

PLASAN NORTH AMERICA, Inc.
GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Definitions

Herein, the following capitalized terms shall have the meanings ascribed to them below:

- 1.1. “**Plasan**” shall mean Plasan North America, Inc.
- 1.2. “**PO**” shall mean the Purchase Order issued by Plasan incorporating these terms by reference.
- 1.3. “**Seller**” shall mean the entity selling the Supplies to Plasan.
- 1.4. “**Supplies**” shall mean the goods and services ordered in the PO.
- 1.5. “**Terms**” shall mean these General Terms and Conditions of Purchase.

2. General

2.1. These Terms together with the PO and any other attachments to the PO constitute Plasan’s entire offer to the Seller for the purchase of the Supplies. No other terms shall be binding on Plasan unless signed by an authorized signatory of Plasan, even if sent to Plasan after the issue of the PO and even if Plasan has not expressly rejected them.

2.2. The Seller shall acknowledge the PO within 5 days of the receipt thereof, by signing a copy thereof and returning it to: (i) - by fax (8024453099) or by email (purchasing@plasan-na.com) for the attention of the Purchasing Department; Until the Seller has acknowledged the PO in this manner, Plasan shall be entitled to withdraw the PO by any means of communication. If no acknowledgment under this Section 2.2 is forthcoming within 10 days, then the Seller shall be deemed to have rejected the PO. Notwithstanding the foregoing, if the Seller did not send acknowledgement in the manner required in this Section 2.2, but the Seller still delivers the Supplies to Plasan, then Plasan shall be entitled to either (i) regard such delivery as acceptance of the PO and these Terms shall apply thereto, or (ii) reject the Supplies on the basis that the PO was rejected by the Seller.

2.3. Upon acknowledgment of the PO, these Terms, the PO and any attachments shall represent the entire agreement between Plasan and the Seller for Plasan’s purchase of the Supplies and the Seller’s sale and delivery of the Supplies to Plasan (referred to hereafter as the “**Agreement**”). No change to such Agreement will be effected unless made in writing and signed by both Plasan and the Seller, save that Plasan shall be entitled to deviate from the quantities ordered by +/- 3%; such deviation not to effect the price per unit quoted in the PO.

2.4. No verbal offer from Plasan will be binding until it is reduced into writing and acknowledged in accordance with these terms.

3. Quality and Compliance

3.1. All Supplies shall be manufactured - or in the case of services – provided, to the highest industry standards and in full compliance with all applicable laws, rules and regulations (including without limitation, all applicable health and safety and environmental laws) and shall meet all requirements indicated by Plasan on the PO or attached thereto.

3.2. Where the PO is for build-to-print Supplies, then the Supplies shall conform precisely to all drawings, specifications, Quality Assurance Requirements and instructions provided by Plasan.

3.3. The Seller shall have ISO 9001:2008, TS-16949:2002 or equivalent qualifications and shall furnish Plasan with evidence thereof at Plasan’s request for supplier approval.

4. Inspection and Acceptance; Rejection

4.1. During the manufacturing process, Plasan or Plasan’s representative, and where applicable, Plasan’s customer or the ultimate prime customer, shall have the right, on reasonable notice, to visit all applicable Seller’s and subcontractor’s plants and facilities in order to inspect the manufacture of the Supplies and the quality control procedures in place.

4.2. Plasan or Plasan’s representative, and where applicable, Plasan’s customer or the ultimate prime customer, shall have the right to participate in all acceptance testing including but not limited to: factory acceptance tests (FAT) and to counter-sign certificates of compliance. The Seller shall coordinate the times and places of the FAT with Plasan. If Plasan and its customer do not elect to participate in qualification testing, the Seller's QC manager shall sign the certificate of compliance (C of C) in Plasan's stead. Supplies that do not pass the qualification testing shall be corrected as required and resubmitted. Items shall not be deemed to have passed the testing until a certificate of compliance in a form satisfactory to Plasan has been signed in accordance with these Terms.

4.3. Notwithstanding counter-signing on any certificates of compliance, if the Supplies are found to be defective within 120 days of delivery, Plasan shall have the right to either: (i) reject the defective Supplies, returning them to

the Seller at Seller's sole expense; (ii) accept the defective Supplies at a suitable reduction in price; or (iii) repair or have repaired the defective Supplies at the Seller's expense. Plasan's rights hereunder shall not prejudice any other rights that it may have by reason of the Supplies being defective.

4.4. If Plasan has not rejected an item within 120 days of delivery, then it shall be deemed to have accepted the item. Plasan may formally accept Supplies in writing prior to expiry of 120 days from the delivery date. Payment for an item shall not be deemed to be acceptance of that item.

4.5. The successful completion of a First Article Inspection shall be required before the Seller shall have the authority to manufacture Supplies ordered in the event that the Seller is manufacturing the item for the first time or the relevant manufacturing line had been closed prior to the PO and the Seller will need to re-open the line.

5. Delivery schedules

The dates and quantities set forth in delivery schedules in the PO are binding and time is of the essence with respect to the order. Late deliveries shall entitle Plasan, inter alia, to terminate the Agreement in its entirety. Such termination shall be without prejudice to any other rights and remedies available to Plasan for breach of the Agreement. In the event that the Seller reasonably ought to suspect that deliveries will be late, then it shall provide Plasan with notice thereof as soon as possible in order to avail Plasan of the chance to take commercially reasonable action to mitigate the consequences of such delays.

6. Method of Delivery

6.1. Terms of delivery shall be the most up-to-date version of Incoterms (or UCC for US transactions) provision stated in the PO.

6.2. Supplies shall be packaged marked and labeled in accordance with standard industry practices and in accordance with any specific requirements stated in the PO. Marking shall include Seller's Name and Address, Plasan PO number and Plasan as the ship to address. Without derogating from the generality of the foregoing, the Seller shall ensure that packaging shall be suitable for protecting the Supplies during transportation under reasonable circumstances taking into account the nature of the Supplies (e.g. fragile, hazardous materials, etc.) and shall inform the transporter of any special requirements for transportation (e.g. special temperature requirements, etc.).

6.3. All deliveries shall include invoices in triplicate, clearly identifying the PO and the Supplies to which they relate, packing lists, certificates of compliance in forms agreed with Plasan, the documents mentioned in Section 7.2 below and any other documentation specified in the PO or the attachments thereto. The Seller shall fully reimburse Plasan for any and all costs incurred by Plasan by reason of non-compliance with these requirements.

6.4. The Seller shall identify in its invoice, those Supplies that require an export license or are subject to any re-export regulations.

6.5. Failure to comply with Plasan's delivery instructions will make the Seller liable for any resulting, loss, damage and or for any additional inland freight charges.

7. Prices and Payment

7.1. Invoice, packing list, a copy of shipping document (BOL), Certificate of Compliance (COC) and/or Certificate of Testing (COT), and any other required documents shall be forwarded to Plasan's Accounts Payable and Purchasing Department by fax (8024453099) or by mail at 222 Bowen Road, Bennington, VT 05201 to the attention of the Purchasing Department. Item number and part number on the Seller's invoice must correspond to item number under the PO. The prices stated in the PO are the agreed upon prices for the Supplies. If no price is stated in the PO, then the prices shall be as otherwise agreed by the parties separately in writing.

7.2. Unless the PO states otherwise, the prices determined in accordance with Section 7.1 above, represent the total fixed cost to Plasan, including without limit all taxes, duties, charges and other such costs imposed thereon all of which shall be borne by Seller's account and the Seller shall ensure that it provides on delivery, together with the documentation mentioned in Section 6.3 above, any and all documentation required by Plasan in order to release the Supplies from Customs and Excise or any other body. Any minor or incidental parts to the Supplies not specifically indicated in the PO or any attachments thereto, but required for completion of the PO are included in the price.

7.3. Payment terms shall be as provided in the PO and if not stated, then DDP.

7.4. Plasan shall be entitled to set-off from all payments it must make under the terms of the PO, any amounts owed to it by the Seller, whether under the same PO or in connection with any other transaction involving the parties.

8. Tooling; CFE/BFE/GFE Material Materials;

- 8.1.** Subject to Section 8.2 below, the Seller shall furnish at its own expense, keep in good condition, and replace when necessary, all dies, tools, jigs, gauges, fixtures, and associated manufacturing equipment (“**Tooling**”).
- 8.2.** Where the PO provides for Plasan to pay the Seller for any Tooling, or where Plasan provides any Tooling to the Seller, such Tooling shall be the exclusive property of Plasan (the “**Plasan Tooling**”) and the Seller assumes all liability for any loss, damage or shortage to the Plasan Tooling (except where caused by ordinary wear and tear) and for the Seller’s failure to return such Plasan Tooling or any part thereof to Plasan upon any request from Plasan. The Seller shall not have the right to lien any Plasan Tooling or impose any other form of charge or encumbrance thereon and all Plasan Tooling shall be clearly marked and identified as the property of Plasan.
- 8.3.** The Seller shall perform all maintenance on the Plasan Tooling as is generally required under standard industry practices or as it is otherwise instructed in writing by Plasan.
- 8.4.** Following completion of the PO, the Seller shall return the Plasan Tooling to Plasan, or deliver it to any other party nominated by Plasan as Plasan may instruct.
- 8.5.** All tooling, equipment and CFE/BFE/GFE material furnished by or on behalf of Plasan (the “**CFE/BFE/GFE Material**”) shall only be used by the Seller in connection with the PO. All title in CFE/BFE/GFE Material shall remain with Plasan, Plasan’s customer or the government end-user, as applicable.
- 8.6.** The Seller shall use, keep and maintain all CFE/BFE/GFE Material in accordance with the written instructions and directions of Plasan, or absent such instructions, it shall use, keep and maintain such CFE/BFE/GFE Material in accordance with best industry practices. The Seller shall maintain control records with respect to the CFE/BFE/GFE Materials, and such materials and records shall be subject to Plasan's inspection on Plasan's request.
- 8.7.** The Seller shall fully indemnify and hold Plasan harmless from and against any loss or damage to Plasan caused by damage to any CFE/BFE/GFE Material. The Seller shall obtain insurance covering the CFE/BFE/GFE Material against loss or damage naming Plasan as an insured and shall provide Plasan with insurance certificates evidencing the same.
- 8.8.** All CFE/BFE/GFE Materials shall be returned to Plasan, Plasan’s customer, or the government end-user (as the case may be) in the same condition as delivered hereunder, reasonable wear and tear and consumption of material during manufacture excepted.
- 8.9.** Upon completion of the PO or at such time as specified elsewhere in the PO, the Seller shall return the CFE/BFE/GFE Material to Plasan, Plasan’s customer or the government end user (as applicable), with appropriate packaging for F.O.B. point.
- 8.10.** Any scrap remaining from the materials following the Sellers completion of the PO shall be returned to Plasan or treated in accordance with Plasan’s instructions. In cutting materials, the Seller shall minimize wastage of material as much as possible and conform to specific percentage if any is provided in the PO.

9. Change Request Procedure

9.1. Plasan reserves the exclusive right at any time to make changes or modifications to any part of the SOW and delivery schedules, including without limit, to the drawings, specifications and materials. Plasan shall notify the Seller in writing of the applicable changes, providing full details of the changes (the “**Change Request**”). The Seller shall provide Plasan with a written change proposal within 10 days of receipt of the Change Request setting out its proposal for implementing the changes requested and the impact of the changes on delivery schedules, costs and other parts of the TDP and SOW (the “**Change Proposal**”). The Seller shall provide full cost and pricing details relating to the cost impact of the changes. Following the Change Request, the Seller shall also take action to implement the changes requested in a smooth and efficient manner. If justified based on the Change Proposal, Plasan shall make equitable adjustments to the price of the Parts and the applicable delivery schedule by notifying the Seller thereof in writing (the “**Change Notice**”).

9.2. While the Seller shall continue to work to put the changes requested into effect, the Seller shall have 5 business days to notify Plasan in writing if it does not agree to any of the equitable adjustments described in the Change Notice, providing full details of the reasons therefore. Failure to provide notice as aforesaid in the 5 business days will be deemed a full acceptance of the Change Notice. If the Seller provides such a notice in the time required, then Plasan and the Seller shall negotiate and exert all commercially reasonable efforts to reach agreement on the changes in price and delivery schedule. Failure to reach agreement within a reasonable time shall be considered a dispute between the Parties and shall be resolved under Section 18.2 below, but such dispute process shall not excuse the Seller from continuing to work in accordance with the changes.

10. Warranty

10.1. The Seller hereby warrants to Plasan that all Supplies delivered hereunder shall be free and clear of defects in workmanship, materials and, in the case of Supplies that are not built-to-print – free from defects in design, for a period of 5 years from the date of transfer of risk and title therein, or any other period stated in the PO or any of the attachments thereto (the “**Warranty Period**”). The warranty provided in this Section 10.1 shall be invalidated where the defects were caused by: (i) misuse of the Supplies in contradiction to written instructions provided to Plasan; or (ii) normal wear and tear of the Supplies.

10.2. In the event of non-compliance with the warranty stated in Section 10.1, provided that the Seller is notified of the defect thereof within the Warranty Period (or in the case of defects discovered shortly prior to the end of the Warranty Period, within 2 months from their discovery), the Seller shall, at its cost, repair or replace the defective Supplies within 30 days of such notification, unless any other time is stated in the PO. Seller shall also bare the costs of disassembly, transportation and re-installation

10.3. Failure to comply with Section 10.2 above shall entitle Plasan, in addition to any other rights and remedies available to it, to have the item repaired or replaced by itself or by any other third party, all charges and costs in connection therewith shall be borne by the Seller.

10.4. If 5% of all Supplies sold to Plasan contain the same or similar defects, then such defects shall be deemed to be serial defects. In such event, Plasan shall be entitled, at the sole cost of the Seller, to recall all products containing those Supplies affected by the serial defect and to return all such Supplies to the Seller. The Seller shall then, within a reasonable time, which unless agreed otherwise shall not be later than 30 days thereafter, be required to remedy the serial defects and to provide Plasan with satisfactory evidence that the defects have been remedied. If the Seller is unable to remedy the defects to Plasan’s satisfaction, then Plasan shall be entitled to have a third party remedy the defects or to reject all of the affected Supplies and to purchase replacements from any other source, all at the Seller’s sole expense and without prejudice to any other rights available to Plasan as a result of the Seller’s failure.

11. Fitness for Purpose

The Seller is aware of the intended use for the Supplies and the Seller shall immediately inform Plasan if it determines or becomes aware that the Supplies will not be fit for the particular purpose.

12. After Sales Services; Spare Parts; Obsolete Supplies

12.1. The Seller shall maintain the ability to provide after sales maintenance and support services and spare parts for a period of at least 15 years following delivery, unless a different time is mentioned in the PO. The price to Plasan for the spare parts will be in accordance with the most up-to-date price list, of an agreed upon price escalation formula if applicable.

12.2. The Seller shall be entitled to close the manufacturing line for the spare parts, provided the Seller gives Plasan 18 months prior written notice of its intention to do so so that Plasan may purchase quantities it will require to hold in stock. Thereafter, if Plasan so requests, the Seller shall be required to re-establish the manufacturing line and sell additional spare parts, provided the 15 year spare part period has not yet expired. In such circumstances an FAI will be required for the first Parts to come off the manufacturing line.

12.3. With respect to provision of after sales maintenance and support services, if the Seller wishes to cease providing such services, then it shall provide Plasan with 18 month written notification thereof and a list of alternate sources for the provision of such services at similar commercial rates provided by the Seller. If no such alternate sources acceptable to Plasan are available, then the Seller shall provide Plasan, at no extra cost, with all information, training and know how required by Plasan for it to be able to perform such maintenance and support on the Supplies.

13. Indemnification; Insurance

13.1. The Seller shall fully indemnify and hold Plasan, its officers, directors, employees, consultants and affiliates (each an “**Indemnified Party**”) harmless from and against all actions, claims (including without limit any third party claims), damages, losses and costs (including attorneys and court costs), incurred as a result of: (i) any breach of any of the provisions of these Terms, the PO or any attachments thereto; (ii) any defects in the Supplies; and (iii) any negligent act of the Seller. The Seller shall indemnify the Indemnified Party within 30 days of receiving written request thereof from the Indemnified Party.

13.2. The Seller shall purchase and maintain product liability insurance with a reputable insurer and under terms standard in the industry providing a minimum cover per claim and insurance term acceptable by Plasan and reasonable under the circumstances. The policy shall be valid for a period of not less than 5 years following delivery of the Supplies and Plasan shall be named as a first lost payee under the policy. The insurance company shall also be required to agree that it shall not terminate the insurance policy without providing Plasan with

60 days prior written notice thereof. The Seller shall provide Plasan with a copy of the insurance certificate if Plasan so requests.

14. Incorporation of Flow Down Terms

If the PO or any attachment thereto provides that any FAR, DFAR, DEFCON provisions or other terms of prime contracts must be flowed down to the terms hereof, then such terms shall be incorporated herein by reference and where they conflict with any provisions hereof, those incorporated terms shall prevail.

15. Intellectual Property.

15.1. The Seller hereby represents and warrants that it owns or has appropriate licenses to all proprietary rights and know how (“**Intellectual Property Rights**”) it uses in fulfilling the PO and that Plasan’s use of the Supplies shall not expose Plasan to any claims by third parties of infringement on their Intellectual Property Rights. In addition to the indemnification Plasan shall be entitled to under Section 13 above in the event of any third party infringement claims, the Seller shall be required to obtain for Plasan appropriate authority to use the Supplies from any third parties successfully asserting rights with respect to the Intellectual Property Rights.

15.2. If the PO provides for development of Intellectual Property Rights at Plasan’s expense, then such Intellectual Property Rights shall be considered as work made for hire and all rights, title and interest therein shall be exclusively owned by Plasan. The Seller shall, at Plasan’s expense, sign all documents and take all action necessary in such circumstances to allow Plasan to utilize and protect such Intellectual Property Rights anywhere in the world.

15.3. Except as provided in Section 15.2 above, nothing contained herein shall be deemed to transfer any of the Seller’s Intellectual Property Rights to Plasan. However, Plasan shall not be restricted from using the Supplies for the reasons that it purchases them.

15.4. Nothing herein shall be deemed as granting the Seller any rights in any of Plasan’s Intellectual Property Rights, except as may be required and specifically authorized by Plasan for the purpose of fulfilling the PO. Nothing contained herein shall be deemed to be or put into effect any transfer, assignment or other disposition of Plasan’s Intellectual Property Rights.

16. Confidential Information.

16.1. The Seller shall keep the PO, all information, samples, Plasan Tooling, material, specifications, drawings and designs provided by Plasan in connection with the PO or otherwise consisting of Plasan’s Intellectual Property Rights in accordance with Section 15.2 (the “**Confidential Information**”) safe from unauthorized disclosure or leakage and not disclose any such Confidential Information to any other party or use it in any manner other than as strictly permitted by Plasan. The Seller shall not copy any of the Confidential Information without Plasan’s written permission.

16.2. The Seller shall not release to the public any information regarding its activities for Plasan without Plasan’s prior written consent as to the form and content of such releases.

16.3. The Seller shall not reverse engineer, decompile or otherwise breakdown the Confidential Information into component parts.

16.4. If Plasan and the Seller have entered into a separate non-disclosure agreement that is related to the contents of the PO, then such non-disclosure agreement shall continue to apply and shall prevail over any discrepancies contained in this Section 16.

17. Injunction

Sections 15 and 16 shall survive any termination or expiration of these Terms and in the event of any breach of such sections, the injured party shall be entitled to obtain injunctive and other appropriate equitable relief against the other party to prevent the continuance of such breaches.

18. Export Compliance

18.1. The Seller shall identify in good time, those Supplies that require an export license or are subject to any non-Israeli re-export regulations binding on Plasan, such as, without limit, the U.S. export control laws and regulations, specifically including, but not limited to, the requirements of the Arms Export Control Act, 22 U.S.C.2751-2794, including the International Traffic in Arms Regulation (ITAR), 22 C.F.R. 120 et seq.; and the Export Administration

Act, 50 U.S.C. app. 2401-2420, including the Export Administration Regulations, 15 C.F.R. 730-774; including the requirement for obtaining any export license or agreement, if applicable.

18.2. Seller agrees to comply with all applicable export laws. Without derogating from the generality of the foregoing, the Seller agrees that if the Supplies are controlled by ITAR, then it will not transfer any export controlled item, data, or services related thereto, including transfer to foreign persons employed by or associated with, or under contract to Seller or Seller's lower-tier suppliers, without the authority of an appropriate export license, agreement, or applicable exemption or exception.

19. Miscellaneous

19.1. 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.

19.2. Dispute Resolution; Governing Law The parties agree to exert best efforts to amicably resolve any dispute or claim arising from this PO. If a dispute is not resolved within a reasonable time, then the dispute shall be put in the hands of each party's Chief Executive Officers (CEOs) and the CEOs shall exert good faith efforts to resolve the dispute amicably through negotiation. Failing negotiation within a reasonable time, either party may seek resolution in the courts in accordance with this Section 18.2. Where the PO is issued by Plasan Sasa Ltd., then 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. Where the PO is issued by Plasan North America, Inc., then these Terms shall be construed and governed by the laws of the State of New York, without reference to its conflicts of laws provisions and the parties submit solely and exclusively to the jurisdiction of the competent courts of the courts of the Southern District of New York.

19.3. 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. In the case that a force majeure event prevents delivery of Supplies by more than 30 days past their delivery schedule date, then Plasan shall be entitled to cancel the PO and purchase the Supplies from alternate sources.

19.4. If any part of these Terms is 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 affected.

19.5. The Seller shall not assign any of its rights or obligations hereunder in whole or in part to a third party without Plasan's prior written approval.

19.6. Notices shall be in writing and shall be effectively delivered personally, or by registered mail, or by fax or email (following confirmation of receipt), to the Attention of the Manager of the Purchasing Department: