

TERMS & CONDITIONS

Version 3: 14 November 2016

General Terms and Conditions of Sale 2016

Where Telit has provided a quotation, Telit's quotation together with these Terms is referred to as the Agreement

1. **APPLICABILITY.** These general terms and conditions of sale (the “**Terms**” or the “**Agreement**”) shall govern the relationship between Telit and a customer (“**Buyer**”) purchasing products from Telit, unless and until Telit and Buyer both sign a formal written agreement for such products. Any terms deviating from these Terms shall be null and void unless Telit has explicitly agreed to such deviating terms in writing. “Telit” means any of the following entities: Telit Communications PLC (“Telit PLC”), Telit Wireless Solutions, Inc. (“Telit Inc.”), Telit Communications SpA (“Telit Italy”), Telit Wireless Services Ltd (“Telit Israel”), Telit Wireless Solutions (PTY) Ltd. (“Telit RSA”), Telit Wireless Solutions Hong Kong Ltd. (“Telit HK”), Telit Wireless Solutions Co., Ltd (“Telit Korea”), Telit Wireless Solutions Tecnologia e Serviços Ltda. (“Telit Brazil”), Telit Communications Cyprus Ltd. (“Telit Cyprus”), Telit IoT Platforms, LLC (“Telit IoT Platforms”), Telit Wireless Solutions GmbH (“Telit Germany”), Telit Automotive Solutions NV (“Telit Belgium”), Shanghai Stollmann Communication Technology Co., Ltd (“Shanghai Stollmann”), and any of their applicable corporate group affiliates.
2. **PLACING AND ACCEPTANCE OF ORDERS.** Buyer may place an order for Telit products by delivering a purchase order to Telit. The manner of acceptance of purchase orders shall be solely by Telit's express written acceptance to a specific purchase order. Until such express acceptance (“**Order Acceptance**”), Telit shall have no obligation to the Buyer. Telit's acceptance of all orders and all offers and sales by Telit are subject to and expressly conditioned upon Buyer's consent to these Terms. Any terms of Buyer's purchase orders that are different from or in addition to those contained in these Terms, shall be of no effect unless included in a revised quotation by Telit. Commencement of performance or shipment shall not be construed as acceptance of any such different or additional terms. Acceptance by Buyer of

products furnished by Telit pursuant hereto shall be deemed consent to this Agreement. Only purchase orders accepted by Telit shall bind Telit.

3. **ORDER CANCELLATION.** Without derogating from any commitment made by Buyer to purchase a certain quantity of products within a certain amount of time, 30 days prior to the scheduled delivery date, any reschedule, amendment or cancellation of a Purchase Order is not possible; 30-60 days prior to scheduled delivery date changes are allowed +/- 25%; 60-90 days prior to scheduled delivery date changes are allowed +/- 50%; more than 90 days prior to scheduled delivery date full flexibility provided however, that any such reschedule, amendment or cancellation shall always be subject to (i) the applicable minimum order quantity (“**MOQ**”). As an example only, if the MOQ of a product is 720 and the order includes 1440 units of said product, no change will be possible 30-60 days before the delivery date, as such a change would amount to 50% of the order and not 25%; and (ii) Buyer shall be liable for long lead components (being components with a lead time of 60 days or more).
4. **DELIVERY, TITLE AND RISK OF LOSS.** Delivery lead-times are estimated and have to be confirmed by Telit's order confirmation. Products shall be delivered EXW - INCOTERMS© 2012 - Hong Kong or as otherwise specified by Telit. For the avoidance of doubt, risk of loss and/or damage to products shall pass to Buyer upon title to the products passing to Buyer. In the event Buyer rejects or revokes acceptance of any products for any reason, all risk of loss and/or damage to such products shall nonetheless remain with Buyer unless and until the same are returned at Buyer's expense to such place as Telit may designate in writing. In addition to having a lien over products in respect of which full payment has not been made, Telit has the right to cease provision or not provide products and has the right to reclaim products already provided if amounts due by Buyer have not been paid by the payment due date.
5. **PRICES.** Quoted prices do not include transportation, insurance or any applicable sales, use, value-added, excise or other taxes, duties, fees or assessments imposed by any jurisdiction, all of which will be paid by Buyer. Buyer will reimburse Telit if any of the foregoing is paid by Telit. All prices and other terms are subject to correction for typographical or clerical errors. Telit may, at its option, adjust all prices stated in currencies other than U.S. dollars for exchange rate fluctuations. Telit may change its price lists at any time. All price quotes are indicative only and not legally binding.
6. **TERMS OF PAYMENT.** Unless otherwise agreed in writing, Buyer shall pay for products in cash in advance or cash upon delivery, at Telit's option. Each shipment shall be considered a

separate and independent transaction and payment for each shipment shall be due accordingly. Telit may, at its option, elect to extend credit to Buyer, in which case invoices will be issued upon shipment and payment shall be due in full within thirty (30) days from the invoice date subject to the approval of the credit line, to be communicated in writing by Telit, which reserves the right to change or withdraw any such credit line at any time at its sole discretion. Unless otherwise specified in this Agreement or agreed to in writing by Telit, payment for services will be billed at Telit's then current prices and invoiced monthly or, if sooner, upon completion of the work. Payment of such invoices is due within thirty (30) days from the invoice date. Amounts not paid when due shall be subject to interest at the rate of one and one-half percent (1 and ½ %) per month or, if less, the maximum rate permitted by law. In the event of the bankruptcy or insolvency of Buyer, or the filing of any proceeding by or against Buyer under any bankruptcy, insolvency or receivership law, or in the event Buyer makes an assignment for the benefit of creditors, Telit may, at its election and without prejudice to any other right or remedy, exercise all rights and remedies granted to Telit in Section 9 as in the case of a default by Buyer under these Terms. Buyer shall not have the right to set-off any monies owed to Telit by payments it claims are owed by Telit to Buyer.

7. **PERFORMANCE.** Telit will make reasonable commercial efforts to observe the dates specified in these Terms or such later dates as may be agreed to by Buyer for delivery or other performance, but Telit shall not be liable for delay in delivery or failure to perform resulting from conditions beyond the reasonable control of Telit.
8. **ACCEPTANCE.** All products shall be deemed accepted by Buyer as conforming to this Agreement unless written notice of the claimed nonconformity is received by Telit within ten (10) days of delivery thereof. Any use of a Telit product by Buyer for any purpose shall constitute acceptance of that product by Buyer. Unless agreed and specified in writing, the customer shall accept partial delivery of any order.
9. **DEFAULT AND TERMINATION.** Without limitation, Buyer shall be deemed in material default under these Terms if Buyer fails to pay any amounts when due hereunder, cancels or attempts to cancel these Terms prior to delivery or refuses delivery or otherwise fails to perform any of its obligations in this Agreement, fails to pay Telit any sums due under any other agreement or otherwise or threatens or harms Telit's intellectual property rights. In the event of a material default by Buyer, Telit may, upon written notice to Buyer, (1) suspend its performance and withhold shipments, in whole or in part, (2) terminate these Terms, (3) declare all sums owing to Telit immediately due and payable and/or (4) recall products in transit, retake same and repossess any products held by Telit for Buyer's account, without the

necessity of any other proceedings, and Buyer agrees that all products so recalled, taken or repossessed shall be the property of Telit, provided that Buyer is given credit therefor. Exercise of any of the foregoing remedies by Telit shall not preclude exercise of any of the others, and neither the existence nor exercise of such remedies shall be construed as limiting, in any manner, any of the rights or remedies available to Telit under the U.S. Uniform Commercial Code or other, similar, laws.

10. **INTELLECTUAL PROPERTY RIGHTS.** The sale of products hereunder does not convey any express or implied license under any patent, copyright, trademark or other proprietary rights owned or controlled by Telit, whether relating to the products sold or any manufacturing process or other matter. All rights under any such patent, copyright, trademark or other proprietary rights are expressly reserved by Telit.
11. **INTEGRATION RIGHTS.** Buyer shall have the right to integrate products as delivered by Telit into Buyer's products and to sell, offer to sell, and distribute such Buyer products. Buyer shall not remove or omit any copyright or other proprietary notices placed or included by Telit on any product or in the product software, documentation or other materials provided in conjunction with the product. Nothing in this Agreement shall be construed as a sale, assignment or transfer of product software to Buyer or any customer of Buyer; provided, however, that each customer which purchases a Buyer product containing a Telit Product shall have a limited license to use and execute the Telit software as required for the use of such Buyer product, and for no other purpose. Except with the prior written consent of Telit, Buyer shall not (a) disassemble, decompile, decode, reverse engineer, alter, modify, adapt, or create any derivative works based on, the software; (b) copy the software; or (c) distribute the software apart from the associated Telit products.
12. **QUALCOMM DECLARATION.** Quoted prices are applicable only and are subject to, the **M2M Data Modules and/or Telematics Modules purchased by Buyer hereunder being used by buyer solely for incorporation into or as an attachment to a Permitted Device (as defined below), or installation in a Permitted Vehicle (as defined below), as the case may be, and such M2M Data Modules (as defined below) and/or Telematics Modules (as defined below) shall not be used for any other purpose or resold by Buyer to any third party as a standalone product.** "M2M Data Module" means a data-only CDMA modem card which (i) does not provide or incorporate any direct connectors and/or pins which are dedicated for audio input/output; (ii) does not provide a microphone or a means of interfacing a microphone (whether by wire or wireless connection) to such CDMA modem card; and (iii) is sold for use solely when permanently attached to or incorporated into a utility meter,

vending machine, cargo container, home security system or industrial security system, provided that such equipment/devices also do not possess any of the elements enumerated in clauses (i) and (ii) above and/or are not otherwise capable of being used to support any voice communications ("Permitted Devices"). "**Telematics Module**" means a CDMA modem card which (i) is sold for use solely with, and incorporation into, automobiles (commercial or personal), trucks or buses (collectively, "Permitted Vehicles"), (ii) is not capable of initiating or receiving wireless telecommunications transmissions unless it is physically and electrically connected to a Permitted Vehicle, and (iii) cannot be detached from the Permitted Vehicle by the end user. **Any use or sale not in accordance with this Section 12 will affect the pricing offered by Telit under these Terms.**

13. **LIMITED WARRANTY.** Telit's standard limited warranty is incorporated into these Terms, as follows: Unless otherwise agreed, Telit warrants to Buyer that for a period of 12 months from the date of their delivery to Buyer, the products shall operate in accordance with the specifications published by Telit and shall be free of defects in material and workmanship. The warranty is only for the benefit of the original Buyer and is not transferable. THE SOLE RESPONSIBILITY OF TELIT AND BUYER'S SOLE REMEDY UNDER THIS WARRANTY SHALL BE, AT TELIT'S SOLE OPTION, TO REPAIR OR REPLACE THE PRODUCT (OR IF REPAIR OR REPLACEMENT IS NOT REASONABLY POSSIBLE, OBTAIN A REFUND OF THE PURCHASE PRICE). TELIT EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, SATISFACTORY PERFORMANCE, AND FITNESS FOR A PARTICULAR PURPOSE. THE WARRANTY SHALL NOT APPLY TO ANY UNTESTED, PARTIALLY TESTED, UNFINISHED OR INCOMPLETE PRODUCTS OR TO ANY PRODUCT SAMPLES, DEMO UNITS OR PROTOTYPES. ALL SUCH PRODUCTS ARE PROVIDED "AS IS" WITHOUT WARRANTY OF ANY KIND. Telit's warranty shall be null and void if the Buyer modifies or allows a third party to modify the products, unless the Buyer can prove that the defect in question has not been caused by the modifications effected by him or a third party. The same shall be true in the event that the Buyer uses the products under circumstances other than those explicitly approved for use. The warranty will also be null and void if full payment has not been made to Telit. The limitations of liability set out in Section 14 of these Terms below shall be unaffected by this Section 13.

14. **LIMITATION OF LIABILITY AND CLAIMS.** TELIT'S AGGREGATE LIABILITY IN DAMAGES OR OTHERWISE SHALL IN NO EVENT EXCEED THE LESSER OF: (I) THE AMOUNT, IF

ANY, RECEIVED BY TELIT HEREUNDER FOR THE PRODUCTS GIVING RISE TO SUCH CLAIM; OR (II) US\$ 5,000,000 (FIVE MILLION UNITED STATES DOLLARS). IN NO EVENT SHALL TELIT BE LIABLE FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL OR SPECIAL LOSS OR DAMAGES OF ANY KIND, HOWEVER CAUSED (INCLUDING BUT NOT LIMITED TO LOSS OR INTERRUPTION OF USE, DATA, REVENUES OR PROFITS RESULTING FROM A BREACH OF THIS AGREEMENT OR BASED ON ANY OTHER LEGAL THEORY, EVEN IF TELIT HAS BEEN ADVISED OF THE POSSIBILITY OR LIKELIHOOD OF SUCH DAMAGES. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR PRODUCTS OR SERVICES FURNISHED BY TELIT, MAY BE BROUGHT BY BUYER MORE THAN TWO (2) YEARS AFTER THE CAUSE OF ACTION ACCRUED.

15. **INDEMNIFICATION.** Buyer agrees to defend, hold harmless, and indemnify Telit and its directors, officers, employees, agents and affiliates from and against any and all damages, liability, costs and expenses (including but not limited to reasonable attorneys' fees) arising out of any (a) breach of this Agreement by Buyer; (b) claim for negligence, misrepresentation, false statement, intentional misconduct, or other act or omission by Buyer, its customers, OEM's, distributors, distributors, employees, agents or other representatives in connection with the sale of the products; (c) personal injury, death or property damage caused by Buyer products in which Telit products are included, or any employees, agents or other representatives of Buyer; and (d) any claim that the integrated or combination of the products by Buyer with any other product(s), infringe any intellectual property rights of a third party or fail to conform to any safety or other government laws or regulations. Telit shall promptly provide Buyer with notice of any indemnified claim and cooperate with Buyer, at its expense, in the defense or settlement of any such claim.
16. **RESTRICTED USES.** 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 ENVIRONMENTAL DAMAGE, INCLUDING BUT NOT LIMITED TO 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; (C) CONTROL EQUIPMENT FOR NUCLEAR FACILITIES; OR (D) MISSILE, NUCLEAR, BIOLOGICAL, OR CHEMICAL WEAPONS, OR OTHER MILITARY

APPLICATIONS (COLLECTIVELY, "RESTRICTED USES"). ALL RESTRICTED USES OF THE PRODUCTS ARE STRICTLY PROHIBITED AND SHALL AUTOMATICALLY VOID ANY WARRANTIES OR INDEMNITIES PROVIDED BY TELIT, AND RELEASE TELIT FROM ANY OBLIGATION TO PROVIDE ANY TRAINING OR SUPPORT, WITH RESPECT TO SUCH PRODUCTS (BUT FOR THE AVOIDANCE OF DOUBT, ANY PROVISION OF TRAINING OR SUPPORT BY TELIT NOTWITHSTANDING THIS PROVISION, WILL NOT PLACE ANY OBLIGATION ON TELIT AND NOR SHALL TELIT BE DEEMD TO HAVE ACCEPTED OR QUIESCED TO SUCH RESTRICTED USE, WHETHER UNDER THIS AGREEMENT OR OTHERWISE). WITHOUT LIMITING THE FOREGOING, BUYER SHALL NOT INTEGRATE OR OTHERWISE USE PRODUCTS WITH PRODUCTS FOR SALE OR PROVISION TO CUSTOMERS FOR ANY RESTRICTED USE.

17. **ENTIRE AGREEMENT.** These Terms constitute the entire agreement of the parties and supersede all prior negotiations, proposals, agreements and understandings, whether oral or written, relating to the products to be purchased hereunder or otherwise relating to the subject matter of this Agreement. Any representation, warranty, course of dealing or trade usage not expressly contained or referenced herein shall not be binding on Telit.
18. **ASSIGNMENT.** Buyer shall not assign or transfer any rights or claim under this Agreement without the prior written consent of Telit, and any purported assignment made without such consent shall be void. In case of authorized assignment, the Buyer will remain jointly and severally liable together with the assignee for the performance of all the obligations mentioned hereunder. Telit may assign this agreement and any of its rights and obligations hereunder to any affiliate thereof, or to any purchaser of all or substantially all of its assets relating to this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties.
19. **EXPORT CONTROL.** Products delivered under this Agreement may be the subject to import and export regulations of the United States and other countries. Buyer agrees to comply strictly with these applicable laws and regulations and to obtain and maintain any export and import license(s) required for the delivery of products to Buyer under this Agreement.
20. **PRODUCT SAFETY.** Buyer shall comply fully with all industry safety standards and all safety-related laws, rules and regulations applicable to the manufacture, distribution or sale of items incorporating the products supplied by Telit. Buyer shall defend and hold Telit harmless against any expense, loss, costs or damages relating to any claimed failure by Buyer to comply with such industry standards, laws, rules or regulations or from any bodily injury, illness or

property damage resulting from products manufactured by Buyer which incorporate the products supplied by Telit.

21. **GENERAL.** No change or supplement to this Agreement shall be binding on Telit unless agreed to in writing by Telit's authorized representative. The invalidity or unenforceability, in whole or in part, of any provision herein shall not affect the validity or enforceability of any other provision herein. Failure or delay on the part of either party to exercise any right, power, privilege or remedy herein shall not constitute a waiver thereof. The section headings contained herein are for convenience of reference only and are not to be used in the construction or interpretation of these Terms.
22. **GOVERNING LAW.** In the event of a dispute between Buyer and Telit arising out of, or relating to, these Terms, their interpretation or performance hereunder, the parties shall exert their best efforts to resolve the dispute amicably through negotiations. The validity, construction, and interpretation of this Agreement and all purchase orders issued hereunder shall be solely and exclusively governed by and construed in accordance with the applicable law determined as follows: (i) for sales made by Telit Plc, the laws of England and Wales shall apply; (ii) for sales made by Telit Inc., Telit IoT Platforms and Telit Brazil, the laws of the State of New York, USA shall apply; (iii) for sales made by Telit Italy, the laws of Italy shall apply; (iv) for sales made by Telit Israel, the laws of the State of Israel shall apply; (v) for sales made by Telit Korea, the laws of the Republic of Korea shall apply; (vi) for sales made by Telit HK, the laws of Hong Kong shall apply; (vii) for sales made by Telit RSA, the laws of the Republic of South Africa shall apply; (viii) for sales made by Telit Cyprus, the laws of the Republic of Cyprus shall apply; (ix) for sales made by Telit Germany, the laws of the Federal Republic of Germany shall apply and (x) for sales made by Telit Belgium, the laws of the Kingdom of Belgium shall apply, in all cases, excluding any otherwise applicable rules of conflict of laws. **The parties expressly agree to exclude application of the United Nations Convention in Contracts for the International Sale of Goods.**
23. **CHOICE OF FORUM.** The choice of forum for disputes arising under or relating to these Terms shall be determined as follows: (i) for sales made by Telit Plc, the courts located in London, England shall have sole and exclusive jurisdiction; (ii) for sales made by Telit Inc., Telit IoT Platforms and Telit Brazil, the federal courts located in New York County, New York shall have sole and exclusive jurisdiction; (iii) for sales made by Telit Italy, the courts of Italy located in Trieste, Italy shall have sole and exclusive jurisdiction; (iv) for sales made by Telit Israel, the courts located in Tel Aviv, Israel shall have sole and exclusive jurisdiction; (v) for sales made by Telit Korea, the courts located in Seoul, Korea shall have sole and exclusive jurisdiction;

(vi) for sales made by Telit HK, the courts located in Hong Kong shall have sole and exclusive jurisdiction; (vii) for sales made by Telit RSA, the courts located in Johannesburg, South Africa shall have sole and exclusive jurisdiction, (viii) for sales made by Telit Cyprus, the courts located in the Republic of Cyprus shall have sole and exclusive jurisdiction, (ix) for sales made by Telit Germany, the courts located in Hamburg, Germany shall have sole and exclusive jurisdiction, and (x) for sales made by Telit Belgium, the courts located in Brussels, Belgium shall have sole and exclusive jurisdiction. For implementation of this Agreement and all its consequences, each party waives such of its rights and privileges under any other law or legal system, such as the law of the place of performance, as is necessary to give effect to the term and conditions hereof. Each party hereby expressly consents to personal jurisdiction in applicable forum set forth above and expressly waives any right to object to such personal jurisdiction, or the convenience of such forum.

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