

TERMS AND CONDITIONS OF SALE

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TERMS AND CONDITIONS OF SALE

All quotations and sales by Arrow Electronics Inc. and/or Arrow/Rapac Ltd. (Arrow Israel) its subsidiaries or affiliates ("Arrow") are subject to these terms and conditions.

1. Except as otherwise set forth on the front of an Arrow invoice or acknowledgment, terms of payment are net 30 days from invoice date, prices are FOB Arrow's facility (as defined in the Uniform Commercial Code); and prices do not include any taxes, freight, handling, duty or other similar charges, payment of which will be the sole responsibility of customer. Prices are conditioned upon timely payment and any past due balance will accrue interest at the monthly rate of one and one-half percent. Freight charges may be constructed on the basis of standard carrier tariffs and may not reflect actual transportation costs. Arrow reserves the right to modify terms prior to shipment, require payment in advance, or delay or cancel any shipment or order by reason of customer's creditworthiness or should customer fail to fulfill any obligation when due.

2. In the absence of prior agreement as to shipping, Arrow may select a carrier. Arrow's responsibility for any loss or damage ends, and title passes, when products are delivered to the carrier, to customer, or to customer's agent (including, without limitation, any lessor or value added service provider), whichever occurs first. Customer will pay for storage charges if Arrow holds products at customer's request pending instructions or rescheduled delivery.

3. Arrow warrants those products assembled or customized by it against defects caused solely by faulty assembly or customization for 90 days after delivery. All other products, and the components and materials utilized in any assembled or customized products, are covered by, and subject to, the terms, conditions, and limitations of the manufacturer's standard warranty, which warranty is expressly in lieu of any other warranty, express or implied, of or by Arrow or the manufacturer. Customer's exclusive remedy, if any, under these warranties is limited, at Arrow's election, to any one of (a) refund of customer's purchase price, (b) repair by Arrow or the manufacturer of any products found to be defective, or (c) replacement of any such product. Customer acknowledges that except as specifically set forth or referenced in this paragraph, THERE ARE NO REPRESENTATIONS OR WARRANTIES OF ANY KIND (INCLUDING, WITHOUT LIMITATION, IN ADVERTISING MATERIALS, BROCHURES, OR OTHER DESCRIPTIVE LITERATURE) BY ARROW OR ANY OTHER PERSON, EXPRESS OR IMPLIED, AS TO THE CONDITION OR PERFORMANCE OF ANY PRODUCTS, THEIR MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE. ARROW ASSUMES NO RESPONSIBILITY OR LIABILITY WHATSOEVER FOR MANUFACTURER'S PRODUCT SPECIFICATIONS OR THE PERFORMANCE OR ADEQUACY OF ANY DESIGN OR SPECIFICATION PROVIDED TO ARROW BY OR ON BEHALF OF CUSTOMER. Use of the customer's part number on any document or on any products is for convenience only and does not constitute any representation by Arrow with respect to the performance, specifications, or fitness of any part for any purpose.

4. Arrow retains a purchase money security interest in all products sold by Arrow to customer, and in the proceeds of any resale of such products, until the purchase price and any other charges due to Arrow have been paid in full. Upon any breach by customer of these terms and conditions, Arrow will have all rights and remedies of a secured party under applicable law, which rights and remedies will be cumulative and not exclusive. Customer is responsible for all costs and expenses incurred by Arrow in collecting any sums owing by customer (which may include, but are not limited to, collection agency and reasonable attorneys' fees). Arrow shall have the right to offset any sum owed by Arrow or any Arrow subsidiary to Customer against any sum owed by Customer to Arrow or any Arrow subsidiary. This Terms & Conditions and any transaction or matter arising out of the business relationship between Arrow and customer, shall be governed by and constructed in accordance with the substantive laws of Israel, without reference to any choice of law principles thereof. The competent courts in Tel-Aviv shall have exclusive jurisdiction over any such dispute between Arrow and customer.

5. Distributor shall order products by issuing written purchase orders ("Orders"). Order issued to Arrow shall include the following details: (i) quantity of the products being purchased; (ii) detailed

specification of the products being purchased; (iii) the required delivery date, provided that the date specified in the Order shall be not shorter than Arrow's lead time for the destination of the delivery. For the avoidance of doubt if the delivery date specified in the Order is shorter than Arrow's lead time, Arrow shall be obligated to deliver the products not before Arrow's published lead time; and (iv) any additional information necessary for Arrow to supply Customer with products that meet the requirements of the end customer. Arrow shall not be obligated to comply with those requirements, but will take reasonable measures to meet such requirements.

6. Arrow may amend the prices of the products at its sole discretion upon a fifteen (15) days written notice to customer. Such changes shall not apply to Orders received and approved in writing by Arrow prior to Arrow's above mentioned notification or to be supplied before the end of the above 15 days.

7. Products are deemed accepted by customer unless customer notifies Arrow in writing within 10 days of delivery of product shortages, damage or defect. No returns may be made for any reason without a Return Authorization Form Issued by Arrow. If customer refuses to accept tender or delivery of any products or returns any products without authorization from Arrow, such products will be held by Arrow awaiting customer's instruction for 20 days, after which Arrow may deem the products abandoned and dispose of them as it sees fit, without crediting customer's account.

8. Arrow will not be liable for any failure or delay in its performance or in the delivery or shipment of products, or for any damages suffered by customer by reason of such failure or delay, when such failure or delay is caused by, or arises in connection with, any fire, flood, accident, riot, earthquake, severe weather, war, governmental interference or embargo, strike, shortage of labor, fuel, power, materials or supplies, delay in delivery by Arrow's suppliers or any other cause or causes beyond Arrow's reasonable control. Arrow reserves the right to cancel without liability any order, the shipment of which is or may be delayed for more than 30 days by reason of any such cause. Arrow reserves the right to allocate in its sole discretion among customers or potential customers, or defer or delay the shipment of, any product which is in short supply.

9. This document, and not any purchase order or other customer document (which, if construed to be an offer is hereby rejected), will be deemed an offer or counter-offer and is a rejection of any other terms or conditions. Customer, by accepting any products, making any payments or ordering any products having previously received these terms and conditions, will be deemed to have assented to these terms and conditions, notwithstanding any terms contained in any prior or later communication from customer and whether or not Arrow will specifically or expressly object to any of customer's terms. Arrow's failure to object to any document, communication or act of customer will not be deemed a waiver of any of these terms and conditions. Any addition or change to these terms and conditions must be specifically agreed to in writing by a duly authorized officer of Arrow before becoming binding on Arrow.

10. All rights in technical data and software owned or licensed by Arrow or the manufacturer are hereby reserved and deemed restricted or limited. Unless specifically otherwise agreed in writing by Arrow, customer acknowledges that products sold by Arrow are not intended for and will not be used in life support systems, human implantation, nuclear facilities or systems or any other application where product failure could lead to loss of life or catastrophic property damage. Customer will indemnify and hold Arrow harmless from any loss, cost or damage resulting from customer's breach of the provisions of this paragraph.

11. Customer undertakes to treat as business secrets all commercial and technical information, which becomes known to him as a result of the business relationship with Arrow. Drawings, models, templates, samples and similar objects may not be passed on to third parties, unless Arrow has previously authorized such transfer in writing. The duplication of such objects/data is only admissible within the limits of operational requirements and copyright regulations. Subcontractors of Customer are to be placed under a corresponding obligation.

12. Products may be subject to export or resale restriction or regulation, and customer acknowledges that it will comply with such restrictions and regulations. Any statement as to product country of origin, Export Control Classification Number, or compliance with applicable law (including, without limitation, that products are lead-free or RoHS compliant) is as provided to Arrow by its suppliers, and Arrow does not warrant its accuracy and will not be liable for any error with regard to same. Customer uses such information at its own risk.

13. Except for the warranty coverage referenced in paragraph 3, above, NEITHER ARROW NOR ITS SUPPLIERS WILL HAVE ANY LIABILITY OR OBLIGATION TO CUSTOMER OR ANY OTHER PERSON FOR ANY CLAIM, LOSS, DAMAGE, OR EXPENSE CAUSED IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, BY THE INADEQUACY OF ANY PRODUCTS FOR ANY PURPOSE, BY ANY DEFICIENCY OR DEFECT IN ANY PRODUCT (WHETHER OR NOT COVERED BY ANY WARRANTY), BY THE USE OR PERFORMANCE OF ANY PRODUCTS OR BY ANY FAILURE OR DELAY IN ARROW'S PERFORMANCE HEREUNDER, OR FOR ANY SPECIAL, DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, HOWEVER CAUSED. INCLUDING, WITHOUT LIMITATION, PERSONAL INJURY OR LOSS OF BUSINESS OR PROFIT' WHETHER OR NOT CUSTOMER WILL HAVE INFORMED ARROW OF THE POSSIBILITY OR LIKELIHOOD OF ANY SUCH DAMAGES.

14. The performance of any value-added service may void the manufacturer's warranty and render products non-returnable. Orders incorporating such services are, accordingly, non-cancelable and the products are non-returnable, any third party value-added service provider is deemed to be an agent of customer.

15. Any software or other intellectual property Included in or relating to products is supplied by its manufacturer or licensor. Arrow makes no representation or warranty with respect thereto and will have no liability in connection therewith. Customer agrees to comply with all requirements with regard to proprietary and similar rights in and to any intellectual property (including any requirement to enter into a separate license agreement and prohibitions against duplicating or disclosing the same), even if Arrow has broken the seal on any "shrink wrapped" software. If Customer provides Arrow with any intellectual property, Customer warrants that it has all necessary legal rights to such property. Customer will indemnify Arrow against and hold it harmless from any and all liability, cost or expense arising from a breach or purported breach of the requirements described in this section.

16. Arrow may assign accounts receivable to an Arrow affiliate. In order to defray the cost of customer account administration, any credit balance or other sum owed to customer which remains unclaimed by customer for a period of twelve months will become the property of Arrow.

17. No order or Customer obligation may be cancelled, rescheduled, reconfigured, or assigned without Arrow's prior written authorization and, in such event, customer will be liable to Arrow for any additional costs and expenses Incurred by Arrow. Prices are subject to change by Arrow upon customer rescheduling or reconfiguration of orders. Prices are also subject to change in response to supplier price increases or if a price has been quoted in error, whereupon, customer may cancel the undelivered portion of any affected order by delivering written notice to Arrow prior to the shipment thereof and within 10 days of its receipt of notice of the price Increase.

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