

PURCHASE ORDER TERMS AND CONDITIONS

1. ACKNOWLEDGMENT AND ACCEPTANCE. This Purchase Order (“Order”) is expressly limited to the terms and conditions set forth herein and the terms hereof shall govern unless Orbotech, Inc. (“Buyer”) accepts Seller’s terms in writing. Buyer hereby expressly rejects any additional or different terms contained in any of Seller’s documentation. Seller’s (a) written acceptance on the reverse of this Order or otherwise, (b) delivering materials hereunder, (c) beginning the performance of services called for hereunder or (d) acceptance of payment hereunder shall constitute an unqualified acceptance of these Purchase Order Terms and Conditions, creating a binding contract between Buyer and Seller.

2. PRICE. This Order shall not be filled at prices higher than those shown on the Order unless such increased prices have been authorized by the Buyer. Seller represents that the price(s) to be paid by Buyer does not exceed the price(s) to be paid by any other customer of Seller for goods or services which are the same or substantially similar and purchased in similar quantities and for delivery on similar dates, and Seller will refund any amounts paid by Buyer in excess of such price(s).

3. SHIPPING INSTRUCTIONS. Shipment shall be made via the most economical route and in a single shipment unless otherwise instructed in this Order. Seller shall furnish for each shipment a receipted bill of lading or other receipts from the carrier. No charge shall be made for packing, crating, storage, insurance, shipping, or delivery expense unless authorized by Buyer in this Order. Buyer reserves the right to return overshipments or shipments made in advance of the scheduled deliveries at Seller’s expense. Buyer’s count and weight shall be accepted as final and conclusive if a packing slip is not enclosed with shipment. Time and rate of deliveries are of the essence regarding this Order. Buyer reserves the right to cancel this Order and reject the goods upon default by Seller in time, rate or manner of delivery.

4. PAYMENT. All invoices shall be rendered in duplicate, state the F.O.B. and the shipping point, discount terms, purchase order number, item numbers and any applicable taxes. Whenever any discount is applicable, freight and similar charges shall be itemized separately. A bill of lading or express receipt must accompany each invoice. Payment of invoice shall not constitute acceptance of goods or services and shall be subject to adjustment for errors, shortages, defects in goods or services or other failure of Seller to meet the requirements of this Order.

5. ASSIGNMENT. Seller shall not assign this Order or any rights hereunder or any monies due or to become due hereunder without the prior written consent of Buyer, and no purported assignment by Seller shall be binding on Buyer without its written consent thereto. Seller shall require that no assignee divulge any information concerning this Order except to those persons necessarily concerned with the transaction. Payments to

an assignee of any claim arising under this Order shall be subject to reduction or set-off for any present or future claim or claims which Buyer may have against the Seller. Buyer may assign this order at any time if such assignment is considered necessary by Buyer in connection with a sale of Buyer’s assets or a transfer of its obligations or to the government.

6. EQUAL EMPLOYMENT OPPORTUNITY. Seller is on notice that Buyer may utilize the goods specified in this Order in the manufacture of products destined for sale to the U.S. Government. Seller is therefore deemed to have assumed the obligation of compliance with Executive Order 11246, as amended and unless otherwise exempt under the rules, regulations and orders of the Secretary of Labor or pursuant to Federal Procurement Regulations (1-12.804) or the Armed Services Procurement Regulations (12-802), this Order is subject to the requirements of the Equal Employment Opportunity clause as set forth in 1-12.803.2 and 12-802(a), said clause being herewith incorporated into this order by reference.

7. WARRANTY. Seller warrants that all material or services delivered hereunder will conform to the design and specifications and to drawings, samples or other descriptions referred to in this Order, will conform strictly to the requirements of this Order and will be free from defects and unreasonable hazards in design, material, and workmanship, and free from all liens and encumbrances. Material and services shall be subject to implied warranties including the warranties of merchantability and fitness for a particular purpose. Such warranties shall survive inspection, delivery, acceptance and payment and shall run to Buyer, its successors, assigns, customers and the user of its products and shall not be deemed to be exclusive. All warranties referred to herein shall be in addition to warranties provided or implied by law or any warranty which Seller offers to any of its other customers, including the U.S. Government, for the same type or kind and similar quantity of goods or services purchased hereunder, which benefit Buyer and shall extend to and include Buyer’s customer(s). In the event of breach of warranty, Buyer may at its option, either return for credit or require prompt correction or replacement of the defective or nonconforming goods. In the event Seller refuses to promptly correct the defective or nonconforming goods as requested hereunder by Buyer, Buyer may upon reasonable notice to Seller make the repairs necessary to correct said goods and charge Seller for repair costs. All shipping costs and any reasonable travel, removal, and installation costs incurred in connection with goods to be replaced or repaired or faulty work to be corrected shall be borne by Seller. Seller may not limit the remedies available to Buyer or the damages recoverable by Buyer arising out of breach of warranty.

8. INSPECTION. All goods or work under this Order shall be subject to inspection and test by Buyer, to the extent

practicable, at all times and places, including the period of performance, and in any event prior to acceptance. Buyer may inspect at the premises of Seller or any of its subcontractors engaged in the performance of this Order, except in those areas as determined by Seller to be restricted proprietary areas. Seller shall not be relieved of its obligations to replace any defective goods or work by reason of any failure on the part of Buyer to direct Seller's attention to any defect. Except as otherwise provided in this Order, acceptance shall be conclusive except with regard to latent defects, fraud, or such gross mistakes as amount to fraud.

9. INDEPENDENT CONTRACTOR. Seller shall perform hereunder as an independent contractor and not as an employee or agent of Buyer.

10. INDEMNIFICATION. Seller shall be responsible for and indemnify Buyer against all losses, claims, expenses or damages which may result in any way from accident, injury, or damage either to person or property or from the death of any persons by reason of any act or omission on the part of the Seller, its agents, employees, or subcontractors, except to the extent that the accident, injury, damage or death is due solely and directly to the negligence of Buyer. Seller shall at all times maintain such liability, property damage, and employee liability insurance as will protect Buyer from any or all of the foregoing risks, and shall supply certificates satisfactory to Buyer evidencing such coverage upon Buyer's request.

11. CHANGES. Buyer shall have the right to make changes within the scope of this Order. If any change causes an increase or decrease in the price under this Order, or in the time required for performance, an equitable adjustment shall be made and this Order shall be modified in writing accordingly. Any claim for adjustment under this provision must be asserted within a reasonable time, not to exceed thirty days from the date the change is ordered, and the amount of such claim must be stated in writing. Nothing, however, provided herein shall excuse Seller from proceeding with the Order as changed.

12. DELAYS. Seller shall not be liable for damages occasioned by a delay in performance or delivery due to causes beyond the reasonable control and without the fault or negligence of Seller, including, but not limited to, labor strikes and force majeure, provided Seller promptly notifies Buyer in writing when such delay is apparent. However, if Seller for any reason not provided for above fails to proceed with the performance of this Order or to make deliveries within the time specified in this Order, or if Buyer shall have reasonable doubt as to Seller's ability to perform its obligations, Buyer, in addition to its remedies at law, may, at its option, approve a revised delivery schedule or terminate this Order or such part or parts hereof as to which there has been delay or any doubt, without liability to Buyer.

13. BUYER'S RIGHT TO SUSPEND PERFORMANCE. Buyer shall have the right to require Seller at any time to suspend performance of all or part of this Order for an indefinite period of time, in no event to exceed twelve consecutive

calendar months. In the event Buyer exercises said right, Seller shall cease performance of this Order as directed by Buyer. Seller agrees to commence performance of the suspended order within a reasonable time after receiving Buyer's notice to commence the suspended Order. An equitable adjustment in the price and/or in the delivery dates shall be made in the event Buyer requires a suspension of an Order under this section.

14. TERMINATION. (a) Without cause. Buyer may terminate this Order in whole or in part at any time for any cause by serving upon Seller a written notice, and will reimburse Seller for its reasonable and necessary expenses incurred directly incident to this Order to the date of cancellation, but shall not be liable for any loss of profits on the portion thereof so cancelled. (b) With cause. Time is of the essence as to this Order. If Seller fails to make delivery in accordance with the agreed delivery date or schedule, except as provided in Section 12 hereof, or otherwise fails to observe or comply with any of the other instructions, terms, conditions, or warranties applicable to this Order, or fails to make progress so as to endanger performance of this Order, or in the event of any proceeding by or against Seller in bankruptcy or insolvency or for appointment of a receiver or trustee or an assignment for the benefit of creditors, Buyer may, in addition to any other right or remedy provided by this Order or by law, terminate all or any part of this Order by written notice to Seller without liability by Buyer to Seller therefor.

15. DISPUTES AND CONSEQUENTIAL DAMAGES. This Order is to be governed by and interpreted according to the laws of the Commonwealth of Massachusetts without regard to the choice-of-law or conflict-of-law doctrines. Any claim or controversy relating to this Order which is not settled by agreement shall be disposed of by the state or federal courts of Massachusetts. Litigation by Seller to enforce its rights may be brought only in a court of competent jurisdiction within the Commonwealth of Massachusetts. Buyer may file suit in any court in Massachusetts or in any jurisdiction where its rights may be threatened, and judgment may be enforceable in any state or country. The parties consent to the exclusive jurisdiction of such courts and consent to the service of process by registered or certified mail or by overnight courier. No remedy or election hereunder shall be deemed exclusive but shall, whenever possible, be cumulative with all other remedies provided herein or available at law or in equity. Seller shall pay Buyer all costs and expenses, including reasonable attorney's fees and costs, incurred by Orbotech in exercising any of its rights or remedies or enforcing any provisions herein. Seller shall proceed diligently with performance of this Order pending final resolution of any dispute. Notwithstanding any other provision herein, Buyer shall under no circumstances be responsible to Seller for any loss of profits or consequential, indirect, punitive, incidental or special damages.

16. BUYER'S EQUIPMENT. Unless otherwise agreed in writing, all tools, equipment or material of every description furnished to Seller by Buyer or specifically purchased by Seller and paid for by Buyer, and any replacement thereof, or any

materials affixed or attached thereto, shall remain the personal property of Buyer. Such property, and whenever practical each individual item thereof, shall be plainly marked or otherwise adequately identified by Seller as "Property of Orbotech" and shall be safely stored and properly maintained by Seller. Seller shall not substitute any property for Buyer's property and shall not use such property except in filling Buyer's orders. Such property shall be available for inspection by Buyer at any and all times, and shall be subject to removal at Buyer's written request, in which event Seller shall prepare for shipment and shall redeliver such property to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted.

17. TAXES. Except as may be otherwise provided in this Order, the price shall include all applicable federal, state and local taxes of any kind in effect on the Order date.

18. PATENT INFRINGEMENT. Seller agrees to indemnify Buyer and hold it harmless from and against all liability, loss, damage and expense, including reasonable counsel fees resulting from any actual or claimed trademark, patent or copyright infringement, or any litigation based thereon, with respect to any part of the goods covered by this Order or their intended use, and such obligation shall survive acceptance of the goods and payment therefor by Buyer.

19. USE OF BUYER'S DATA. Seller shall not, without Buyer's written consent, disclose any drawings, plans, specifications, confidential information, know-how, discoveries, production methods and the like ("Technical Information") furnished to Seller by Buyer, or on Buyer's behalf, for the performance of this Order to any person other than personnel of Seller directly concerned with the manufacture of said articles and suppliers of items required by Seller in the performance of this Order; and Seller shall require any of its suppliers under this Order to enter into a similar agreement. Seller shall take reasonable precautions against any Technical Information being acquired by unauthorized persons and shall not employ any Technical Information for its own use or for any purpose whatsoever except in the performance of this Order. Buyer shall retain title to all Technical Information and Seller shall, at Buyer's request or upon completion of this Order, return or deliver all tangible Technical Information to Buyer. The term "Technical Information" as used herein shall not include information which is generally published or lawfully available to Seller from other sources or which was known to Seller prior to disclosure thereof to Seller by Buyer or on Buyer's behalf.

20. REGULATORY COMPLIANCE. Seller represents that the goods covered by this Order have been manufactured and sold in compliance with the requirements of the Fair Labor Standards Act and other federal, state and municipal laws, rules, and regulations as applicable, and that said goods were designed in conformance with applicable regulations of the Occupational Health and Safety Act. If Seller takes possession of any Buyer information or Buyer's customer information, Seller shall comply with the applicable provisions of 201 CMR 17.00: Standards for the Protection of Personal Information of Residents of the Commonwealth. Seller warrants that it will

comply with all applicable federal, state and local laws and regulations, and all orders and regulations of the Executive and other departments, agencies or instrumentalities of the United States Government applicable to the work to be performed, the goods to be furnished or the services to be rendered hereunder. Award of this purchase order is specifically subject to Seller's compliance with (a) Section 202 of Executive Order No. 11246, as amended; (b) the Occupational Safety and Health Act of 1970; (c) the Robinson Patman Act of 1936, as amended, 15 U.S.C. § 13; (d) the Walsh Healy Public Contracts Act; and (e) Section 12 of the Fair Labor Standards Act, as amended, whenever applicable. The parties agree to comply with all United States Government export controls laws, including but not limited to, the Export Administration Regulations ("EAR", 15 CFR 730-774) administered by the U.S. Department of Commerce, Bureau of Industry and Security, and the International Traffic in Arms Regulations ("ITAR", 22 CFR 120-130) administered by the U.S. Department of State, Directorate of Defense Trade Controls. Prior to the delivery of goods Seller agrees to notify Buyer if such goods to be delivered or sold to Buyer pursuant to this purchase order are listed on the U.S. Munitions List ("USML") of ITAR or the Wassenaar Munitions List ("ML") or if the goods are prohibited from export under the EAR. Seller will send notification to Buyer's purchasing manager with Seller part number and the applicable Commercial Control List ("CCL"), USML and/or Wassenaar ML category number.

During the course of the relationship between the parties, Seller may have access to or possession of personal or private information of Buyer or its customers. Such data may be protected by various laws, rules and regulations. Accordingly, Seller shall comply with all applicable privacy and data protection laws, rules and regulations which are or which may in the future be applicable to the terms of this Agreement, including without limitation: (i) the Gramm-Leach-Bliley Act (15 U.S.C. § 6801, et seq.) and related security regulations (12 C.F.R. Part 364, App. B); (ii) the Massachusetts Data Security Regulation under 201 CMR 17; and (iii) provisions of the Health Insurance Portability and Accountability Act, as amended ("HIPAA") and 45 CFR §§ 160-164.

21. MODIFICATION, WAIVER AND SEVERABILITY. NO CHANGE, ADDITION, OR MODIFICATION OF ANY OF THE TERMS OR CONDITIONS HEREOF SHALL BE VALID OR BINDING ON EITHER PARTY UNLESS IN WRITING SIGNED BY AN OFFICER OR DESIGNATED PURCHASING AGENT OF BUYER. Failure of Buyer to insist upon strict performance of any terms and conditions of this Order, or to exercise any right or privilege contained in this Order, or the waiver of any breach of the terms or conditions of this Order shall not be construed as a waiver of any such terms, conditions, rights or privileges at any other time, and the same shall continue and remain in force and effect as if no waiver had occurred. All rights and remedies reserved under the terms and conditions hereof shall be cumulative and in addition to any further rights and remedies provided in law or equity. If any provision of this Order, or any part hereof, shall be invalid or



unenforceable, such provision or part shall be deemed severed, and the remainder hereof shall be given full force and effect.

22. COMPLETE AGREEMENT. This Order contains the complete and entire agreement between the parties hereto, and

supersedes any previous communications, representations or agreements, whether verbal or written, with respect to the subject hereof.