

## Warranty Policy

This warranty ("Warranty") covers each and any of Micronet Ltd. ("Micronet") hardware and/or software products ("Product/s"). This Warranty contains all the terms and conditions pertaining to Micronet's liability with regard to the Products and its responsibility to repair any flaw, defect or fault ("Defect") in the Products. Micronet reserves the right to modify the terms and conditions of this Warranty at any time, effective upon posting of an updated version of a Warranty on its website.

MICRONET USES ITS BEST ENDEAVORS TO DEVELOP AND PRODUCE QUALITY PRODUCTS AND WARRANTS THAT EACH OF THE PRODUCTS, AT THE TIME OF INITIAL SHIPMENT, CONFORM TO MICRONET'S PUBLISHED SPECIFICATIONS. HOWEVER, EXCEPT AS EXPRESSLY STATED IN THIS WARRANTY, MICRONET DISCLAIMS ANY OTHER WARRANTIES FOR THE PRODUCTS. THE PRODUCTS ARE PROVIDED "AS IS" WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING THE PRODUCTS QUALITY, PERFORMANCE, MERCHANTABILITY, NONINFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE AND THAT THE PRODUCTS ARE FREE FROM DEFECTS IN MATERIAL AND WORKMANSHIP.

WITHOUT LIMITATION TO THE FOREGOING, MICRONET DOES NOT WARRANT THAT THE PRODUCTS WILL MEET YOUR REQUIREMENTS OR THAT THE OPERATION OF PRODUCTS WILL BE ERROR-FREE OR UNINTERRUPTED OR SECURE, OR VIRUS FREE OR THAT DEFECTS IN PRODUCTS WILL BE CORRECTED. FURTHER, MICRONET DOES NOT WARRANT THAT WHETHER YOUR USE OF THE PRODUCTS OR ANY RELATED SERVICES WILL GENERATE ANY RESULTS OR CONSEQUENCES, NOR IN TERMS OF THE CORRECTNESS, COMPLETENESS, AVAILABILITY, ACCURACY, RELIABILITY OR OTHERWISE. MICRONET ASSUMES NO RISK ARISING OUT OF THE USE OR PERFORMANCE OF THE PRODUCTS AND YOUR USE OF THE PRODUCTS AND ANY ACTION OR INACTION BY YOU OF IT, ARE AT YOUR OWN DISCRETION AND RISK, AND YOU WILL BE SOLELY RESPONSIBLE FOR ANY RESULTING CONSEQUENCES.

## Product Returns, Replace and Repair

Without limiting the foregoing, Micronet may, at its sole discretion, repair or replace any Product that does not conform to this Warranty or if a Product has a Defect, provided you will notify Micronet in writing of any alleged Defect within the period of 12 (twelve) months as of the date of the initial delivery of the Product, as evidenced in Micronet's records ("Warranty Period") and obtain Micronet's written approval, before returning any Product to Micronet. The repair or replacement of a Product constitutes your sole and exclusive remedy for any Defect or nonconformity in the Product.

Products must be returned in the same or equivalent container in which they were shipped with the Returned Materials Authorization ("RMA") number clearly visible on the package. Further, the request for return approval must include serial number and part number and full identification of Products to be returned. Products returned must be identified as to the nature of the claimed Defect. Proper handling procedures must be used in the packing and shipping of all returned Products. You will retain title and assumes all risk relating to Products returned for repair.

Returned shipments not approved by Micronet, or not properly identified, may be refused by Micronet. Micronet shall not be responsible for any damage caused to the Product during shipping transit to Micronet for repair or return shipment back to you. You shall have no claim whatsoever, including for indemnification, against Micronet for any damage or loss caused to the Product during the above-mentioned delivery.

Repair or replacement of the software shall mean repair the Product for its operation in conformance to the Product description set forth in the Product's documentation. Software Defects, which do not stop the operation of the Product, shall only be repaired by providing you with an updated software version, when such is issued by Micronet to all its customers according to the time schedule determined by Micronet.



The warranty on repair or replaced Product will be the greater of 6 months following the original repair date, as evidenced in Micronet's records, or the remaining term of the original warranty. Transportation charges on any Product returned to Micronet will be at your expense and on any Product returned from Micronet to you will be at Micronet's expense.

In the event Micronet has provided any service pertaining to Products, which is not covered under this Warranty or are made after the Warranty Period has ended, Micronet may charge you for those services and Micronet's warranty for the repaired Product, and any part thereof, shall commence for a period of ninety (90) days following the original repair date, as evidenced in Micronet's records, and the terms and conditions of this Warranty shall apply, mutatis mutandis.


## Terms for Repair or Replacement of Products

Micronet's repair or replacement of Products will be at Micronet's sole discretion and is subject to the following terms:

1. You hold the receipt for the Product and have no outstanding debts to Micronet.
2. You informed Micronet, or other entity designated by Micronet for such purpose thereby, in writing immediately of any Defect in a Product.
3. After a Defect is discovered, you shall not continue to use and/or operate the Product.
4. You shall provide Micronet with any information in your possession, which may assist to locate the Defect and diagnose the causes thereof, and with any assistance reasonably required by Micronet.
5. Unless explicitly otherwise agreed in writing, the repair or replacement shall be made at Micronet Ltd's offices.
6. If, in Micronet sole discretion, it is necessary to replace parts in the repaired Product, Micronet may replace such parts with new parts or used parts (provided that such used parts are in proper operational condition). The replaced parts and/or component shall be owned by Micronet.
7. Micronet shall act to repair any Defect within a reasonable time considering the workload and spare parts availability at Micronet.

## Limited Warranty

This Warranty will not apply to the Product if the requested repair of any Defect caused, directly or indirectly, is a result of any of the following events:

1. Use of the Product or any component thereof unreasonably or not for its designated purpose.
  2. Use of the Product or any component thereof not according to the written/oral operating/usage instructions and/or documentation provided by Micronet.
  3. Applying the Product or any component thereof to non-conforming systems or subsystems, or a removal of any of the Product components, or not in accordance with Micronet's instructions.
  4. Any alternation, modification or change made in the Product or any component thereof, including connecting additional components without the prior written approval of Micronet.
  5. Maintaining the Product or any component thereof in improper environment conditions and performance of a repair, or attempt to repair, the Product by a person not authorized by Micronet.
  6. Improper, accident, abuse use, handling, installation or application of the Product or any component thereof with the electric power system, communication system, computer network, transportation vehicles systems, including electrostatic discharge, or not in accordance with Micronet's instructions. Use.
  7. Act or omission by you or by any person acting on your behalf or under your responsibility, which amount to negligence, recklessness, skill absence, including, without limitation any damage caused by dropping, breaking, or shaking the Product.
  8. Defect caused by any nature damages including rain, floods, lightening etc.; damages resulting from disrupted electric power, and uncontrolled voltage changes; and any Defect caused by factors outside the control of Micronet.
  9. Breach of any of the terms of this Warranty by you or by any person acting on your behalf or under your responsibility.
  10. The Defected Product has not been delivered to Micronet for repair.
  11. Defect in the Product's batteries.
  12. You transferred the ownership of a Product or leased or lent it to any third party.
  13. Any Defect that Micronet is unable to verify with its normal test equipment.
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## Software Updates

During the Warranty Period, and as long as you shall hold a valid annual maintenance service agreement with respect to the Product, you shall be entitled to receive updates to the Product's software version, to the extent that these updates are distributed for the purpose of fixing faults in the software. Following the Warranty Period, software updates shall be supplied to you, subject to: (i) you hold a valid maintenance service agreement with respect to the Product, consecutively from the initial delivery of the Product, or, alternatively, (ii) you purchased annual maintenance service consecutively to the Warranty Period and until the supply of such respective update.

Annual maintenance service agreements shall be considered valid only if Micronet has received the full fees for such maintenance service agreements.

## Ownership; Intellectual Property Rights

Micronet hereby grants you a non-exclusive, non-transferable, worldwide right to use the Products, solely for your own internal business purposes, subject to the terms and conditions of this Warranty. All rights not expressly granted to you are reserved by Micronet and/or its licensors and/or its third-party vendors, as applicable.

Micronet (and its licensors or its third-party vendors, where applicable) shall own all right, title, interest, trademarks, copyrights, and any and all other or related intellectual property rights, in and to the Products and remain the exclusive property of Micronet (or its licensors or its third-party vendors, where applicable). Micronet's name, logo and the Product name are trademarks of Micronet or third parties, and no right or license is granted hereby to use them without prior written approval from Micronet.

The Products may be subject to third party code restrictions, including open source, and the use of third party's code embedded within the Products might be subject to copyright and license terms imposed by Micronet's licensors or third-party vendors.


This warranty shall not convey to you any rights of ownership in or related to the Products, the Micronet's technology or the intellectual property rights owned by Micronet, its licensors or its third-party vendors.

You shall not, directly or indirectly, by yourself or through any third party, (i) Use the Products, or any part thereof, or any results arising from the operation of the Products, in violation of any applicable law, regulation or rule, or beyond the scope of the license under of this Warranty; (ii) license, sublicense, copy, rent, lease, lend, sell, assign, distribute, publish, transfer or otherwise make available to any other person the Products, any features or functionality of the Products, or any information generated by or results arising from the operation of Products; (iii) Use any information generated by or results arising from the operation of the Products to harass others; (iv) Use any material or information made available through the Products in any manner that infringes intellectual property rights, including any copyright, trademark, patent, trade secret or other proprietary right of any party; (v) Modify, translate, adapt or otherwise create derivative works or improvements of the Products or any part thereof; (vi) Reverse engineer, disassemble, decompile, decode or otherwise attempt to gain access to the source code of the Products or any part thereof; (vii) Combine the Products, or any part thereof with, or incorporate the Products, or any part thereof in, with any other software and/or hardware without Micronet explicit approval; (viii) Remove, delete, alter or obscure any trademarks or any copyright, trademark, patent or other intellectual property or proprietary rights notices provided on or with the Products; or (ix) Interfere with or disrupt the integrity or performance of the Products, including send spam, send or store material containing software viruses, worms, Trojan horses or other harmful computer code, files, scripts, agents or programs; or (x) Use the Products for purposes of competitive analysis of the Products, the development of a competing hardware and/or software product or service or any other purpose that is to Micronet commercial disadvantage.

You are responsible for all activity occurring with regards to the Products and shall abide by all applicable local, national, and foreign laws, treaties, and regulations in connection with your use of the Products. You shall: (i) notify Micronet immediately of any unauthorized use, known or suspected, of the Products; and (ii) use reasonable efforts to stop immediately any unauthorized use, known or suspected, of the Product.

## Indemnification

You shall indemnify and hold Micronet, its affiliates and their directors, officers, stockholders, employees and agents, harmless from and against any and all claims, costs, damages, losses, liabilities and expenses (including attorneys'



fees and costs) arising out of or in connection with: (i) a claim alleging that use of the Products infringes the rights of, or has caused harm to, a third party, due to unauthorized use of the Products or in breach of this Warranty, including by providing unauthorized representations or warranties on Micronet behalf; (ii) a claim, which if true, would constitute a violation by you of by party on your behalf of this Warranty.

Micronet shall indemnify and hold you harmless from and against any and all claims, costs, damages, losses, liabilities and expenses (including attorneys' fees and costs) arising out of or in connection with a claim brought by a third party against you based on an allegation that the Products and/or any part thereof infringes any intellectual property rights of any third party. If a final injunction is obtained in an action based on any such above mentioned claim, or if such an injunction or a finding of infringement is likely, Micronet shall, at its discretion obtain for you the right to continue using the Products or replace or modify the Products so that it becomes non-infringing.

Micronet shall have no indemnification obligation for claims arising from any case of (i) changes, additions, deletions, unauthorized or unlicensed manner or any similar action to Products made by you or any third party on your behalf without Micronet's approval; (ii) improper use, operation or neglect of Products or any part thereof; (iii) the Products have not been maintained by you strictly in accordance with Micronet's specifications; (iv) the Products have been damaged by the use of any third party hardware and/or software (including open source code) or the use of the Products in combination with such, where the Products would not itself be infringing; (v) any breach by you or by anyone on your behalf of this Warranty or any other agreement between you and Micronet; (vi) any failure by you promptly to install the latest version of the Products. The foregoing states Micronet's exclusive liability for infringement of intellectual property rights.

Micronet's indemnification obligation set out above shall apply only upon receipt of a judgment or a ruling of the competent judicial instance in respect of which there is no stay of proceedings or upon the entering into a settlement agreement approved by Micronet in writing and provided that Micronet is given by you: (i) prompt written notice of such claim or demand; (ii) necessary information and reasonable assistance; and (iii) allowing the Micronet the control over the defense and settlement of such claim or demand, without you assuming or admitting any liability of Micronet.

## Limitation of Liability

To the maximum extent permitted by applicable law, in any event Micronet and any person acting on its behalf, including its suppliers and/or distributors, shall not be liable in contract, tort or any other theory of law, for any special, incidental, indirect or consequential damages whatsoever (including, without limitation, damages for loss of business profits, business interruption, loss of business information, or any other financial loss) arising out of the use of, or inability to use the Product or any component thereof, even if Micronet has been advised of the possibility of such damages. In any event Micronet's entire liability under any provision of this Warranty shall be limited to the amount actually paid by you to Micronet for the Product.

Without prejudice to the generality of the foregoing, Micronet shall not be liable for any damage caused as a result of mistakes and/or omissions in the document records extracted by the Product. You have sole responsibility for backing the data saved on the Product and Micronet is not responsible for any loss of such data.

## Miscellaneous

1. You may not be assigned (including by way of merger, reorganization, or acquisition, unless you have the prior written consent of Micronet [which consent will not be unreasonably withheld]) any of your rights and/or obligations under this Warranty. Micronet is entitled to assign to any third party any of its rights and/or obligations hereunder, provided that your rights hereunder shall be maintained.
2. No statement, act, or omission by Micronet or any person acting on its behalf shall be considered as amending this Warranty unless Micronet approved it in specific written and signed document.
3. You hereby waive any right to set off against Micronet.
4. This Warranty, and any and all claims relating to the Products, shall be governed by the laws of the State of Israel, without regard to or application of choice of law or principles, and the courts of Tel-Aviv Jaffa shall have sole and exclusive jurisdiction over any dispute arising in connection with this Warranty and/or the use of the Products.
5. In the event any term hereunder shall be held invalid, this Warranty shall be amended in a form expressing in accordance with law all the terms and conditions agreed upon hereunder.
6. The warranty to any product or any component not manufactured by Micronet shall be in accordance with the warranty given by the manufacturer of such product(s) and/or component(s).
7. Micronet may give you notice by means of e-mail or by written communication sent by first class mail or pre-paid post to your address on record in Micronet's account information. Such notice shall be deemed to have been given upon the expiration of 48 hours after mailing or posting (if sent by first class mail or

pre-paid post) or 12 hours after sending (if sent by email). You may give notice to Micronet (such notice shall be deemed given when received by Micronet) at any time by any of the following: a letter delivered by nationally recognized overnight delivery service or first-class postage prepaid mail to – Israel Office: “Micronet Ltd., 27 Hametzuda St., Azor 5800171 Israel”.

