

## CONSULTING AGREEMENT

THIS AGREEMENT is made and executed as of the 20<sup>th</sup> day of the 3<sup>RD</sup> month of year 1992 by and between Howard R. Teicher, herein also referred to as the Company, with its office at 3007 Tilden St. N.W. Suite 3L, Washington DC. 20008 and RAFAEL - Armament Development Authority, herein also referred to as RAFAEL or as the Client, P.O.Box 2260, Haifa, Israel, also having Offices at 3514, International Dr. N.W. Washington DC. 20008.

### WITNESSETH

WHEREAS, Howard R. Teicher is engaged in the service of supporting business entities in the quest for new markets both in the U.S. and abroad, and

WHEREAS Howard R. Teicher has knowledge and skills which the Client finds valuable and desires to retain as a consulting firm.

NOW THEREFORE, in consideration of the mutual promises herein contained both parties agree as follows:

### ARTICLE 1: APPOINTMENT AND TERM

- 1.1 The Client hereby retains Mr. Howard R. Teicher to provide and Mr. Howard R. Teicher agrees to provide consulting services for the Client as specified in ARTICLE 3 hereof.
- 1.2 The term of this Agreement shall be from Feb. 14, 1992 to and including Feb. 14, 1993, Unless sooner terminated as provided in ARTICLE 7 hereof, Both the Company and the Client may extend the Agreement for additional time periods by mutual agreement in writing.
- 1.3 The preamble of this Agreement and all annexes attached hereto forms an integral part of this Agreement.

### ARTICLE 2: MR. HOWARD R. TEICHER UNDERTAKINGS AND REPRESENTATIONS

- 2.1 Reports - The Company agrees to submit:
  - (1) From time to time such reports, either written or oral, as the Client requests, and
  - (2) A monthly summary of the Company's activities on behalf of the Client, to be submitted together with the monthly billing of the Client.

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2.2 Territory(ies) of Operation - The territory(ies) of operation of the Company as concerns the Company's services for the Client shall be the United States of America and such other territories as may hereafter be agreed to in writing, which writing shall be entitled and addendum to this agreement, and shall upon signature by both parties, become an integral part of this agreement.

2.3 Compliance with Law - The Company, including its directors officers, employees and other acting on its behalf, is legally qualified in the Territory of its operation to perform the services contemplated by this Agreement. The Company will, in performing its obligations under this Agreement, comply with all applicable existing and future laws, regulations, and acts of the government(s) of the Territory. Further, the Company shall take no action on behalf of the Client that would be illegal under U.S law if taken by the Client itself. The Company expressly represents and covenants that in connection with its performance of services hereunder the Company will not directly or indirectly pay, offer or give or promise to pay, offer, give or authorize the payment of gift of any portion of the compensation or reimbursements received from the Client hereunder of any other monies or other things of value to:

- (1) An official or employee of the Government(s) of the Territory.
- (2) An official or employee of the Government(s) of the Territory.
- (3) An official or employee or any purchaser and/or leases of the Client's products.
- (4) A candidate for political office in the Territory.
- (5) A political party or party official in the Territory.
- (6) Influence any act of decision of any of the above to fail to perform his, her or its official function, or
- (7) Induce any of the persons specified above to use his, her, or its influence to affect or influence any act or decision of such Government(s), instrumentality or customers.

In order to assist the Company or the Client obtaining or retaining business for the Client, or to engage in acts or transactions otherwise in violation of the Foreign Corrupt Practices Act of the United States of America.

Neither the Company or the Client will engage in any activities which violate the Foreign Corrupt Practices Act or other United States laws.

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The Company agrees that upon request by the Client it will execute a Certificate and provide other information as may be required for the Client to comply with the International Traffic in Arms Regulations of the U.S.A Department of State, Foreign Practices Act of 1977, and other applicable laws, regulations and orders.

- 2.4 Records Inspection - The Company agrees: (a) that it will maintain books, records, and accounts which adequately reflect the nature and recipient of every payment, expenditure or other disbursement made in connection with the solicitation and sale of Client Products and Services under this Agreement and any previous Agreement(s) with the Client having the same or similar business arrangements as herein and (b) that the Client shall have the right to inspect the books, records and accounts of the Company pertaining to the Client at any time up to three (3) years after the last payment by the Client to the Company pursuant to ARTICLE 3 hereof. Such inspection(s) shall be permitted at the sole discretion of the Client and shall be at the expense of the Client at a time and place agreed upon by both parties. The Company will make said books, records and accounts available for inspection within thirty (30) days after a request in writing is made by the Client and received by the Company. The Company will certify that the said books, records and accounts currently, accurately and completely reflects the above expenditures or disbursements. The Client shall complete any inspection as expeditiously as possible and the Company will provide to the Client or its inspection such supplementary information and explanations as are reasonably necessary fully to understand the material contained in the said books, records and accounts as they pertain to the Client.

#### ARTICLE 3: SCOPE OF WORK AND COMPENSATION

- 3.1 Scope of work - On a continuing and on-going basis, the Company shall provide the Client with the consulting services set forth in ANNEX A. In addition, upon request of the Client, the Company shall provide additional services as may be mutually agreed upon and amended in ANNEX A.
- 3.2 Amount and Time of Payment - In consideration for the services rendered by the Company under this Agreement and ANNEX A, the Client shall pay the Company the sums set forth in ANNEX B in accordance with the terms of payment set forth in said Annex.
- 3.3 By mutual agreement of both parties, a monthly retainer increase and/or a commission schedule for sales of RAFAEL's products, as a result of the company's on-going and continuing efforts, will be negotiated as the business base so dictates and will be addressed at each annual review of the consulting contract.

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#### ARTICLE 4: LIMITATIONS OF PARTIES' RIGHTS & AUTHORITIES

- 4.1 Conflicts - The Company will not, without the Client's written consent, during the term hereof perform services for other persons or companies which would constitute a conflict of interest relative to the services being performed for the Client.
- 4.2 Publicity - Except as may be required by the laws of the United States of America, including but not limited to, the Foreign Agents Registration Act and as required by the laws of Israel and the U.S.A, neither party is to disclose the details of this agreement or the terms hereof to anyone other than the parties' attorneys, or others as may be necessary in the normal course of business, without the prior written consent of the other party.
- 4.3 No Power to Obligate - Both the Company with its employees and the Client with its employees are separately deemed to be mutually independent, neither being the agency or employee of the other for any purpose. Neither party is authorized to make commitments or enter into agreements for the account of, assumes or create, express or imply obligations on behalf of, or in any respects bind the other party.
- 4.4 Access to Technical Literature - Subject to applicable Israeli security laws and regulation, the Client is to provide the Company access to the technical literature of the Client or in the Client's possession which the Client deems necessary for the Company to use in performing the services set forth hereunder. Similarly, subject to applicable U.S.A security and export laws and those of the government(s) of the Territory. Each party is to treat the intellectual property of the other party as being proprietary to that party and not to be disseminated without the express permission in writing of that party. The furnished of the above described materials by one party to the other shall not in and of itself be construed as granting to the second party any license under any patent, concept or technology or copyright now or hereafter owned or

#### ARTICLE 5: ASSIGNMENT

Neither this Agreement nor rights and duties hereunder may be assigned or transferred by operation of law or otherwise, or delegated by either party without prior written consent of the other party.

#### ARTICLE 6: NOTICES

Notification - Written notification shall be effective upon: delivery in person; deposit in the mail, including courier service; telegraphic or telefax dispatch to the principal place of business in the U.S. of either party. The current principal places of business in the U.S. for the parties are:

RAFAEL, U.S. Marketing  
3514 International Dr. N.W.  
Washington DC. 20008

Howard R. Teicher  
3007 Tilden St. N.W.  
Suite 3L  
Washington DC. 20008

#### ARTICLE 7: TERMINATION

This Agreement may be terminated by either party at any time by giving thirty (30) days written notice thereof, specifying the effective date of such termination. If termination is by the Client, the Company will terminate all work on the effective date as specified and deliver to the Client the results of the Company's performance to date of termination. In the event of such termination, the Client shall compensate the Company at the rate prescribed in subparagraph 3.2 hereof for the work performed and the expenses incurred through the effective date of termination specified in the Notice of Termination. The Client will thereupon be released from further obligation to make payments under this Agreement.

#### ARTICLE 8: ENTIRE AGREEMENT

This Agreement, together with all annexes hereto:

- (1) Constitutes the entire understanding between the parties concerning the subject hereof.
- (2) Supersedes all written or oral understanding of the parties concerning the subject matter hereof.
- (3) May be amended only by written instrument signed by both

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parties subsequent to the date hereof, and

- (4) Shall be construed in accordance with the laws of the State of New-York, U.S.A.

IN WITNESS HEREOF, the parties hereto have caused this Agreement to be executed, as of the date first above written, by their officers thereunto duly authorized.

Howard R. Teicher

HR Teicher

Witnesseth:

Date: 3/20/92

RAFAEL - Armament Development Authority

RAN GALLI

Witnesseth:

Date: 3/20/92

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A N N E X A

CURRENT SERVICES TO BE PERFORMED BY MR. HOWARD TEICHER

- \* Recommend relevant program plans for compatible joint programs with U.S. industry.
- \* Participate in presentations to selected government and industrial agencies as requested by the Client.
- \* Develop criteria for evaluation for candidate programs, by the Client.
- \* Evaluate potential teaming partners for the Client in the U.S.
- \* Assist in choosing U.S. partners and in the development of agreements with U.S. Partners.

The Client's main thrust of marketing and development will be in the paramilitary, SOF and Marine Corps applications, to include:

- \* Thermal Imaging Systems - Hand Held; Stabilized; Observation and Target Acquisition; Ground; Naval and Airborne (Sea-Eye, Falcon, ZEOP)
- \* Observation Systems (OBS, Liliput)
- \* Perimeter Defense System (PDS)
- \* Commercial version of Helispot (MK2) - Acoustic System
- \* Upgrading of Combat Vehicles (Survivability, launchers, sensors, C<sup>2</sup>)
- \* Propulsion Systems, Warheads, Fuzes and Pyrotechnics
- \* Materials and chemical processes
- \* High Power Microwave and Electromagnetic Pulse related systems.

## A N N E X B

### PAYMENTS

1. For services rendered by the Company pursuant to the Agreement and Annex A for a minimum of two (2) days per month, the Client shall pay to the Company the amount of one thousand eight hundred U.S. dollars (US\$1,800).
2. For any services rendered by the Company in excess of two (2) days per month as per Annex B paragraph 1, the Client shall pay the Company at an hourly rate of one hundred twenty five US dollars (US\$125) per hour, not to exceed eight (8) hours per day.
3. Expenses - The Company is to be reimbursed for expenses incurred on behalf of the Client. Pre-Authorization by the Client shall be required for all travel expenses. The monthly retainer in sub-paragraph 1 above shall be assumed to cover all postage, telecommunications, couriers, duplication, and local transportation.
4. Method of Payment - The Company shall submit a monthly invoice to the Client for fees and expenses due and payable thirty (30) days from the date of the invoice. Payments are to be made by check or money order payable in US currency and drawn on a US bank.

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## LIMITATIONS ON USE AND DISCLOSURE OF PROPRIETARY INFORMATION

- 3.1 Proprietary Information will be used by the recipient party only for the purpose of carrying out the activities detailed in Annex A.
- 3.2 Proprietary Information shall not be revealed and/or released and/or transferred by the recipient party, directly or indirectly to any third party.
- 3.3 The recipient party will allow access to Proprietary Information of the other party only to its employees who have a "need to know" and to the extent necessary to perform their work within the activities detailed in Annex A.
- 3.4 Release of Proprietary Information by the recipient party to its Government, if so needed, will be subject to the prior written approval of the other party.
- 3.5 Rafael's Proprietary Information which shall be released to the United States Government shall carry an appropriate Restricted or Limited Rights legend in the format(s) and manner required by the applicable regulation(s) of the Federal Acquisition Regulation then in effect on the date of release. The party releasing information to said Government shall affix the appropriate legend.

### 4. STANDARD OF CARE

The parties agree to protect the confidentiality of the Proprietary Information by the use of the same degree of care that each party uses to protect its own Proprietary Information stamps or markings appearing on such Proprietary Information.

### 5. CONTACT

Each party shall designate in writing one or more individuals within its organization as the only point of contact for receiving Proprietary Information.

### 6. EXCEPTIONS TO THE STANDARDS OF CARE

The obligations with respect to handling Proprietary Information set forth in this Agreement are not applicable to any information which:

- a) Is rightfully in the prior possession or control of the recipient party, or
- b) Is in the public domain at the time of receipt, or enters into the public domain through no fault or omissions of the recipient party or through no act of the receiving party in breach of this Agreement.
- c) Is lawfully obtained by the recipient party from a third party who is under no obligation of confidentiality to the other party of this agreement and without restrictions, or
- d) Is approved for release or use by written authorization of the disclosing party.

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NON DISCLOSURE AGREEMENT

Made this day of \_\_\_\_\_

BY AND BETWEEN

Mr. Howard R. Teicher - 3007 Tilden St. NW. Washington DC. 20008.

AND

RAFAEL - ARMAMENT DEVELOPMENT AUTHORITY, P.O.Box 2250 Haifa Israel.  
Also having offices at 3514 International Dr. N.W.  
Washington DC. 20008.

1. PURPOSE

The purpose of this agreement is to set forth the rights and obligations of the parties with respect to the use, handling, protection, and safeguarding of Proprietary Information which is disclosed by and between the parties, in accordance with the activities detailed in Annex A which constitutes an integral part of this Agreement.

2. DEFINITION

Proprietary Information is defined as technical data and other information (including but not limited to concepts, descriptions, drawings, samples, compositions, visual demonstrations, oral discussions, sensitive business and financial information, and computer software and documentation related thereto) which is identified as proprietary to the disclosing party in accordance with the following guidelines:

- (1) When disclosed in writing or by using any other means except orally disclosure, Proprietary Information will be clearly and conspicuously marked by the disclosing party as Proprietary Information.
- (2) When disclosed orally, Proprietary Information will be identified as Proprietary Information at the time of the oral disclosure. With thirty (30) days of disclosure, the disclosing party will confirm the disclosure in writing, referencing the date of disclosure and specifically identifying the Proprietary Information disclosed, Each party shall clearly and conspicuously mark as proprietary to the disclosing party all Proprietary Information reduced to writing by either party as a result of such oral disclosures. During the thirty days period such Information shall be protected in accordance with the terms of this Agreement.

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7. BURDEN OF PROOF  
The burden of proof that Proprietary Information which is disclosed resides within one of the exception set fourth in Article 6 above, shall be on the recipient party.
8. TERM AND TERMINATION  
8.1 This Agreement shall be in affect for a period of five (5) years, or until the termination or completion of the activities detailed in Annex A, whichever occurs first.  
8.2 Termination of this Agreement in accordance with the provisions of subarticle 8.1 shall not relieve the recipient party of the obligations imposed by Article 3, and 4 above with respect for Proprietary Information. Those obligations shall continue until the expiration of five (5) years form the last receipt of Proprietary Information.
9. RETURN OF PROPRIETARY INFORMATION  
9.1 Within thirty (30) days of completion of the activities contemplated in Annex A or termination of this Agreement, whichever shall first occur, the recipient party shall return all Proprietary Information disclosed hereunder and all copies thereof.  
9.2 Upon written request by one party, the other party shall provide a signed, dated receipt which itemizes the Proprietary Information transmitted or received hereunder.
10. NO LICENSE GRANTED  
Except as expressly provided in this Agreement, no license or conveyance of any rights to either party under any discoveries, inventions, patents, trade secrets, copyrights, or other from of intellectual property is expressly granted or implied by the exchange of Proprietary Information between the parties.
11. ARTICLE HEADINGS  
The headings of articles contained here in used for convenience and ease of reference and do not limit or expand the scope or intent of the article.
12. APPLICABLE LAW  
This Agreement shall be construed by the laws of the state of New York without regard to it's choice of law rules.
13. CLASSIFIED INFORMATION  
Any disclosure of Information which is U.S. Government, or Israeli Government Classified Information shall be subject to and will be treated in accordance with the requirements of the U.S. - Israel General Security of Information Agreement of December 1982, and the Industrial Security protocol of 3 March 1983.
14. ENTIRE UNDERSTANDING  
This Agreement contains the entire understanding between the parties, superseding all prior communications, agreements, and understandings between the parties with respect to the terms of


*Handwritten initials*

this Agreement.

This Agreement shall apply in addition to any specific legends or statements associates with any particular information.

IN WITNESS WHEREOF, the parties have caused this Nondisclosure Agreement to be executed in duplicate originals by their duly authorized representatives as of the day and year last written below.

By   
Name HOWARD R. TEICHER  
Title CONSULTANT  
Date 3/20/92

RAFAEL - Armament development  
Authority  
By   
Name RAN GALL  
Title DIRECTOR, RAFAEL  
WASHINGTON  
Date 3/20/92

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