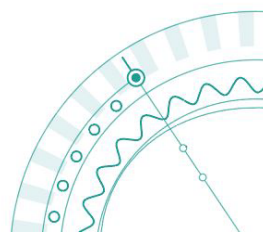




## NETZER PRECISION MOTION SENSORS TERMS AND CONDITIONS OF SALE

All quotations, purchase orders, order confirmations, order acknowledgments, invoices or any other form (**in any media**) for placing orders for goods or services from Netzer Precision Motion Sensors Ltd. ("**Order**") are expressly subject to the terms and conditions of Sale ("**Terms and Conditions**") set forth herein. Netzer Precision Motion Sensors Ltd. is hereafter referred to as "**Seller**", and the original purchaser of the products or services of Seller (**collectively, "Goods"**) is hereafter referred to as "**Buyer**".

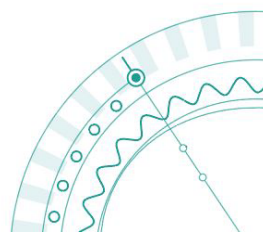
- **OFFER AND ACCEPTANCE** – Any Order is subject to the terms and conditions set forth herein, and any additional or different terms are rejected unless expressly agreed in writing by an officer of Seller, notwithstanding any prior transactions or course of dealing between Buyer and Seller. No Order of any kind between Buyer and Seller shall be binding on Seller unless and until Seller accepts it. Seller's acknowledgement and acceptance of Buyer's Order is expressly made conditional upon Buyer's assent to all of these Terms and Conditions and upon no other terms and conditions. Seller hereby objects to and rejects any other terms and conditions (at variance with, different from or additional to these Terms and Conditions) unless such terms and conditions are hereafter agreed to in writing by Seller. Buyer shall be deemed to have consented to these Terms and Conditions by placing an Order. Acceptance by Seller of Buyer's Order on these Terms and Conditions shall be deemed to take place upon acknowledgement either electronically or in writing of Buyer's Order.
- **PRICE** – All prices for Goods are quoted and payable in the price quotation currency, unless otherwise agreed by Seller in writing. All prices are EXW Seller's facility in Israel or if otherwise agreed to in writing when tendered to Buyer's transportation carrier at one of Seller's affiliate's facilities (any of the foregoing facilities referred to hereinafter as "Seller's Facility"), unless otherwise agreed by Seller in writing.
- **TAXES** – Prices do not include any taxes. Any taxes which, under any applicable law, Seller may be required to pay or collect with respect to the sale, purchase, delivery, storage, processing, use, consumption or transportation of any of the Goods under Buyer's Order, shall be paid by Buyer to Seller on Seller's demand, as detailed in an Order.
- **DELIVERY; RETENTION OF TITLE** – Delivery dates of any Goods under an Order are approximate, are provided for the convenience of Buyer, and, subject to reasonable deviation, shall not be binding upon Seller or considered material to the performance





of these Terms and Conditions. Shipping schedules and shipping commitments are based upon current production capabilities, material availability and inventory, and may be changed by Seller at Seller's option as conditions may require. The Goods shall be sold and delivered EXW Seller's Facility, and delivery of Goods to Buyer shall be deemed to have taken place upon tender of the Goods to Buyer's transportation carrier ("Delivery"). Shipments in installments shall be permitted. Notwithstanding the foregoing, title to and ownership of the Goods sold shall remain vested in Seller until full payment of the purchase price (inclusive of any taxes incurred by Seller, including VAT) for the Goods by Buyer; until such time, Buyer shall in all cases, and particularly in the context of any proceedings undertaken by creditors and subject to applicable law (i) ensure that the Goods are clearly identified as not being the property of Buyer; (ii) refrain from creating or allowing the creation of any preferential right, security interest, lien or charge over the Goods; (iii) protect the Goods against any attempt to seize or otherwise gain possession of the Goods; and (iv) clearly inform third parties that Seller retains title thereto and ownership thereof.

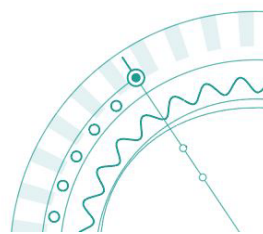
- **RISK OF LOSS** – Seller disclaims any and all liability and Buyer agrees to assume all risk for loss of, or damage or injury to, the Goods from the time of Delivery and for all risk of loss arising out of any delay in shipment of the Goods after Delivery, or if shipment is deferred by an act or omission of Buyer, from the time the Goods are completed and ready for shipment, and Buyer shall be liable for the full Order purchase price (inclusive of any tax payment incurred by Seller) including, without limitation, in case the Goods are lost, stolen, damaged or destroyed.
- **INSPECTION, ACCEPTANCE AND RETURN OF GOODS** – Buyer shall have thirty (30) days from the date of delivery of the Goods to inspect the Goods and to determine whether the Goods: (a) conform to the Order, or other shipping document, as applicable, or, (b) are damaged, visibly defective or otherwise nonconforming. Buyer must assert any claim for the foregoing within such thirty-day period by furnishing Seller with detailed written information of such damage, nonconformance, defect or shortage to [sales@netzerprecision.com](mailto:sales@netzerprecision.com). In the event such assertion of claim is not made within such thirty-day period, Buyer shall be deemed to have accepted the Goods. No returns can be made without the prior authorization of Seller and a pre- assigned return authorization number issued by Seller. All returns are subject to final inspection and acceptances by Seller, effective upon issuance of Return Material Authorization Number ("**RMA Acceptance**"). When non-conformity and/or defect of the Good is not due to Seller's actions, they are subject to handling and re-inspecting charge of US\$ 200. All returns shall be in accordance with Seller's specific shipping instructions and in accordance with applicable law, and any and all costs related thereto shall be borne by the Buyer. All such returned Goods must be received within





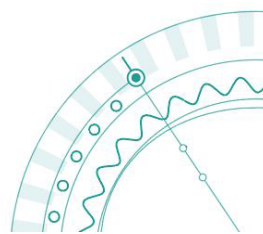
20 days of the RMA Acceptance. The returned Goods must be the product specified, and matching serial number as on the approved RMA Acceptance form. No returns will be authorized for any packages returned without an applicable RMA Acceptance number and/or mismatching form. Seller shall be solely responsible for the returned Goods until received by Seller. In case Seller finds, at its sole discretion, (i) the returned Goods to be non-conforming and/or defective due to misuse, abuse, modification, alteration or use other than as confirmed in writing by Seller, (ii) the returned Goods to be conforming and/or non-defective, or (iii) the returned Goods are non-conforming and /or defective not due to Seller's actions (collectively, "**Buyer's Liability Claim**"), Seller will charge Buyer the applicable processing fee of US\$ 200, and the shipment of such repaired or replacement Good shall be borne by Buyer.

- **PAYMENTS** – All invoices issued pursuant to an Order shall be due and payable in full, without set-off or reduction, within thirty (30) days, unless payment for the Goods is due in full upon delivery or in advance, as detailed in a proposal or Order... Buyer shall pay an interest charge of one and one-half percent (1 ½%) per month or part thereof, or the highest rate permitted by applicable law, whichever is less, on any amount past due and owing by Buyer to Seller on any invoice until paid in full to Seller. Buyer shall bear and promptly pay to Seller, upon Seller's first demand, any and all costs, expenses and fees, including, without limitation, reasonable attorneys' fees and costs, incurred by Seller in enforcing any of Seller's rights under this Order or to receive or collect any amounts owing from Buyer.
- **LIMITED WARRANTY** – Seller warrants that (a) Seller has the right to convey good title to the Goods sold hereunder and, upon Buyer's payment in full therefore, Buyer shall have good title in and to such Goods, and (b) the Goods manufactured by Seller and sold hereunder to original Buyer are free from defects in material and workmanship occurring under normal use and conform, as applicable, to (i) Seller's specifications for stocked Goods, or (ii) Buyer's specifications for the Goods if provided by Buyer to Seller and confirmed by Seller and/or the specifications as indicated on the applicable Seller drawing (to the extent applicable). Seller's warranty is limited to a period of 2 years from the date of shipment from Seller's Facility or the expected life of the Goods, whichever is shorter (the "**Warranty Period**"). The Goods shall be subject to tolerances and variations consistent with usual industry practices or with Seller's current parts/engineering catalogs where applicable. Seller assumes no design liability for specifications agreed upon, reviewed or provided by Buyer. This limited warranty does not apply to any Goods misused, abused, modified, altered or used other than as approved in writing by Seller, all as determined by Seller's inspection of the non-conforming goods, in Seller's sole discretion. If any defect in material or workmanship occurs during the



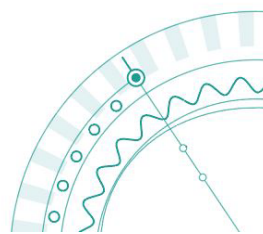
applicable Warranty Period in any of the Goods, as determined by Seller's inspection of the non-conforming Goods, in Seller's sole discretion, Buyer's sole and exclusive remedy shall be as set forth in the section entitled "BUYER'S SOLE AND EXCLUSIVE REMEDY; LIMITATION ON LIABILITY" in these Terms and Conditions.

- **WARRANTY DISCLAIMER** – Other than the limited warranty set forth in the section entitled "LIMITED WARRANTY" in these Terms and Conditions above, and to the fullest extent permitted by applicable law, Seller makes no other warranties, express or implied, of any kind, with respect to the Goods, including, without limitation, any warranties as to accuracy, functionality or performance. To the fullest extent permitted by applicable law, Seller expressly disclaims all other warranties, express, implied or statutory with respect to the Goods, including, without limitation, the warranties of nonconformance, latent defects, merchantability and fitness for a particular purpose and any warranties arising from trade usage, course of dealing or course of performance. Any performance estimates described in an Order, or in any of Seller's written or electronic or magnetic media proposals or quotations, are only estimates and are not intended as an express warranty. Any samples submitted by Seller to Buyer, and any descriptions, illustrations, or forecasts in trade literature, brochures, or other documentation or electronic or magnetic media provided prior to an Order confirmation, shall not be construed as warranties as to substance, performance, quality, weight or dimension, and any failure to conform with such samples, descriptions, forecasts or illustrations shall not constitute any breach of an Order or these Terms and Conditions. No sales personnel, employees, agents or representatives of seller or any third party are authorized to make any representation, warranty or covenant, whether in writing or orally, on behalf of seller, other than the limited warranty in the section entitled "LIMITED WARRANTY" in above.
- **BUYER'S SOLE AND EXCLUSIVE REMEDY; LIMITATIONS ON LIABILITY** -Except with respect to infringement of any patent or copyright by the Goods, and subject to the section entitled "LIMITED WARRANTY" in these Terms and Conditions and to the fullest extent permitted by applicable law, Seller's sole obligation and liability to Buyer, and Buyer's sole and exclusive remedy with respect to defective or otherwise nonconforming Goods is limited, in Seller's discretion, to either: (a) replacement (not including labor in case of Buyer's Liability Claim) of the non-conforming Goods and delivery to Buyer free of charge to the same location of original shipment; (b) repair (not including labor in case of Buyer's Liability Claim) of the non-conforming Goods and delivery to Buyer free of charge to the same location of original shipment; or (c) refund of Buyer's nominal purchase price for the non-conforming Goods (without interest or price index adjustments). If requested by Seller and at Seller's expense, Buyer shall return to Seller any Goods which are replaced or for which Buyer receives

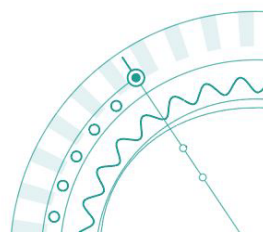


a refund, provided that in any such event, Buyer has complied with Seller's return policies and procedures stated herein and/or conveyed to Buyer by Seller. Buyer waives any right to any remedies for nonconforming goods otherwise available at law or statute other than those expressly stated in this section or the section entitled "INTELLECTUAL PROPERTY INDEMNITY" below. Other than as expressly set forth in this section and the section entitled "INTELLECTUAL PROPERTY INDEMNITY" below and to the fullest extent permitted by law, Seller shall not be liable to Buyer for any direct, incidental, indirect, special, punitive, exemplary, tort or consequential damages, including but not limited to any damages for business interruption, loss of revenues, profits or savings, loss of data, procurement, product recall, product removal or reinstallation, increased overhead, injury to reputation or loss of customers, indemnity or reimbursement for any claims asserted against Buyer by a third party arising directly or indirectly from the manufacture, delivery, sale, use, installation, assembly, disassembly or recall of the Goods, regardless of cause or form of action asserted by Buyer, whether in contract, tort, strict liability, statutory liability or otherwise, and whether or not such damages were foreseen, unforeseen or foreseeable, even if Seller has been advised of the possibility of such damages. Notwithstanding the foregoing, in any event, including in the event the terms of this section, or any part thereof, shall be held invalid or unenforceable by a court of competent jurisdiction, Seller's total aggregate liability to Buyer under any Order and these Terms and Conditions shall not exceed the purchase price of the Goods actually paid by Buyer to Seller, giving rise to such claim. If not permitted by applicable law, this section shall not relieve Seller from liability for damages that result from any gross negligence or willful or tortious acts of Seller.

- **TECHNOLOGICAL CHANGES OR IMPROVEMENTS** – Notwithstanding any other provision hereof, and subject to applicable law, Seller reserves the right, without prior notice, at any time and from time to time, to make changes in: (a) any formula, data, tables, dimensions, materials and/or processes used in the manufacture of the Goods; or (b) to make changes in the design, specifications and capacities of any of the Goods; or (c) to discontinue manufacturing or supplying any of the Goods.
- **SUSPENSION OF PERFORMANCE; SET-OFF** – If, in Seller's sole judgment, reasonable doubt exists as to Buyer's financial ability, or if Buyer is past due in payment of any amount owing to Seller, Seller reserves the right, without liability and without prejudice to any other remedies, to suspend performance, decline to ship, or stop any material or the Goods in transit, until (i) Seller receives payment of all amounts owing to Seller, or (ii) adequate assurance of such payment has been made by Buyer to Seller's satisfaction.



- **INTELLECTUAL PROPERTY INDEMNITY** – Notwithstanding anything to the contrary contained in these Terms and Conditions, as Buyer's sole and exclusive remedy with respect to infringement of any third party patent or copyright by the Goods, and subject to the section entitled "LIMITED WARRANTY" in these Terms and Conditions, Seller shall indemnify, defend and hold harmless Buyer from and against any and all costs and damages awarded against Buyer by final verdict of any lawsuit, arbitration or similar proceeding with respect to any actual violation or infringement by the Goods manufactured by Seller ("**Claim**"), provided that Buyer provides to Seller prompt written notice and complete support, including, without limitation, documentation and witnesses as requested by Seller, but only if the alleged infringement is solely related to Seller's design, processes or methods and not Buyer's designs, specifications or instructions to Seller, in which latter event the section entitled "INDEMNIFICATION OF SELLER" below shall apply. Seller shall have the right to control the defense of any such Claim, including, without limitation, authority to settle any such Claim and select counsel. As part of Buyer's sole and exclusive remedy with respect to infringement of any third party patent or copyright by the Goods, Seller shall, at its sole discretion, (a) obtain a license or right for Buyer to continue to use and sell the Goods, (b) redesign the Goods subject to the Claim to make them non-infringing, (c) deliver non-infringing products to Buyer, or (d) refund the purchase price actually paid by Buyer for the infringing Goods upon return of said Goods to Seller as specified by Seller. The foregoing represents Seller's entire and exclusive obligation, and Buyer's sole and exclusive remedy, with respect to any such Claim regarding the Goods.
- **INDEMNIFICATION OF SELLER** – Buyer shall indemnify, defend and hold harmless Seller and its officers, directors, employees, agents, shareholders, affiliated companies and their respective successors and assigns from and against any and all claims relating to, in connection with or arising from: (a) any breach by Buyer of any provisions of these Terms and Conditions; (b) any claim or suit for actual or alleged violation or infringement of any Seller or third party intellectual property right infringement, including without limitation to patent or copyright infringement, arising from Buyer's designs, specifications or instructions to Seller; (c) any unauthorized modification, alteration, adaptation or use of the Goods; and (d) any claim or suit for damages arising from acts, representations or omissions of Buyer related to Buyer's sale of the Goods, use of the Goods or incorporation of the Goods into a product or part thereof. Seller shall have the right to control the defense of any such claim, including, without limitation, sole authority to settle any such claim and seek reimbursement from Buyer and select counsel.
- **TOOLS, DIES, FIXTURES AND TECHNICAL DATA** – Unless otherwise required by applicable law, any tools, dies, fixtures or technical data that Seller or Seller's

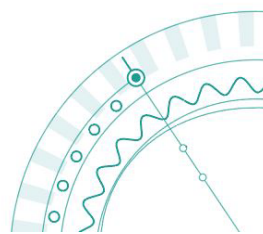






affiliates may develop for use in production or supply of the Goods shall remain the sole property of Seller or Seller's affiliates, respectively, and shall be subject to the confidentiality provisions set forth herein.

- **CONFIDENTIALITY; NO LICENSE** – Buyer shall not use, disclose, sell, license, publish, reproduce or otherwise make available Seller's Confidential Information (as defined below), and Buyer shall secure and protect Seller's Confidential Information in a manner at least as robust as the maintenance of Buyer's confidential and proprietary rights, but in no event using less than reasonable efforts. "Confidential Information" means information not generally known by persons who are not employees of Buyer or Seller, respectively, which is used by either Buyer or Seller, and is proprietary to Seller. Such non-disclosure obligations shall not apply in case Buyer is compelled by court or government action pursuant to applicable law to disclose such information ("**Decree**"), provided, however, that, to the extent permitted under such Decree, Buyer gives Seller prompt notice thereof so that Seller may seek a protective order or other appropriate remedy, and further provided that in the event that such protective order or other remedy is not obtained, Buyer shall furnish only that portion of the Confidential Information which is legally required, and shall exercise all efforts required to obtain confidential treatment for such information. Buyer acknowledges and agrees that disclosure of Seller's Confidential Information would be detrimental to Seller. Buyer agrees that in the event of a breach of this confidentiality provision, Seller and/or Seller's affiliates shall be entitled to obtain injunctive relief against Buyer, without bond but upon due notice, in addition to such other relief as may appertain at law or in equity, and shall be entitled to all costs of suit, including reasonable attorney's fees, related to enforcement of this section.
- **LIMITATION ON ACTION** – Any action or suit against Seller or Seller's affiliates (if applicable) arising in any way from or with respect to these Terms and Conditions, any Order or the Goods must be commenced not later than [one (1) year] after the cause of action has arisen.
- **EXPORTS** – All sales, shipments, and sharing of technical data, both domestically and internationally, by Seller, its divisions, and subsidiaries, are done so in accordance with all applicable laws and regulations in the State of Israel.
- **FORCE MAJEURE** – Seller shall not be liable for any failure to perform any of its obligations in accordance with an Order, including, without limitation, failure to deliver the Goods, caused for any reason, in whole or in part, beyond Seller's reasonable control, including, but not limited to, production schedules of Seller's





suppliers, unavailability of materials, labor disturbances, pandemics and epidemics, acts of God, fire, flood, weather, terrorism or transportation difficulties.

- **CANCELLATION** – Except as set forth in this section, any Order may be cancelled or modified only by written agreement between Buyer and Seller. Subject to applicable law, Buyer's insistence upon canceling or suspending fabrication or shipment, or Buyer's failure to furnish specifications when required, may be treated by Seller as a breach of contract by Buyer, and Seller may cancel any unshipped balance of Goods without prejudice to any other remedies Seller may have. Any Order priced not more than US\$ 1,500, may be cancelled by Buyer at any time following the Order and until shipment of the Goods. Any Order priced in excess of US\$ 1,500 may be cancelled from the date such Order is accepted by Seller until its shipment, subject to payment of 50% of the Order to Seller.
- **ENTIRE AGREEMENT** – These Terms and Conditions, together with the other documents expressly referred to herein constituting an Order, constitute the entire agreement under which Seller is supplying the Goods for sale to Buyer. No other terms, condition, or understanding, whether oral or written, shall be binding upon Seller, unless concurrently herewith or hereafter made in writing and signed by Seller's authorized representative.
- **NO WAIVER** – No waiver of any term, provision, covenant or condition of these Terms and Conditions by Seller, whether by conduct or otherwise, in any one or more instances, shall be deemed or construed as a further or continuing waiver of any such term, provision, covenant or condition or as a waiver of any other term, provision, covenant or condition hereof.
- **SUCCESSORS AND ASSIGNS** – The rights, duties, agreements and obligations hereunder, or any portion thereof, shall be binding upon and inure to the benefit of Seller and Buyer and their respective successors and assigns.
- **GOVERNING LAW; U.N. CONVENTION ON THE SALE OF GOODS; JURISDICTION** – These Terms and Conditions and any Order thereunder, and all the rights and duties of the parties arising from or relating in any way to the subject matter therefrom, shall be governed by, construed and enforced in accordance with the laws of the State of Israel, without regard to any conflict of laws rules. The rights and obligations of Buyer and Seller shall not be governed by the provisions of the United Nations Convention on Contracts for the International Sale of Goods. Any suit or proceeding relating to this Order or the Goods may be brought in the competent courts of the State of Israel.

