

GENERAL TERMS AND CONDITIONS OF SALE

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

1. **ACCEPTANCE.** The Products are intended for operation solely with the company's proprietary mobile application and web services made available by the Company separately through its website at: www.aquarius-spectrum.com (the "**Software**"). Buyer cannot use the Products without the Software as they are intended to operate together. The terms of license of the Software are set out in the End User License Agreement appearing on the Company's website, as such may be updated from time to time (the "**EULA**" and "**Website**"). Buyer is advised that any use of the Products with any other software is not permissible and will void any product warranty which may be available to Buyer under these General Terms and Conditions and any license granted to Buyer in the Software. Acceptance of Buyer's purchase order is expressly made conditional on (i) the availability of Products at the time the purchase order is submitted, and (ii) the Buyer's assent to the terms and conditions set forth herein and to the EULA, which shall constitute the sole and complete agreements between Buyer and Company. For the avoidance of doubt, these General Terms and Conditions together with the terms and conditions set forth in the EULA 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. The Company reserves the right to refuse orders at any time, and shall notify the Buyer, as soon as possible, of such refusal.
2. **PRICE AND PAYMENT TERMS.** The price of the Products will be the Company's quoted price offered by the Company to Buyer or, in case of online purchases, the list price of the Products on the Website at the date on which the Buyer's purchase order is submitted, 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 for the Products shall be made upon acceptance of Buyer's purchase order by the Company. 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 for the Products and/or Software, the Company reserves the right to suspend delivery, deny access to the Software 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 or 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 in full, and 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, the Products will be delivered Ex Works (Company's facilities in Israel) according to the latest addition of *INCOTERMS*. Partial deliveries shall be permitted. If Buyer fails to collect the Products within a reasonable period after receiving notice from Company that they are ready for delivery ("**Delivery Notice**"), 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 receipt of the Delivery Notice of any short delivery or defects reasonably discoverable on external examination. Installation of the Software and Product will be performed by Buyer and at Buyer's risk, in conformance with installation manuals and other instructions made available by the Company through the Website, or as provided by the Company to the Buyer, from time to time. 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.
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. 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.** Unless agreed otherwise in writing between the Company and the Buyer, the Company shall make commercially reasonable efforts to deliver the Products within 30 business days of acceptance of the respective purchase order. However, such delivery time will be deemed an approximation only, however the Company shall use its reasonable commercial efforts to meet the agreed delivery time.

All 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 Buyer meeting the following conditions: (1) Company has received, prior to the end of the Warranty Period, a written notice regarding a defective Product, (2) Buyer has afforded prompt and reasonable opportunity to inspect the Product as to which any claim is being made, and (3) the relevant Product has been handled, installed, operated and maintained in accordance with the then current recommendations set forth in the Product's manual, the Company's Website, and other written instructions provided by the Company from time to time, and has not been used with other software other than the Software, 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 in 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 or Software not in accordance with their installation manual made available by the Company on its Website or provided to Buyer, from time to time, use of the Products or the Software not in accordance with the restrictions, specifications and instructions made available by the Company through its Website, or provided to the Buyer, from time to time (including installation or use other than with the Software) 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 Product to the Company or any other location designated by Company in writing. 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 replacement of the Product, 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 Product is not defected or that the source of fault is not within the scope of the warranty as aforesaid, all shipping and/or replacement and handling costs will be borne solely by the Buyer. Where the Company notifies Buyer that it is unable to replace the defective Product, the Buyer shall be entitled to a refund of the purchase price for the respective Product. The provisions of this Warranty shall apply to the replacement Product for a period of three months from the date of replacement or, if longer, the unexpired part of the Warranty Period otherwise applicable to the Product.
- (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 PRODUCT, IN CONJUNCTION WITH THE SOFTWARE, IS A SUPPORTIVE TOOL WITH RESPECT TO THE DETECTION AND MANAGEMENT OF LEAKS IN WATER SYSTEMS, AND SHOULD NOT BE RELIED UPON EXCLUSIVELY. THE MANNER BY WHICH ANY SPECIFIC LEAK SHOULD BE HANDLED AND/OR REPAIRED IS DEPENDENT ON NUMEROUS FACTORS WHICH ARE OUTSIDE OF THE SCOPE OF THE PRODUCT'S CAPACITY AND WHICH SHOULD BE SEPARATELY ADDRESSED AND CONSIDERED BY THE BUYER, AT ITS SOLE RESPONSIBILITY. UNDER NO CIRCUMSTANCES WILL THE COMPANY, ITS SHAREHOLDERS OR ANY OTHER PARTY ON ITS BEHALF BE LIABLE FOR ANY DAMAGE, LOSS OR EXPENSE (INCLUDING PHYSICAL INJURIES) WHICH MAY BE CAUSED TO THE BUYER ANY ONE ACTING ON ITS BEHALF OR TO ANY THIRD PARTY IN CONNECTION WITH THE USE OF OR RELIANCE ON THE PRODUCT OR SOFTWARE, INCLUDING WITHOUT LIMITATION ANY DAMAGE, EXPENSE OR LOSS CAUSED AS A RESULT OF WATER LEAKS OR BURSTS, DAMAGES TO PIPING SYSTEMS AND THE LIKE. IN ADDITION, 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 INACCURATE OR ERRONEOUS MEASUREMENTS, INCLUDING WITHOUT LIMITATION WHEN THIS RESULTS FROM AN 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 and Software (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 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 made by the Buyer without the Company's permission, or combination of the Products with Buyer's products or use thereof with software other than the Software, 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/or Software, as applicable 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 Company 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. **CONFIDENTIALITY.** Buyer acknowledges that all technical, commercial and financial data disclosed to Buyer by Company in relation to the Products or Software 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.
10. **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.
11. **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.
12. **SEVERABILITY.** The parties agree that each provision contained in these General 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 General 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.
13. **NO RESALE.** Unless otherwise agreed to by the Parties, Buyer is acquiring the Products for its own use and not for the purpose of resale, lease, or other disposition of such equipment.
14. **INTEGRATION; MODIFICATION.** The provisions hereof, and all attachments hereto, together with the EULA, represent the entire agreement between the parties with respect to the purchase of the Products, and cancel all prior understanding, written or oral. No amendment, waiver, or cancellation of any part of these General Terms and Conditions shall be valid unless in writing and signed by Buyer and Company.
15. **COMMUNICATIONS.** All notices or other communications hereunder shall be in writing and shall be given in person, by registered mail (registered international air mail if mailed internationally) or by email transmission (provided that written confirmation of receipt is provided). Notices or other communications to the Buyer will be made to the address / email address uploaded by the Buyer on the Website. Notices or other communications to the Company will be made to the address as the Company may designate from time to time on the Website. All communications given by email shall be deemed given on the business day following successful transmission, and all notices and other communications sent by registered mail shall be deemed given five (5) Business Days after posting.