## HCS Kablolama Sistemleri SAN. Ve TIC. A. S. a company incorporated in Turkey (Company Number: 448566) (the "Company")

## **Terms and Conditions of Sales**

- 1. These Terms and Conditions (the "T&C") constitute an integral part of the quotation document and/or the order confirmation and/or the acceptance notice and/or the proforma or commercial invoice attached hereto (any and all of the specified documents, shall be referred to hereinafter as the "Company Transaction Documents").
- 2. The information and terms included in the Company Transaction Documents and in these T&C are directed to the entity identified in the Company Transaction Documents (the "Purchaser"), and shall be binding upon the Purchaser with respect to the purchase proposed or accepted, as the case may be, in the Company Transaction Documents (the "Current Transaction"), and with respect to any other transaction which shall be made between the Company and the Purchaser hereafter (the "Future Transactions"), unless otherwise explicitly stated by the Company, in writing..
- 3. The Current Transaction and all Future Transactions are subject to the terms and conditions included in the Company Transaction Documents and these T&C, including prices and payment terms, and the Purchaser shall not be entitled to cancel or otherwise amend, terminate or change them.
- 4. For the avoidance of doubt, the delivery date specified in the Company Transaction Documents, if any, is a **non-binding estimated date only**, the Company shall not be bound by such date, nor shall the Company be liable for any damage, liability or cost incurred by the Purchaser, directly or indirectly, due to any delay in delivery of the products listed in the Company Transaction Documents (the "**Products**").
- 5. Prices (in US\$ and/or EURO) and payment terms are as specified in the applicable Company Transaction Documents. The Purchaser shall deliver to the Company, prior to the delivery of the Products and as a condition thereto, any letters of credit or other bank guarantees, as requested by the Company in the Company Transaction Documents.
- 6. Unless otherwise determined in the Company Transaction Documents, The Purchaser shall bear all travel, storage and lodging expenses and any other costs and expenses related to the sale and delivery of the Products under the Company Transaction Documents and these T&C. Without derogating from the above, the Purchaser shall be responsible for paying all shipping and insurance charges relating to the sale and supply of the Products directly to any carrier of the Products. The carrier shall be deemed to act as the Purchaser's agent for delivery of the Products, and the Purchaser shall file any claims for loss or damage to the Products during transit with such carrier.
- 7. The prices specified in the Company Transaction Documents are exclusive of all federal, state, provincial, municipal or other government, excise, use, sales, occupational or like taxes, tariffs, duties or surcharges, now in force or enacted in the future, all of which shall be borne by the Purchaser.
- 8. Without derogating from any other remedy available to the Company under any applicable law, any amounts specified in the Company Transaction Documents not paid when due, shall bear interest at the rate of 2.5 percent per month, or the maximum allowable rate under applicable law, whichever is lower.

- 9. The Purchaser shall comply with all applicable laws, statutes, ordinances, codes, rules and regulations applicable to the import, storage and use of the Products.
- 10. All Products delivered to the Purchaser shall remain the property of the Company until the Purchaser shall have fulfilled its entire payment obligations specified in the applicable Company Transaction Documents and herein.
- 11. The Company warrants to the Purchaser that, for a period of six (6) months from the date of delivery of the Products to the Purchaser (the "Warranty Period"), the Products will be free from defects in material or workmanship under normal operation. The Company does not warrant that (a) the operation of the Products will be uninterrupted or error-free, or (b) the Products, when integrated in, or combined with, other products not supplied by the Company, will continue to perform substantially in accordance with the Company's documentation. This limited warranty is only for the benefit of the original Purchaser and is not transferable. No other person may act on behalf of the Purchaser for the purpose of claiming or exercising any rights or benefits under or in connection with this limited warranty. During the Warranty Period, the Company, at its expense and in its sole discretion, will repair or replace a Product if the Company has determined, in its sole discretion, that the Product has a covered defect and that this defect happen solely by the company, provided that the Purchaser first notifies the Company of any such defect, furnishes the Company with a proof of purchase, and returns the Product, shipping charges prepaid, to the Company. If, upon examination of the returned Product, the Company does not substantiate the defect claimed by Purchaser, or determines that the defect is not covered under this limited warranty, the Company will not be required to repair or replace the Product, but may instead reship the Product to the Purchaser, in which case Purchaser shall be responsible for paying the Company's usual charges for unpacking, testing, and repacking the Product for reshipment to Purchaser. Purchaser shall bear the risk of loss or damage in transit to any Product returned by Purchaser to the Company, or any returned Product not found to be defective or covered under this warranty and reshipped by the Company to Purchaser. In the event the Company repairs or replaces a defective Product, the repaired or replacement Product will be covered under this limited warranty for the remainder of the original Warranty Period on the defective Product. If the Company is unable to repair or replace a defective Product, the Purchaser's exclusive remedy shall be a refund of the original purchase price of the defective Product. Any returned and replaced Product, or any Product for which the Company has refunded the original purchase price, becomes the property of the Company.
- 12. THE LIMITED WARRANTY SPECIFIED IN SECTION 11 ABOVE, STATES THE EXCLUSIVE AND SOLE REMEDY FOR ANY BREACH OF WARRANTY BY, OR ANY DEFECTS IN, THE PRODUCTS, AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY AND FITNESS OR SUITABILITY FOR A PARTICULAR PURPOSE. THE ABOVE LIMITED WARRANTY SHALL NOT APPLY TO ANY UNTESTED, PARTIALLY TESTED, UNFINISHED OR INCOMPLETE PRODUCTS, OR ANY PRODUCT SAMPLES, DEMO UNITS OR PROTOTYPES, DELIVERED BY THE COMPANY TO THE PURCHASER. ALL SUCH PRODUCTS SHALL BE DELIVERED "AS IS" WITHOUT ANY WARRANTY OF ANY KIND.
- 13. The Purchaser's sole remedies, and the Company's sole liabilities, in connection with the Products shall be limited to those expressly set forth in the Company Transaction Documents and these T&C.

- 14. In no event shall the Company or any of its directors, officers, employees or representatives (together, the "**Company's Parties**") be liable for any special, exemplary, indirect, incidental or consequential damages (including loss of use, data, business, revenues, profits or other economic advantage), however caused, arising under or in connection with these T&C, any of the Company Transaction Documents and the Products or services provided hereunder, even if the Company or the Company's Parties have been advised of the possibility or probability of such damages or that such damages were foreseen, and even if any exclusive remedies provided in these T&C and any of the Company Transaction Documents fail of their essential purpose. Without derogating from the above said, in no event shall the Company or the Company's Parties be liable for any unforeseen damages.
- 15. THE PRODUCTS ARE NOT DESIGNED, MANUFACTURED OR INTENDED FOR USE, AND SHOULD NOT BE USED OR SOLD OR RESOLD FOR USE, IN ANY APPLICATIONS REQUIRING FAIL-SAFE PERFORMANCE OF THE PRODUCTS AND/OR IN WHICH A MALFUNCTION OR A FAILURE OF THE PRODUCTS COULD LEAD TO PERSONAL INJURY OR DEATH, OR SERIOUS PHYSICAL OR TO ENVIRONMENTAL DAMAGE, INCLUDING BUT NOT LIMITED APPLICATIONS SUCH AS (A) LIFE SUPPORT MACHINES OR OTHER LIFE PRESERVING MEDICAL DEVICES OR SYSTEMS; (B) AIR TRAFFIC CONTROL OR AIRCRAFT NAVIGATION OR COMMUNICATION SYSTEMS; OR (C) CONTROL EQUIPMENT FOR NUCLEAR FACILITIES (COLLECTIVELY, "RESTRICTED USES"). ALL RESTRICTED USES OF THE PRODUCTS ARE STRICTLY PROHIBITED AND SHALL AUTOMATICALLY VOID ANY WARRANTIES OR INDEMNITIES PROVIDED BY THE COMPANY, AND RELEASE THE COMPANY FROM ANY OBLIGATION TO PROVIDE ANY SUPPORT WITH RESPECT TO SUCH PRODUCTS.
- 16. In no event shall the Company's cumulative liability for all claims of whatever kind, in the aggregate, whether such claims are based in contract, indemnity, warranty, tort or otherwise, arising under or in connection with any of the Company Transaction Documents and these T&C, and any of the Company's Products or services provided thereunder, exceed the lower of (i) the sum of the total amounts paid by the Purchaser to the Company with respect thereto, or (ii) 100,000 US\$.
- 17. No action, regardless of form, arising out of any alleged breach of any of the Company Transaction Documents and/or these T&C, may be brought by the Purchaser more than 12 months after the date of the applicable Company Transaction Documents.
- 18. The Company shall not be liable for failure to perform any of its obligations under the Company Transaction Documents and/or these T&C when the failure is due to causes beyond the Company's control, including, without limitation, fire, flood, earthquake, civil strike, national or local disaster, order of any applicable government or any department or agency thereof, riot, war, civil appraisal or embargo. Any suspension of the Company's performance by reason of this Section shall be limited to the period during which the cause of such suspension exists.
- 19. The Company and the Purchaser shall use their best endeavors to settle amicably any dispute or difference between them arising under or in connection with any of the Company Transaction Documents and these T&C. If the Company and the Purchaser fail to reach a settlement, such dispute or difference shall be referred exclusively to the Court House in Tel Aviv Israel.
- 20. The Company Transaction Documents and these T&C shall be governed by and construed under the laws of the State of Turkey.

- 21. In the event of any contradiction between these T&C (including the Company Transaction Documents) and all exhibits and other documents relating hereto, and any other agreement entered between the Company and the Purchaser pertaining to the transactions contemplated herein, these T&C (including the Company Transaction Documents) shall govern.
- 22. The Purchaser shall not transfer or assign any or all of its rights and/or obligations under these T&C and any of the Company Transaction Documents without the prior written consent of the Company.