

DATA DETECTION TECHNOLOGIES LTD ("DATA")

Standard Terms and Conditions

These DATA Standard Terms and Conditions govern all and any transactions by which any DATA Customer and/or Distributor (hereinafter: "**Client**") purchases DATA Products and/or places a Purchase Order, and/or acquires any exclusive or non-exclusive distribution license and/or any other license and/or any Services from DATA as defined by Client's binding Agreement with DATA.

1. **General:**

Any Purchase Agreement and/or Distribution Agreement and/or Supply Agreement and/or Consulting Agreement and/or any other Services Agreement between DATA and any of its Customers and/or Distributors (hereinafter and collectively: "**Agreement**") shall be subject to these DATA Standard Terms and Conditions only. Any written communication indicating terms different or contradictory to these Standard Terms and Conditions shall be considered null and void.

2. **Definitions:**

All undefined Capitalized terms shall be understood as defined by Agreement between DATA and Client.

3. **Client Support Policy:**

3.1 DATA offers Client one of two Maintenance Packages, as described below (Section 4) (the "**Maintenance Packages**"). Prior to the execution of any Agreement, Client shall consider the terms of the Maintenance Packages and notify DATA in writing of its interest to select one of the following Maintenance Packages and of its agreements to the terms described hereby.

3.2 Notwithstanding these Standard Terms and Conditions, Client shall maintain, at its own expense and at all times during the Term, sufficient quantities of spare parts for the Products, as shall be advised by DATA from time to time, at the prices listed on DATA's spare-parts price list in effect at time of order of the spare parts. Without derogating from the above, DATA will maintain sufficient inventory of spare parts to support the repair of the Products at all times during the Term.

3.3 Should Client choose not to purchase any of the Maintenance Packages, Client shall be fully responsible for the maintenance of the DATA Products and for any appropriate repair and installment of spare parts as required. Under such circumstances, DATA shall have no liability in contract or tort for any damage, loss, cost or expense (whether direct or indirect, special, or consequential) suffered or incurred by Client and/or any customer and/or any third party, arising from routine and/or improper use of the Products, except DATA's Standard Warranty Policy.

4. DATA's support services shall be supplied during business hours, as follows: 08:00-17:00 (GMT+2); week days: Sun – Thu, excluding holidays as defined by Israeli law. Response time is not more than 2 working days.

5. The Maintenance Packages:

5.1 Preventative Maintenance ("PM"):

5.1.1 **PM package description:** The Preventative Maintenance package shall include two (2) scheduled visits by DATA representatives per year to Client's site with the purpose of inspecting the DATA Products covered by the Agreement. The visits shall include the pro-active replacement of recommended parts at a discount price. After each visit, Client shall be provided with a full written report which shall advise Client of the conclusions of each visit, provide Client with a status update and advise Client of any recommendations and advised repairs.

5.1.2 **Payments and Charges:**

5.1.2.1 The PM package shall cost a total of 3% of the listed price of the system(s) covered by the Agreement for Stand Alone Counters, and 5% of the listed price for Industrial Counters, as listed at the Agreement's Effective Date, and shall be paid in advance to the provision of the PM package. Notwithstanding the above, should the PM package be purchased with the order of the DATA Products, Client shall be entitled to a 50% discount on the PM package for the first year after purchase.

5.1.2.2 The pro-active replacement of recommended parts shall be provided for no extra service charge, and Client shall be charged for any spare parts at a 10% discount price to the standard listed prices of such spare parts at that time. All out of pocket expenses shall be charged as stipulated by Section 5 of these Terms and Conditions.

5.1.2.3 In the event of a system break-down that is the result of reasonable use of the DATA Products, replacement services shall be provided free of charge, and any required spare parts shall be sold to Client at a 10% discount price to the standard prices of such spare parts at that time. All out of pocket expenses shall be charged as stipulated by Section 5 of these Terms and Conditions. Any spare parts required due to a system breakdown which is the result of unreasonable or negligent use of the DATA Products shall be sold to the Client at the standard rates of such spare parts at that time.

5.1.2.4 Existing Clients, who have already been provided with the DATA Products but who wish nonetheless to purchase the PM package shall require an on-site "set-up" visit by DATA representatives, in addition to the visits described above. The additional visit will be charged at a 10% discount to the standard rates of the labor, materials, equipment and out of pocket costs required by the visit (see Section 5).

5.1.3 **Warranty:** DATA's Standard Warranty Policy (see Section 6), shall apply to spare parts and services provided to Client under the PM package for a period of 12 (twelve) months from date of delivery of the DATA Products to Client or for a period of ninety (90) days, according to the later of the two dates.

5.2 Preferred Customer Service ("PCS"):

5.2.1 **PCS package description:** The Preferred Customer Service package shall include two (2) scheduled visits by DATA representatives per year to Client's site with the purpose of inspecting the DATA Products covered by the Agreement. The visits shall include the pro-active replacement of recommended parts by DATA's experts, free of charge, as well as recommended steps to improve system reliability. After each visit, Client shall be provided with a full written report which shall advise Client of the conclusions of each visit, provide Client with a status update and advise Client of any recommendations and advised repairs. In addition, the PCS package shall cover the replacement of parts in the case of a system breakdown encountered due to reasonable use of the DATA Products, for no extra charge.

5.2.2 Payments and Charges:

5.2.2.1 The PCS package shall cost a total of 5% of the listed price of the system(s) covered by the Agreement for Stand Alone Counters, and 8% of the listed price for Industrial Counters, as listed at the Agreement's Effective Date, and shall be paid in advance to the provision of the PCS package. Notwithstanding the above, should the PCS package be purchased with the order of the DATA Products, Client shall be entitled to a 50% discount on the PCS package for the first year after purchase.

5.2.2.2 Services and materials required for the pro-active replacement of recommended parts shall be provided free of charge. All out of pocket expenses shall be charged as stipulated by Section 5 of these Terms and Conditions.

5.2.2.3 In the event of a system breakdown that is the result of reasonable use of the DATA Products, both repair and replacement services, as well as any required spare parts, shall be supplied free of charge. Any spare parts required due to a system breakdown which is the result of unreasonable or negligent use of the DATA Products shall be sold to the Client at the standard rates of such spare parts at that time.

5.2.2.4 Existing Clients, who have already been provided with the DATA Products and who wish to purchase the PCS package shall require an on-site "set-up" visit by DATA representatives, in addition to the visits described above. The additional visit will be charged at a 10% discount to the standard rates of the labor, materials, equipment and out of pocket expenses required by the visit.

5.2.3 **Warranty:** DATA's Standard Warranty Policy (see Section 6), shall apply to spare parts and services provided to Client under the PCS package for a period of 12 (twelve) months from date of delivery of the DATA Products to Client or for a period of ninety (90) days, according to the later of the two dates.

6. Standard Payments and Charges:

Customer shall be charged for services provided by DATA representatives in accordance with DATA's applicable pricelist. The prices in the DATA's pricelist may be changed by DATA in its full discretion without prior notice.

6.1 Out of Pocket Expenses:

6.1.1 **Travel:** DATA representatives shall travel to Client's site by car wherever possible in accordance with the charges detailed below, provided that said journey does not require more than three (3) hours of driving each way. Where and when car rental is required, Client shall be charged for rental and gas.

6.1.2 Journeys which do not conform to these conditions shall be made by means of train and/or air travel and shall be paid for by Client. In such cases, DATA commits to make all reasonable efforts to purchase the cheapest direct economy class tickets, subject to availability.

6.1.3 **Food & Lodging:** When required, Client shall be charged for accommodation for DATA representatives in a four (4) star hotel. In addition, DATA representatives shall be granted a daily allowance to cover food expenses.

6.2 **Changes to Payment policy:** DATA reserves the right to change its standard payments and charges policy as stipulated by this Section from time to time, at its own discretion and without prior notice. DATA shall publicize any changes to these Terms and Conditions on its website and shall provide Client with notifications of updates upon request.

7. Warranty Policy:

- 7.1 DATA warrants that the Products, at the time of shipment, shall be free from material defects in materials and workmanship. DATA further warrants that the Products delivered shall be free from any such defects for a period of 12 (twelve) months from date of delivery of Product to Client (the "**Warranty**"). The application of the Warranty shall be only according to these Terms and Conditions.
- 7.2 The Warranty provided hereunder shall not apply to Products which have been subjected to any improper testing, assembling, mishandling, misuse or use which is not in compliance with Client's Agreement with DATA, or any other damages caused by any external force.
- 7.3 Client must provide written notice of nonconforming Products shipped by DATA immediately upon the detection of such nonconformity by Client ("**Written Notice**"). During the Warranty period and if Products delivered are warranted, DATA shall, at its sole discretion, and as the Client's exclusive remedy, either (i) refund the purchase price; or (ii) replace the defective Product.
- 7.4 Upon receipt of Written Notice regarding nonconforming Products during the first month of the date of shipment, all said nonconforming Products shall be replaced free of charge and their immediate repair shall be considered DATA's highest priority. Notwithstanding the above, claims for defective merchandise, shortages, delays or failures in shipment or delivery, or for any other cause shall be made in writing within 10 (days) of the arrival of the merchandise, or otherwise be deemed waived.
- 7.5 Client shall maintain sufficient number of replacement Products and spare parts, as shall be advised by DATA, in order to replace malfunctioning, defective, damaged or broken Products ("**Warranted Products**") during the warranty period.
- 7.6 The Warranty covers the faulty parts only. Shipment of any Warranted Products to DATA or to whom DATA instructs shall be made at Client's expense.
- 7.7 All out of pocket expenses encountered by virtue of the Warranty as well as import duties shall be made at Client's expense.
- 7.8 The Warranty provided hereunder is in lieu of all other warranties. Without derogating from the above, DATA makes no warranties, whether express warranties or implied of merchantability of the Products. DATA shall have no liability in contract or tort for any damage, loss, cost or expense (whether direct or indirect, special, or consequential) suffered or incurred by Client and/or any customer and/or any third party, arising from the use of the Products. DATA further makes no warranties that the use of the Products will not infringe any patents or patent rights owned or controlled by any third parties. Nothing contrary to the above, and to the extent permitted under the applicable, DATA's entire liability under this section shall be

limited and in any event shall not exceed the payments received by DATA with respect to the purchase of the Products.

8. Confidentiality and Intellectual Property Rights:

- 8.1 Client acknowledges that all right, title and interest in or to any copyrights, patents or other intellectual property rights embodied in any Products, and all related know-how, designs, plans, mask works, trademarks, formulae, processes, manufacturing techniques, trade secrets, ideas, materials, documents, artworks, software or other copyrightable or patentable work, are the sole and exclusive property of DATA, DATA is entitled to be registered as the sole owner of such rights and Client shall have no rights, claims and/or demand in connection therewith.
- 8.2 The DATA trademarks and the goodwill associated therewith are the exclusive property of DATA and nothing in these Terms and Conditions grants Client or any third party any right, title or interest therein, except for the right expressly granted herein to use the DATA trademarks for the purpose of distributing and marketing the Product during the Term.
- 8.3 Client shall make no changes in the Product or any part thereof, or add any components to the Products or any part thereof, or otherwise disassemble or reverse engineer, or use the Products in any way or manner other than as originally intended.
- 8.4 Client shall include in all its promotional and advertising materials, as applicable, in a manner that is visible and approved by DATA in advance, the DATA trademarks and trade-signs, and acknowledgement and ownership notices and legends referring to DATA as the developer and proprietary owner of all rights to the Products. Any trademarks and/or trade-sign of DATA appearing on the Products shall not be erased, covered or otherwise removed.
- 8.5 Client shall promptly notify DATA of any infringement, suspected infringement or violation of any of DATA's intellectual property rights pertaining to the Products or the DATA trademarks, and shall reasonably assist and cooperate with DATA in the pursuing any legal actions with respect to such actions.

9. Miscellaneous:

- 9.1 **Force Majeure:** DATA shall not be liable for any failure or delay in its performance under this Agreement due to causes, beyond its reasonable control, including, but not limited to, acts of God, acts of civil or military authority, fires, epidemics, floods, earthquakes, riots, wars, sabotages, labor shortages or disputes, and governmental actions; provided that the delayed party: (a) gives the other party written notice of such cause promptly, and in any event within two (2) days of discovery thereof; and (b) uses its reasonable efforts to correct such failure or delay in its performance.

- 9.2 **Assignment:** Client shall not be entitled to assign any of its responsibilities and obligations stipulated by Agreement with DATA or by virtue of these Terms and Conditions without receiving prior written approval of DATA.
- 9.3 **Dispute Resolution:** In the event that either party have any problems or disputes relating to these Terms and Conditions and/or any other Agreement between the Parties, such problems or disputes shall first be submitted to the Parties' designated representatives for discussion in an effort to determine whether an amicable resolution regarding any such matter may be achieved prior to initiating any legal action or administrative proceeding with any court or government agency or otherwise pursuing its remedies.
- 9.4 **Arbitration:** The Parties agree that any claim, dispute, or controversy arising out of or in connection with or relating to these Terms and Conditions and/or any other Agreements between the Parties or the breach or alleged breach thereof, shall, as a condition precedent to the filing or commencing of any action, suit, or proceeding, be brought before an arbitrating body acceptable to both Parties.
- 9.5 **Governing Law:** These Terms and Conditions shall be governed by and construed according to the laws of the State of Israel. Any dispute arising under or relating to these Terms and Conditions or any transactions contemplated herein shall be resolved by the competent courts of Jerusalem, Israel and each of the parties hereby irrevocably agree to the jurisdiction of such venue.
- 9.6 **Waivers:** No failure or delay by either party in exercising any right, power, or remedy under these Terms and Conditions shall operate as a waiver of any such right, power, or remedy. No waiver of any provision of these Terms and Conditions shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced.
- 9.7 **Severability:** If one or more provisions of these Terms and Conditions are held to be illegal or unenforceable under applicable law, such illegal or unenforceable provision(s) shall be limited or excluded from this agreement to the minimum extent required so that these Terms and Conditions shall otherwise remain in full force and effect and enforceable in accordance with its terms.