

## **GENERAL TERMS AND CONDITIONS OF SALE**

In these Terms and Conditions: "**Buyer**" means the person, company, partnership, authority, municipality or any other organization or entity that ordered products from Company; "**Company**" means Hydrosphin Monitoring Solutions Ltd.; and "**Products**" means all equipment, hardware or other electronic or mechanical items agreed to be supplied by Company.

1. **ACCEPTANCE.** Acceptance of Buyer's purchase order is expressly made conditional on Buyer's assent to the terms and conditions set forth herein, which shall constitute the sole and complete agreement between Buyer and Company. For the avoidance of doubt, these General Terms and Conditions shall prevail over any terms and conditions stated in Buyer's purchase order or any other document issued by Buyer, unless and to the extent both parties explicitly agree in writing otherwise. Buyer shall not be entitled to cancel or reduce a purchase order after its acceptance by Company.
2. **PRICE AND PAYMENT TERMS.** The price of the Products will be the Company's quoted price, exclusive of value added or other taxes, including federal, state, provincial, municipal or other government, excise, use, sales, occupational or like taxes, tariffs and duties ("**Taxes**") which shall be paid by the Buyer at their applicable rate. If Company is required to pay any Taxes on behalf of Buyer or for which Buyer is liable, Buyer shall reimburse Company for the amount of such Taxes.

All quotations issued by the Company for the supply of Products shall remain open for acceptance for the period stated in the quotation or, if none is stated, for thirty (30) days.

Unless otherwise specified in any quotation issued by the Company to Buyer (and solely with respect to such quotation) or otherwise explicitly agreed in writing by the Company, full payment shall be made upon acceptance of Buyer's purchase order. A finance charge at an annual rate of LIBOR + 8% will be added to, and will be payable by Buyer in respect of, all invoices not paid in accordance with the agreed payment terms, calculated as of the due date of payment and until the invoice is paid in full (principal and interest). In addition, in the event of late payment, the Company reserves the right to suspend delivery or cancel its outstanding obligations towards Buyer. The foregoing shall be without derogating from any other right or remedy available to the Company under these General Terms and Conditions and under law.

Invoices shall be paid in full without any deduction, withholding or offset of any kind. If deduction or withholding of any Tax is required by applicable law to be made by the Buyer in respect of amounts payable hereunder, then the amount of the payment due from the Buyer will be increased to an amount which (after making the Tax deduction or withholding) leaves an amount equal to the payment which would have been due if no Tax deduction or withholding had been required.

3. **DELIVERY.** Subject to the receipt of the payment in accordance with Section 2 above, the Products will be delivered Ex Works (Company's facilities in Israel) according to the latest addition of *INCOTERMS*, unless otherwise agreed in writing between the Buyer and Company. Partial deliveries shall be permitted. If Buyer fails to accept delivery of the Products within a reasonable period after receiving notice from Company that they are ready for delivery, the Company may dispose of or store the Products at the Buyer's expense. Buyer shall notify Company in writing within ten (10) working days of delivery of any short delivery or defects reasonably discoverable on external examination. Installation of the Products will be performed by Buyer and at Buyer's risk, in conformance with installation manuals and other instructions provided by the Company. Obtaining any permits or consents, if required with respect of the installation and use of the Products, will be the sole responsibility of Buyer.
4. **PACKAGING.** The Products shall be packed and labeled in accordance with Company's standard methods. Any additional and/or special packing, packaging and labeling required by Buyer shall be subject to Company's written consent and all additional costs and expenses in respect of Buyer's requirements for such additional and/or special packing, packaging and labeling shall be borne by Buyer, in addition to the price of the Products.
5. **TITLE, RISK OF LOSS.** Risk of loss to the Products shall transfer to Buyer upon delivery in accordance with the delivery terms set out in Section 3 above. Unless otherwise expressly agreed, shipment shall always be carried out at Buyer's risk and expense. To the maximum extent permitted by applicable law, title in the Products shall pass to the Buyer on full payment of their purchase price.
6. **TIMETABLE AND FORCE MAJEURE.** Any delivery time appearing on the face hereof, or in any other document furnished by Company will be deemed an approximation only, however the Company shall use its reasonable commercial efforts to meet the agreed delivery time.  
All estimated delivery and shipping dates are subject to delays caused by Buyer as well as war, fire, strike, labor stoppage, act of God, shortage of fuel, energy or materials, the failure of suppliers or subcontractors to satisfactorily meet scheduled deliveries, or any other factor or cause beyond Company's reasonable control.  
No late delivery shall give rise to any liability on Company's part whatsoever, including without limitation loss of use or profits as well as any indirect, incidental, or consequential damages.
7. **WARRANTIES; LIMITATION OF LIABILITY**
  - (a) Company warrants that the Products shall be fit for the purpose as set out in their respective specifications and free from defects in material in workmanship under conditions of normal use for a period of 12 (twelve) months from delivery of each Product (the "**Warranty Period**"). The warranty obligation of Company shall be subject to the

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Buyer meeting the following conditions: (1) Company has received, prior to the end of the Warranty Period, a written notice regarding a defective Product or part of an item thereof, and (2) Buyer has afforded prompt and reasonable opportunity to inspect any part as to which any claim is being made, and (3) the relevant Product or part has been handled, installed, operated and maintained in accordance with the then current instructions set forth in the Product's manual and installation manual, and other written instructions provided by the Company, from time to time, and has not been modified without the Company's prior written approval or serviced by anyone other than the Company or a third party approved by the Company. This warranty does not include damage to the Products or any parts thereof resulting from a cause other than part defect or malfunction resulting from faulty material or workmanship. Without derogating from the generality of the foregoing, this warranty does not include damage resulting from fair wear and tear, willful damage, theft, vandalism, neglect, accident, fire, lightning, power failure or other hazard, installation of the Products not in accordance with their installation manual provided by the Company, from time to time, use of the Products not in accordance with the restrictions, specifications and instructions provided by the Company, from time to time (including installation or use not meeting water in-flows requirements or other requirements or specifications set out in the Product specifications) or other than for their intended purpose or abnormal working conditions.

- (b) If a defect occurs, that the Buyer reasonably believes is covered within the Product warranty, Buyer shall ship the defected part to the Company. The Buyer shall ship only the part or parts of the Product which is defective. Products may be shipped whole for warranty inspection only where the Product is damaged in its entirety. Should Company determine, in its reasonable discretion, within the Warranty Period, that any Product or part thereof is defective due to faulty materials or workmanship in accordance with the above, the Company's sole liability and the Buyer's sole remedy shall be the repair or replacement of such Product or part by the Company and return of the repaired/replacement part to Buyer, at the Company's expense, in which event the Company shall reimburse to the Buyer its reasonable and evidenced shipping costs or, at the Company's discretion, offset such costs from future purchase orders. If the Company determines that the part or Product is not defected or that the source of fault is not within the scope of the warranty as aforesaid, all shipping, repair and/or replacement and handling costs will be borne solely by the Buyer. Where the Company notifies Buyer that it is unable to effect the repair or replacement such that the Product performs substantially in accordance with its specifications, the Buyer shall be entitled a refund of the purchase price for the respective Product. The provisions of this Warranty shall apply to the repaired/replacement part for a period of three months from the date of repair or replacement, as the case may be or, if longer the unexpired part of the Warranty Period otherwise applicable to the part repaired or replaced. All replaced parts shall become the property of the Company.
- (c) **THE FOREGOING WARRANTY IS COMPANY'S SOLE AND EXCLUSIVE WARRANTY REGARDING THE PRODUCTS AND PERFORMANCE THEREOF. THERE ARE NO OTHER WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED. EXCEPT AS SPECIFICALLY PROVIDED IN THE FIRST PARAGRAPH IN THIS SECTION 7 AND TO THE MAXIMUM EXTENT PERMITTED BY LAW, COMPANY SHALL HAVE NO LIABILITY TO BUYER OR ANY OTHER PERSON OR ENTITY, WHETHER ARISING IN CONTRACT, TORT, NEGLIGENCE OF ANY DEGREE, STRICT LIABILITY OR OTHERWISE, WITH RESPECT TO THE PRODUCTS OR ANY PART THEREOF AND/OR WITH RESPECT TO ANY NON-CONFORMANCE OR DEFECT IN ANY PRODUCT AND/OR PART THEREOF, INCLUDING BUT NOT LIMITED TO ANY LIABILITY FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL AND/OR SPECIAL, PUNITIVE AND/OR EXEMPLARY DAMAGES AND/OR LOSSES (INCLUDING LOSS OF USE, REVENUE, AND/OR PROFITS) SUSTAINED OR INCURRED REGARDLESS WHETHER OR NOT SUCH DAMAGES WERE FORESEEN OR UNFORESEEN. IN ANY EVENT, THE MAXIMUM EXTENT OF LIABILITY OF THE COMPANY TO THE BUYER OR ANY THIRD PARTY HEREUNDER SHALL NOT UNDER ANY CIRCUMSTANCES EXCEED THE TOTAL AMOUNT ACTUALLY PAID BY BUYER FOR THE PRODUCTS.**

**WITHOUT DEROGATING FROM THE GENERALITY OF THE FOREGOING, IT IS EXPRESSLY CLARIFIED THAT THE COMPANY MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO FAULT-FREE OPERATION OF THE PRODUCTS AND SHALL NOT BEAR ANY LIABILITY OR RESPONSIBILITY WHATSOEVER FOR DAMAGES OR LOSSES CAUSED BY OR ATTRIBUTABLE TO MALFUNCTIONS OF THE MEASUREMENT DEVICES OR OTHER DEVICES POWERED BY THE PRODUCTS OR INACCURATE OR ERRONEOUS MEASUREMENTS, INCLUDING WITHOUT LIMITATION WHEN THIS RESULTS FROM FAILURE TO SUPPLY ELECTRICITY TO MEASUREMENT OR OTHER DEVICES POWERED BY THE PRODUCTS OR ANY OTHER MALFUNCTION OR ERROR OF THE PRODUCTS.**

**BUYER ASSUMES ALL RESPONSIBILITY FOR LOSS, DAMAGE, AND/OR PERSONAL INJURY RESULTING FROM MISUSE OF THE PRODUCTS.**

## 8. INTELLECTUAL PROPERTY

- (a) Buyer acknowledges and agrees that all intellectual property rights in and to the Products (including, without limitation, all patents, copyright, mask works, trade secrets and the like), vest solely and exclusively with the Company. Buyer warrants and undertakes that it shall not reverse-engineer, disassemble or decompile the Products or any part thereof.
- (b) In the event of any action brought against the Buyer which is based on a claim that the Products purchased from Company hereunder infringe a duly registered patent, trademark, copyright and/or any other third party intellectual property right, and such infringement is not due to any change or repair of the Products made by the Buyer without the Company's permission, or combination of the Products with Buyer's products, or use of the Products by the Buyer not in accordance with Company's instructions or specifications, the Company shall (i) use commercially best efforts to obtain the right for the Buyer to continue using the Products and (ii) pay all costs and

damages finally awarded against the Buyer in any such action, provided that (1) the Company will be notified promptly in writing by the Buyer of any notice of such action or claim, and (2) Company will have sole control of the defense in any action on such claim and all negotiations for its settlement or compromise, and (3) Buyer shall reasonably cooperate with in the resolution of such claim and at Company's expense. If, despite such actions, the Company is not reasonably able to obtain such the right for the Buyer to continue using the Products, the Company, at its choice, shall modify or replace the infringing component in the Product, or refund the Buyer the price for such Product.

**(c) THE FOREGOING STATES THE SOLE AND EXCLUSIVE REMEDY OF THE BUYER AND THE ENTIRE LIABILITY OF THE COMPANY WITH RESPECT TO INFRINGEMENT OF PATENTS, TRADEMARKS, COPYRIGHTS AND OTHER INTELLECTUAL PROPERTY RIGHTS BY THE PRODUCTS OR ANY PARTS THEREOF.**

9. TECHNICAL ADVICE AND ASSISTANCE. Company's warranty shall not be enlarged, and no obligation or liability shall arise, as a result of company's rendering of technical advice, facilities or services in connection with the Products furnished to Buyer.
10. CONFIDENTIALITY. Buyer acknowledges that all technical, commercial and financial data disclosed to Buyer by Company in relation to the Products is the confidential information of Company. Buyer shall not disclose any such confidential information to any third party and shall not use any such confidential information for any purpose other than as agreed by the parties and in conformance with the purpose contemplated herein.
11. DISPUTES. The agreement shall be governed and construed in accordance with the laws of the State of Israel. Any disputes arising out of, or in connection with, this Agreement, which cannot be amicably resolved, shall be exclusively submitted to the authorized court in Tel Aviv, Israel, to the exclusion of any other court.
12. WAIVER. The failure of either party hereto at any time to require performance by the other party of any of its obligations hereunder shall in no way affect the full right to require such performance at any time thereafter. The waiver by either party hereto of any remedy with respect to a breach of any provision hereof shall not be taken as a waiver of a remedy with respect to any succeeding breach of such provision or any breach of any other provision.
13. SEVERABILITY. The parties agree that each provision contained in these Terms and Conditions of Sale shall be treated as a separate and independent clause, and the unenforceability of any one clause shall in no way impair the enforceability of any of the other clauses herein. Moreover, if one or more of the provisions contained in these Terms and Conditions of Sale shall, for any reason, be held to be unenforceable, such provision or provisions shall be construed by the appropriate judicial body by limiting and reducing it or them, so as to be enforceable to the extent compatible with the applicable law.
14. NO RESALE. Unless otherwise agreed to by the Parties, Buyer is acquiring the equipment for its own use and not for the purpose of resale, lease, or other disposition of such equipment.
15. INTEGRATION; MODIFICATION. The provisions hereof, including the proposal and all attachments hereto, represent the entire agreement between the parties with respect to the purchase of the equipment, and cancel all prior understanding, written or oral. No amendment, waiver, or cancellation of any part of the agreement shall be valid unless in writing and signed by Buyer and Company.