

Variscite Sale Terms and Conditions

1. Application

Effective as of the time that the buying party ("Buyer") orders Product from VARISCITE, these Sale Terms and Conditions ("Sale Terms and Conditions") shall govern all quotes, sales, purchase orders and agreements between VARISCITE and Buyer collectively referred to as "Parties". Except as specifically stated otherwise herein, the term "Product" shall refer to both hardware and software delivered by VARISCITE to Buyer. If any of the provisions of a purchase order or other writing issued by Buyer are in addition to, ambiguous, or in conflict with the Sale Terms and Conditions herein, those additional, conflicting or ambiguous provisions are expressly rejected and these Sale Terms and Conditions shall supersede them and govern. In the event of a conflict among the Sale Terms and Conditions herein and any other writings from VARISCITE, the following documents shall govern in descending order: a) written agreement between VARISCITE and Buyer, b) VARISCITE Quote, c) these Sale Terms and Conditions, d) other documents issued by VARISCITE to Buyer. If Buyer does not accept these Sale Terms and Conditions, Buyer may cancel its order within two (2) business days of the date of VARISCITE's Order Confirmation. If Buyer does not cancel, then Buyer will be deemed to have accepted these Sale Terms and Conditions.

2. Quotes and Purchase Orders

- 2.1 Purchase Orders issued by the Buyer to VARISCITE are legally binding only upon VARISCITE's written confirmation or fulfillment of said orders.
- 2.2 No agreement between the Parties, including these Sale Terms and Conditions, shall be modified except by a writing signed by both Parties.
- 2.3 Any quote and/or price indication provided by Variscite, either verbally or by writing, is valid for two months from the day it was issued, unless specified otherwise in the provided quote. The price of open order might also change, although Variscite is doing its best to keep it stable.

3. Pricing

- 3.1 Prices are denominated in U.S. Dollars for all transactions. Prices are EXW VARISCITE's warehouse, Israel.

4. Shipping and Transport Insurance

All Products shall be shipped EXW. VARISCITE's warehouse as point of shipment. Title in, the right of possession, and risk of loss to the Products passes to Buyer upon delivery of goods by VARISCITE to a carrier at point of shipment. Buyer shall be responsible to insure the Products at the point of shipment.

5. Terms of Payment

- 5.1 All payments are denoted and shall be made in U.S. dollars. Unless listed otherwise, Payment terms are 50% on Order and 50% before shipment.
- 5.2 VARISCITE reserves the right to charge interest at the rate of 1% per month for all outstanding debts not paid according to the agreed terms.
- 5.3 All taxes, bank, discount, or withdrawal charges are at the expense of the Buyer.
- 5.4 If the Buyer defaults in payment or otherwise fails to comply with any term herein, VARISCITE has the right to demand a return, and take possession of all unpaid Products, cease delivery of any further product, and be reimbursed for all costs that occurred in connection with the repossession of said Products. This includes, without limitation, transportation costs and devaluation of Products. Products shall be valued at the invoiced purchase price at the time of return.

6. Security Interest and Resale

Buyer hereby grants to VARISCITE a security interest in any delivered Product until VARISCITE has received full payment from Buyer. Buyer shall not sell, transfer or assign any Product until Buyer has paid VARISCITE in full. Buyer hereby grants VARISCITE a security interest in all products of Buyer in which the Product is incorporated or combined. VARISCITE's security interest shall continue notwithstanding a transfer of ownership of the Product by Buyer to a third party, and VARISCITE may exercise any and all remedies against such third party as to the Product. Buyer hereby consents to VARISCITE's filing of any documents to perfect any security interest granted herein, without further act of Buyer.

7. Terms of Delivery

- 7.1 VARISCITE can only provide an "estimated delivery date" and cannot guarantee a fixed delivery date. VARISCITE shall inform the Buyer in writing of any foreseeable delay in any stated, estimated delivery date.
- 7.2 VARISCITE may deliver Product against Buyer orders in multiple partial shipments.
- 7.3 Estimated delivery dates, as originally printed in quotes, sales contracts or Purchase Order confirmations, are subject to change due to delays in VARISCITE's receipt of components from suppliers, production errors, strikes, Acts of God, as well as other circumstances that are beyond VARISCITE's control. VARISCITE shall promptly inform the Buyer in writing of any such delays, together with a new estimated delivery date.
- 7.4 VARISCITE shall not be responsible for any damages of whatsoever nature caused to Buyer as a result of any delay.

- 7.5 Buyer shall report missing items and/or damage ("defects") sustained to Products during shipping in writing within eight (8) calendar days of receiving Products. Buyer shall inspect the Products immediately after delivery and shall inform VARISCITE of any defects in writing. Buyer shall return the defective Products to VARISCITE pursuant to VARISCITE's prevailing Return Merchandise Authorization (RMA) request to be submitted at <https://varisciteportal.axosoft.com/login>. If Buyer fails to notify VARISCITE as stated herein, then Buyer shall be deemed to have accepted the Product.

8. Cancellation of Delivery

- 8.1 Subject to Section 8.2, Buyer may cancel any order within two (2) business days of the date of VARISCITE's Order Confirmation.
- 8.2 Buyer shall pay the full purchase price for orders of Products designated by VARISCITE as NCNR (Non-Cancelable, Non-Returnable), and orders of Products for which VARISCITE has already completed production at the time of Buyer's written notice of cancellation unless the Parties otherwise agree.

9. Orders of Custom Configurations

- 9.1 Custom configuration products require a minimum order of 100 units.
- 9.2 Typical delivery time is 26-30 weeks but can change by market conditions, specific product and/or configuration. A delivery expedition is possible in certain cases upon formal approval from Variscite. Delivery time is provided as estimated delivery date only; Variscite will not be liable for any delay in the delivery date and/or any direct or indirect damages caused to the customer due to such delay.
- 9.3 Variscite will not be liable for any direct or indirect damages caused by any delay in the order delivery.
- 9.4 There is no "minimal" delivery time, sometimes orders supplied almost immediately. Buyer should accept ordered items as soon as available.
- 9.5 Orders for custom configuration products are NCNR: non-cancelable, non-returnable and non-reschedule. Modifications of quantity, configuration or delivery date are subject to VARISCITE's approval.
- 9.6 DUE TO YIELD VARIATION, THE QUANTITY SUPPLIED CAN DEVIATE FROM -2% TO +2% (IN 100-499PCS -4% TO +4%) RELATIVE TO THE ORIGINAL ORDER. BUYER AGREES TO RECEIVE AND GUARANTEE PAYMENT FOR THIS RANGE OF QUANTITY SUPPLIED. VARISCITE manufactures only the latest revision of the boards and cannot accept requests for manufacturing the revision other than the latest one.

10. Return Merchandise Authorization

- 10.1 All elective returns for Product that is not damaged or defective are subject to a 15% restocking charge.
- 10.2 Returns must be made within thirty (30) days of Buyer's receipt of original Product, and must be accompanied by a Return Material Authorization (RMA) number issued by VARISCITE.
- 10.3 Shipping charges are non-refundable, and Buyer is responsible for all return shipping costs. However, if VARISCITE is in error regarding fulfillment of Buyer's order, VARISCITE will issue an RMA and ship correct Product in exchange for any Product that VARISCITE has shipped in error. VARISCITE will not charge Buyer for supplemental shipping charges in such instances.
- 10.4 VARISCITE reserves the right to refuse any RMA returns without an RMA number, with incomplete Product contents or documentation, or if the Products has been altered by the Buyer.
- 10.5 VARISCITE shall issue any credit that is due no later than thirty (30) days following receipt of RMA Products.
- 10.6 In case of unjustified round of inspection – if fully functional products were returned for repair, the \$50 per product testing rate is applied regardless if products were under warranty or not.

11. Hardware Warranties

- 11.1 VARISCITE warrants to Buyer that VARISCITE's Products are free from defects in material and workmanship, under normal use and service. Buyer shall promptly notify VARISCITE in writing of any malfunction in any Products under Warranty, which notification and return to VARISCITE of Product under Warranty shall be pursuant to VARISCITE's prevailing Return Merchandise Authorization (RMA) request to be submitted at <https://varisciteportal.axosoft.com/login>. VARISCITE's obligation under this warranty shall be limited to replacement or repair of Products, free of charge, EXW point of manufacture for which a defect has been substantiated by VARISCITE, for a period of twelve (12) months from date of Product shipment from VARISCITE to Buyer.
- 11.2 VARISCITE warrants no Product defect that results from improper use, negligence, modification, improper installation, improper product testing methods, repairs made by the Buyer, or other factors outside of VARISCITE's control.
- 11.3 Removal of the unique serial number adhesive label on hardware Products shall void any warranty.
- 11.4 VARISCITE makes no warranty for Products furnished, but not manufactured by VARISCITE, which Products shall be covered by the warranty of the original manufacturer.
- 11.5 VARISCITE does not warrant the sale of used or reconditioned hardware.

- 11.6 THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, GUARANTIES OR LIABILITY ARISING BY LAW OR OTHERWISE, (INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND CONSEQUENTIAL DAMAGES.)
12. **Software Warranties**
SOFTWARE IS PROVIDED "AS IS". VARISCITE MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SOFTWARE OBJECT CODE OR SOFTWARE SOURCE CODE OR WITH RESPECT TO ANY THIRD-PARTY MATERIALS OR OTHER SOFTWARE PRODUCTS OR INTELLECTUAL PROPERTY OBTAINED FROM THIRD PARTIES. VARISCITE MAKES NO WARRANTY THAT THE SOFTWARE IS MARKETABLE, MERCHANTSABLE OR FIT FOR ANY PARTICULAR PURPOSE. THIS WARRANTY IS EXPRESSLY MADE IN LIEU OF ANY AND ALL WARRANTIES – WRITTEN OR UNWRITTEN, EXPRESS OR IMPLIED. VARISCITE EXPRESSLY DISCLAIMS ANY SUCH WARRANTIES. IN NO CASE SHALL VARISCITE BE LIABLE FOR ANY CONSEQUENTIAL DAMAGES FOR BREACH OF ANY WARRANTY, WRITTEN OR UNWRITTEN, EXPRESS OR IMPLIED AS TO SOFTWARE.
13. **ACKNOWLEDGEMENT REGARDING HIGH RISK ACTIVITIES**
Buyer acknowledges that the Products provided by VARISCITE are not specifically designed, manufactured or tested with the level of reliability necessary for use or resale in an environment requiring fail-safe performance, such as in the operation of aircraft navigation, nuclear facilities, life support or other medical systems or devices, or other critical applications in which failure of the services or Products could lead or reasonably be expected to lead to death, injury or severe environmental damage ("High Risk Activities"). VARISCITE SPECIFICALLY DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTY OF FITNESS FOR HIGH RISK ACTIVITIES. Buyer further HEREBY RELEASES, WAIVES, DISCHARGES AND COVENANTS NOT TO SUE VARISCITE, its members, directors, officers, employees, and agents from all liability to Buyer, Buyer's agents and assigns for any loss, damage, and claims of whatsoever nature, on account of personal injury, accident, illness, death or property loss WHETHER CAUSED BY THE NEGLIGENCE OF VARISCITE OR OTHERWISE, occurring as a result of the use or incorporation of the Product in any High Risk Activity.
14. **Limitation of Liability**
VARISCITE's liability is limited to damages not to exceed the original purchase price of the failing units of the Product purchased from VARISCITE by Buyer. VARISCITE HEREBY DISCLAIMS AND EXCLUDES ANY LIABILITY FOR ANY CONSEQUENTIAL OR OTHER DAMAGES RESULTING FROM ANY REASON WHATSOEVER. THIS EXCLUSION AND LIMITATION APPLIES TO ALL LEGAL THEORIES UNDER WHICH DAMAGES MAY BE SOUGHT. IN NO EVENT WILL VARISCITE BE LIABLE TO BUYER FOR ANY LOST PROFITS, LOST SAVINGS OR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, ARISING OUT OF BUYER'S USE OR INABILITY TO USE THE PRODUCT, OR THE BREACH OF ANY WARRANTY OR TERM HEREIN. THE BUYER APPROVES THAT ALL RELATED VARISCITE PRODUCTS WERE FULLY AND THOROUGHLY TESTED BY HIM AND WERE FOUND SUFFICIENT AND ACCEPTABLE BY THE BUYER. VARISCITE SHALL NOT BE HELD RESPONSIBLE FOR ANY PROBLEM RELATED TO THE PRODUCT THAT EXISTED PRIOR TO THE DATE OF ORDER.
15. **Parameters of Use**
15.1 Buyer shall not copy, modify, reverse assemble, deconstruct, or reverse engineer any Product, without the advance written consent of VARISCITE. VARISCITE may withhold this consent, in VARISCITE's sole and absolute discretion.
15.2 Reproduction of VARISCITE software without the express written consent of VARISCITE is allowed solely for the purposes of Buyer's internal use or for backup.
16. **Ownership of Technical Information and Intellectual Property, licensing and certification disclaimer**
VARISCITE retains all right, title and interest in and to all Product technical information, intellectual property and proprietary rights (including without limitation trademarks, copyrights, patent rights, trade secrets, service marks, and goodwill) designed, developed, created or derived by VARISCITE from the Product or dealings with Buyer. Buyer does not acquire any Product rights in regards to any tooling, set-up, drawings, design information, computer programming, or invention(s) resulting therefrom. Buyer does not acquire any third-party rights and any licensing related to the end product(s) developed and/or manufactured by the Buyer based on VARISCITE's Products should be carried out and fully covered by the Buyer with the related licensing bodies (for example HDMI, audio/video codec standards, security standards, etc.). Any related certification of the end product(s) developed and/or manufactured by the Buyer based on VARISCITE's Products should be carried out and covered by the Buyer with the related certification bodies (for example radio certification, FDA certification, security certification, etc.).
17. **Export Controls**
Buyer shall comply with all applicable laws and regulations governing the transportation, import, export, and/or sale of goods. Neither Buyer nor any of its subsidiaries shall export/re-export any technical data, process, goods or service, directly or indirectly - including the release of controlled technology to foreign nationals from controlled countries - to any country for which an export license or other government approval without first obtaining such license. Buyer confirms that the goods will not be used for purposes associated with chemical, biological or nuclear weapons or missiles that have been designated to deliver such weapons, nor will the goods be resold if the Buyer knows or suspects that they are intended or likely to be used for such purposes. Buyer confirms that the goods will not be re-exported contrary to US, EU or Israel Export Laws and Regulations.
18. **Miscellaneous**
18.1 VARISCITE shall not be deemed to have waived any rights under these Sale Terms and Conditions unless such waiver is given in writing and signed by VARISCITE. No delay or omission on the part of VARISCITE in exercising any right shall operate as a waiver of such right or any other right. If the Buyer breaches any provision of these Terms and Condition, VARISCITE may refuse further delivery of any Product without affecting any other legal rights or remedies VARISCITE may have.
18.2 In the event any provision of these Terms and Conditions is held unenforceable by a court of competent jurisdiction, then such provision shall be deemed to be severable as to such jurisdiction (but, to the extent permitted by law, not elsewhere) and shall not affect the remainder of these Terms and Conditions or any other document executed by the Parties, which shall continue in full force and effect.
18.3 Buyer may not assign its rights and obligations with VARISCITE unless VARISCITE consents in writing, in advance. Any such transfer without the written consent from VARISCITE shall be null and void.
19. **Force Majeure**
VARISCITE is not liable for delays in performance including delivery or Service caused by circumstances beyond its reasonable control and will be entitled to a time extension for performance; examples include strikes, terrorist acts, war, transport/supplier/production problems, exchange fluctuations, governmental or regulatory action and natural disasters. If such circumstances exceed a period of 2 months, this Agreement may be terminated by either party without compensation.
20. **Governing Law**
20.1 This agreement shall be governed by the laws of Israel.
20.2 All and any disputes and claims arising out of or relating in any manner to this agreement or the breach, termination, non-performance, interpretation or validity thereof, shall first be discussed in good faith by officers duly nominated for the purpose by each party, with a view to resolving the same.
20.3 All and any disputes and claims as aforesaid, which cannot be fully and satisfactorily resolved or settled by the parties as aforesaid, shall at the request of either party, be submitted to, and be settled by arbitration at Tel-Aviv.
20.4 Nothing continued in this clause will preclude either party from applying for and obtaining any injunctive, prohibitory or other similar urgent or interim relief from a competent court of law.
20.5 In respect of any matters pertaining to arbitration or to any injunctive, prohibitory or other relief sought by either party as aforesaid, the courts of law in Tel-Aviv will have exclusive jurisdiction and the parties hereby submit to such jurisdiction.
21. **Public Company**
21.1 The Company is held by a public company Telsys Ltd whose securities are listed for trading on the Tel Aviv Stock Exchange Ltd ("TASE") and it is subject to the rules and regulations of the Israel Securities Authority and the TASE.
21.2 Information to be provided by the Company may be considered as "inside information" under Israeli securities laws. Your business entity, its employees and service providers shall not perform any kind of trading that is based on such information, with respect to Telsys securities listed on the TASE.

Variscite online assets

22. Legal Capacity to Transact

If you are under the age eighteen (18) years you cannot place orders at VARISCITE's digital assets such as shop.VARISCITE.com or non-digital. By accepting these Terms and Conditions you acknowledge that you are over the age of eighteen (18) years. Should VARISCITE suffer any damage or other losses as a result of a transaction entered into by a minor, VARISCITE reserves the right to seek compensation for such losses from the parents or guardians of the minor who caused any order(s) to be placed with VARISCITE.

23. Prices and products description

- 23.1 VARISCITE always seeks to list Products with the most competitive prices. VARISCITE reserves the right to change prices for Products and any detail displayed at shop.VARISCITE.com / www.VARISCITE.com or any other asset at any time before you place an Order and get the related order confirmation. The price of products shown excludes shipping costs. Shipping cost is a separate charge which is shown on the product page and is calculated upon post code entry. Please note that promotional prices, coupons and discounts do not apply to shipping costs.
- 23.2 VARISCITE attempts to be as accurate as possible. However, VARISCITE does not warrant that product descriptions or other content of any kind is accurate, complete, reliable, current, or error-free.

24. "Coupons"

VARISCITE in its absolute discretion may from time to time provide discount Coupons to existing and/or new customers. Coupons can only be used towards the payment of Products on our website. Each Coupon can be used only once and only one Coupon per order will be accepted. Any other Terms and Conditions governing the use of a coupon will accompany that Coupon. VARISCITE will determine the content of Terms and Conditions Governing Coupons in its absolute discretion.

25. Shipping

- 25.1 All products are shipped under Incoterm EXW (Ex-Works). Shipment may be subject to taxes, customs duties and fees levied by the destination country ("Import Fees"). The recipient of the shipment is the importer of record in the destination country and is responsible for all Import Fees.
- 25.2 "Import Fees Deposit" represents an estimate of the Import Fees that will be levied on the items in your order for shipment to countries outside of the Israel. By placing your order, you agree to allow VARISCITE and/or shipping company to collect the Import Fees Deposit for the applicable items in your order. This deposit will be used, on your behalf, to reimburse the Designated Carriers for the import fees that they have paid on your behalf to the appropriate authorities of the destination country.
- 25.3 We would like our international customers to be aware that cross-border shipments are subject to opening and inspection by customs and/or postal authorities.
- 25.4 VARISCITE is not obligated to allow shipping to any place in the world.

26. Personal identification information

- 26.1 We may collect personal identification information from Users in a variety of ways, including, but not limited to, when Users visit our site, place an order fill out a form subscribe to the newsletter and in connection with other activities, services, features or resources we make available on our Site. Users may be asked for, as appropriate, name, email address, mailing address, phone number, credit card information and other personal details.
- 26.2 We will collect personal identification information from Users only if they voluntarily submit such information to us. Users can always refuse to supply personally identification information, except that it may prevent them from engaging in certain Site related activities.

27. Non-personal identification information

We may collect non-personal identification information about Users whenever they interact with our Site. Non-personal identification information may include the browser name, the type of computer and technical information about Users means of connection to our Site, such as the operating system and the Internet service providers utilized and other similar information.

28. Web browser cookies

Our Site may use "cookies" to enhance User experience. User's web browser places cookies on their hard drive for record-keeping purposes and sometimes to track information about them. User may choose to set their web browser to refuse cookies, or to alert you when cookies are being sent. If they do so, note that some parts of the Site may not function properly.

29. How we use collected information

VARISCITE collects and uses Users personal information for the following purposes:

To improve customer service, your information helps us to more effectively respond to your customer service requests and support needs, to process transactions, we may use the information Users provide about themselves when placing an order only to provide service to that order. We do not share this information with outside parties except to the extent necessary to provide

the service.

The email address Users provide for order processing, will only be used to send them information and updates pertaining to their order. It may also be used to respond to their inquiries, and/or other requests or questions. If User decides to opt-in to our mailing list, they will receive emails that may include company news, updates, related product or service information, etc. If at any time the User would like to unsubscribe from receiving future emails, we include detailed unsubscribe instructions at the bottom of each email or User may contact us via our Site.

30. Information protection

- 30.1 We adopt appropriate data collection, storage and processing practices and security measures to protect against unauthorized access, alteration, disclosure or destruction of your personal information, username, password, transaction information and data stored on our Site.
- 30.2 Sensitive and private data exchange between the Site and its Users happens over a SSL secured communication channel and is.
- 30.3 You may need your own PayPal account to use certain VARISCITE Services, and you may be required to be logged in to the account and have a valid payment method associated with it. You are responsible for maintaining the confidentiality of your PayPal account and password and for restricting access to your account, and you agree to accept responsibility for all activities that occur under your PayPal account or password.

30.4

31. Sharing your personal information

We do not sell, trade, or rent Users personal identification information to others. We may share generic aggregated demographic information not linked to any personal identification information regarding visitors and users with our business partners, trusted affiliates and advertisers for the purposes outlined above. We may use third party service providers to help us operate our business and the Site or administer activities on our behalf, such as sending out newsletters or surveys.

32. Other businesses

We are not responsible for examining or evaluating, and we do not warrant, the offerings of any of other businesses or individuals (including the content of their Web sites) who sells VARISCITE products. VARISCITE does not assume any responsibility or liability for the actions, product, and content of all these and any other third parties. You should carefully review their privacy statements and other conditions of use.

33. General

- 33.1 VARISCITE reserves the right to refuse service, terminate accounts, terminate your rights to use VARISCITE Services, remove or edit content, or cancel orders in its sole discretion.
- 33.2 The policies posted on our sites may be changed from time to time. Changes take effect when we post them on the VARISCITE site.