophir specifications and documentation for the same will not infringe upon



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any United States patent. Ophir will defend, indemnify and hold Purchaser harmless of, from and against any and all claims and expenses, including court costs and attorney fees, arising out of Ophir's breach of this section; provided that Ophir will have no obligation to indemnify Purchaser for any claims arising out of (i) Purchaser's use of the products in combination with any process or other products, or (ii) any drawings or specifications provided by Purchaser in connection with the products. If Purchaser provides specifications or drawings for the product to Ophir, Purchaser represents and warrants to Ophir that Ophir's use of the same in the manufacture of the products for Purchaser will not infringe upon the patent, design, trade secret or other intellectual property rights of any person or entity, and Purchaser agrees to defend, indemnify and hold Ophir harmless of, from and against any and all claims and expenses, including court costs and attorney fees, arising out of Purchaser's breach or alleged breach of this section.

SOFTWARE. Ophir shall at all times have and retain title and full ownership of all software, firmware programming routines, and documentation thereof supplied by Ophir for use with the Goods, and all copies thereof made by Purchaser (collectively "Software"). Ophir grants Purchaser a non-exclusive and non-transferable license to use the Software solely for use with the Goods. Purchaser shall take all reasonable steps to protect Ophir's proprietary interest in the Software, shall not transfer or otherwise provide the Software to any third party and shall refrain from reverse engineering and modification of the Software. Notwithstanding the foregoing, if Goods are integrated into a system which is sold to an end user by Purchaser, Purchaser may transfer its license hereunder under the same terms and conditions to the end user after it has ensured that the end user has assumed Purchaser's obligations hereunder.

CANCELLATIONS, CHANGES. Cancellations shall be by mutual agreement in writing, provided that Purchaser will reimburse Ophir for all loss and expenses incurred by Ophir arising out of such cancellation.

Specification changes made after Purchaser places an order are subject to price adjustments and to Ophir's written approval and Purchaser will reimburse Ophir for all loss and expenses incurred by Ophir arising out of such change.

In the event that Ophir agrees, for exceptional reasons, to the return of Goods for customer convenience the Purchaser is responsible for the return shipping costs. No Goods shall be returned to Ophir without obtaining a Return Material Authorization (RMA) number first which must be clearly marked on the outside of the shipping container. Upon inspection to confirm the Goods are in "as new" and undamaged condition, Ophir will credit the Purchaser in the same manner as Purchaser's original payment. Purchaser may be subjected to a restocking fee to be determined by Ophir. If, upon inspection, the returned products are not judged to be in "as new" and undamaged condition, the products will be returned to the Purchaser with full payment expected. Returns are not allowed for products sold as non-returnable/non-refundable

TITLE AND RISK OF LOSS OR DAMAGE. Purchaser will bear the risk and cost of loss and/or damage to the Goods from Ophir's plant, including those related to the loading of the Goods, and any loss or damage thereafter will not relieve Purchaser of any obligations hereunder. Title to the Goods shall pass from Ophir to Purchaser upon full payment for the Goods.

GOVERNING LAW & JURISDICTION. All matters involving the validity, interpretation, and application of these Standard Terms and Conditions of Sale will be controlled by the laws of the State in which Goods were purchased from Ophir without reference to the conflicts of law provisions and without reference to the provisions of any convention that applies to international sale of goods (including without limitation the UN Convention on Contracts for the International Sale of Goods ("CISG")). All disputes arising out of this Standard Terms and Condition of Sale or related to its violation or execution will be submitted to the exclusive jurisdiction of the competent court of law in the State in which Goods were purchased from Ophir; provided, however, that nothing herein shall prevent Ophir

from commencing suit for interim relief or equitable remedies (whether temporary or permanent) in any jurisdiction it may deem fit.

CONSEQUENTIAL DAMAGES; LIMITATION OF LIABILITY. IN NO EVENT SHALL OPHIR BE LIABLE TO PURCHASER FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT, COSTS OF DELAY, ANY FAILURE OF DELIVERY, COSTS OF LOST OR DAMAGED DATA OR DOCUMENTATION, COST OF REMOVAL AND REINSTALLATION OF GOODS, LOSS OF GOODWILL, INTERRUPTION OF BUSINESS, LIABILITIES TO THIRD PARTIES ARISING FROM ANY SOURCE OR OTHER ECONOMIC LOSS, WHETHER OR NOT PURCHASER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSSES AND WHETHER SUCH DAMAGES ARE ALLEGED AS A RESULT OF TORTIOUS CONDUCT, BREACH OF CONTRACT OR OTHERWISE.

OPHIR'S TOTAL LIABILITY FOR EACH DEFECTIVE PRODUCT, INCLUDING WITHOUT LIMITATION INTELLECTUAL PROPERTY INDEMNIFICATION, SHALL NOT EXCEED THE PRICE OF SUCH PRODUCT.

FORCE MAJEURE. No liability shall result from delay in performance or non-performance (except with respect to payment by Purchaser) to the extent that it results from any cause (including without limitation, weather, fire, strike or other labor difficulty; breakdown, shortage of or inability to obtain materials, equipment or transportation; act, order, regulation or request of governmental body or court; or other force majeure beyond the reasonable control of the party affected or obligated hereunder. If Ophir's supply of Goods is limited by any such cause, Ophir shall have the right to prorate Ophir's available supply over Ophir's own manufacturing requirements and Ophir's commitments to its customers as Ophir considers fair.

EXPORT. Ophir's obligation to deliver the Goods to Purchaser outside the State in which the Goods were manufactured shall be at all times subject to all applicable export laws and regulations and conditioned upon the receipt of an appropriate export license, when such license is required under applicable laws and regulations. Regardless of any disclosure made by Purchaser to Ophir of an ultimate destination of Ophir products, Purchaser will not export either directly or indirectly any Ophir product, or any system incorporating said product, without first obtaining all required licenses and permits from the Ministry of Defense or any other relevant agencies or departments of the Israeli or the US government, as the case may be. The Goods will not be exported or imported by Purchaser to destinations or to clients embargoed or prohibited by the US government or the United Nations.

NON-WAIVER OF DEFAULT; REMEDIES: In the event of any default by Purchaser under this or any other contract between Ophir and Purchaser, Ophir may decline to make further shipments. If Ophir elects to continue to make shipments, Ophir's action shall not constitute a waiver of any default by Purchaser or in any way affect Ophir's legal remedies for any such default. All Ophir's rights and remedies, whether evidenced hereby or by any other contract or document, shall be cumulative and nonexclusive and may be exercised singularly or concurrently.

HEADINGS. The headings used throughout are for convenience only and will be disregarded for the purpose of construing and enforcing these Terms and Conditions.