

Statement of Service

(This Statement of Service constitutes a contract between the Company and the Client)

1. Definitions

The following terms in this Statement of Service will have the meaning as specified below, unless the context warrants otherwise –

- 1.1 **"The Company"** – Pointer Telocation Ltd. [formerly Pointer (Eden Telecom Group) Ltd.], doing business as "Pointer", pursuant to a special license provided thereto according to the Telecommunications Law (Communications and Broadcasts), 5742-1982;
- 1.2 **"The Client"** – the owner/s of the Vehicle or the person that rented the Vehicle for a period of one year or more and that engaged with the Company for receipt of the Service according to the provisions of this Statement of Service;
- 1.3 **"The Service"** – tracking and location services, including, *inter alia*, tracking of Vehicles and transfer of bi-directional data between the Vehicle and the Call Center, as well as additional services, as ordered from the Client from time to time; the Service according to this Agreement is provided in the areas of the State of Israel, excluding areas of the Palestinian Authority, though it includes Judea and Samaria areas that are not included in areas of the Palestinian Authority;
- 1.4 **"The Vehicle"** or **"the Vehicles"** – the vehicle the details of which are specified in the subscriber/client details form and/or installation form, and for purposes of this Statement of Service including any movables and/or other facility, including, without limitation, generator, computer, etc., in which the Device was installed;
- 1.5 **"Device"** – the tracking unit and any other System and/or component installed in the Vehicle for the purpose of provision of the Service;
- 1.6 **"The System"** – the communication System, the Call Center, the relays and all other equipment operated by the Company for provision of the Service;
- 1.7 **"The Call Center"** – the national command center of the Company;
- 1.8 **"Secret Code"** – a combination of digits and/or letters received by the Client for neutralization of the System and for personal identification and that is intended for receipt of the Service;
- 1.9 **"The Statement of Service"** – this statement of service, including all conditions thereof and the Service registration form;
- 1.10 **"Alarm Signal"** – a telemetric message transmitted from the Vehicle to the Call Center, according to which an unauthorized entry into the Vehicle has been performed in order to steal the Vehicle;
- 1.11 **"Authorized Installer"** – a person authorized by the Company to install the Device in the Vehicle or to repair it;
- 1.12 **"The Insurance Company"** – the insurance company that insures the Vehicle with an insurance policy for a theft event;
- 1.13 **"The Security Forces"** – Israel Police, Border Guard and other enforcement entities in the State of Israel;



1.14 "Emergency and Rescue Forces" – Magen David Adom, fire control services and other emergency and rescue forces in Israel.

2. General

- 2.1 Section captions, numbers and editing thereof are intended for convenience and orientation only and will not serve for interpretation of the Statement of Service.
- 2.2 The recitals and appendices of the Statement of Service, including all details filled therein by the Client, constitute an integral part of the Statement of Service; in case of contradiction or discrepancy between the provisions of this document and the provisions of any other document given to the Client or an undertaking given thereto orally, the provisions of this document will prevail. This Section does not derogate from causes of action according to the Consumer Protection Law, 5741-1981 and/or other extra-contractual causes and/or other non-conditional law.
- 2.3 The Statement of Service, including all terms thereof, may apply to more than one Vehicle of the Client. In such case, all terms of the Statement of Service will apply to each of the Vehicles of the Client in which a Device has been installed.
- 2.4 It is clarified that all obligations that apply to the Client according to this agreement, in connection with provision of the Service, will also apply to any person that uses the Vehicle according to authorization of the Client and/or that acts on behalf of the Client, including any person specified by the Client as a subscriber (any person that makes regular use of the Vehicle) in the subscriber/client details form. For avoidance of doubt only, it is clarified that the right to order additional services and/or advise of termination of service is provided to the Client only; it is also clarified that the obligations specified in Sections 5.6 (regarding payment to the Security Forces), 8.1, 8.6, 8.12, 8.13, 8.16, 8.17 below, as well as the obligations to pay the consideration according to Section 9 below, will apply to the Client only.

3. Effective Date of the Statement of Service

The Service will be provided after completion of installation of the Device as well as provision of Client and means of payment details to the Company by the Client. During the engagement period, subject to fulfillment of the Client's material obligations, as specified in Section 17.1 of the Statement of Service, the Company will provide the Service to the Client 24 hours a day, on all days of the year, except Yom Kippur. It is clarified that the Service will be terminated three hours prior to the beginning of Yom Kippur and will resume three hours after the end of Yom Kippur.

4. The Secret Code and Identification Procedure

- 4.1 The Company, or person on its behalf, has provided the Client with the Secret Code that will serve the Client for operation of the Device and identification thereof.
- 4.2 The Client will not transfer and will not disclose the Secret Code provided thereto by the Company to a person not explicitly authorized thereby to use the Vehicle, and will perform every reasonable action required in order to maintain its complete



confidentiality, and in this respect will refrain from its registration and/or keeping thereof otherwise in the Vehicle and/or a document that is found within the Vehicle and/or attached to the Vehicle's keychain and/or any means that might reach a person not authorized to use the Vehicle.

- 4.3 At the Client's request, and upon payment to the Company according to the updated tariff, it is possible and even recommended, from time to time, to change the Secret Code. It is clarified that replacement of the Secret Code, according to the Company's demand, will be free of charge.
- 4.4 A client that applies to the Call Center for receipt of the Service will follow the identification procedure set by the Company, including, *inter alia* -
 - 4.4.1 Provision of first name, last name and identification certificate number;
 - 4.4.2 Provision of the Secret Code;
 - 4.4.3 Provision of any other detail or information reasonably required by the Call Center for verification of the inquiry.
- 4.5 The fulfillment of the identification procedure and maintenance of the Secret Code's confidentiality are intended for protection of the Client and privacy thereof, and constitute necessary conditions for provision of the Service; the Company is not liable for failing to provide the Service due to non-fulfillment of the identification procedure by the Client.

5. Tracking and Location Services

- 5.1 The Company offers the Client, subject to the fulfillment of the material obligations thereof as specified in Section 17.1 of this Statement of Service, tracking and location services in case of theft of the Vehicle.
- 5.2 If the Call Center receives an alert signal transmitted from the Device that indicates, in the Company's opinion, an apparent attempt to steal the Vehicle, then the Company will operate the System in order to track the Vehicle, and for verification of the alert signal it may call the phone number/s provided thereto by the Client and demand from the Client to perform the identification procedure; the Company will decide, according to its reasonable discretion, and based on the circumstances of the case, whether reporting to the Security Forces is required. The Company will operate, according to its reasonable discretion, additional entities on its behalf in order to track the Vehicle and frustrate, to the extent possible, the attempt to steal the same.
- 5.3 A Client that submits notice to the Call Center regarding vehicle theft will follow the identification procedure and respond to any reasonable question of the Call Center; if the identification procedure is performed according to the Call Center's demand, upon submission of such notice, then the Company will operate the System for tracking and location of the Vehicle, and, according to its reasonable discretion, will also advise the Security Forces; the Company's notice to the Security Forces does not constitute a substitute for the Client's obligation to turn to the Security Forces at the initiative thereof. The Company will operate, according to its reasonable discretion, additional entities on its behalf in order to track the Vehicle and, to the extent possible, will act in order to frustrate the attempt to steal the same.
- 5.4 For avoidance of doubt, it is hereby clarified that the possibility of receiving the alert signal by the Company and/or tracking of the exact location of the Vehicle from which the alert signal was transmitted are subject to all provisions of the Statement of Service, especially the limitations set forth in Section 10 below, provided the Company acted reasonably in order to provide the Service.



- 5.5 The Client will exert reasonable efforts in order to prevent submission false notices and/or alerts to the company regarding vehicle theft. The Client hereby undertakes to indemnify the Company for all damages thereof due to false notices and/or alerts caused as a result of action and/or default of the Client that the Client could have reasonable prevented.
- 5.6 It is clarified that following notice regarding theft of the Vehicle, various means may be operated, including: delay of the Vehicle, stopping thereof, which may harm the Vehicle or driver thereof; the Client exempts the Company from liability for any such action and for any damage caused as a result of and/or in connection with provision of the Service, except damage caused as a result of negligence on part of the Company and/or its employees, subject to the provisions of this Agreement. The Client undertakes to bear the entire payment to any of the Security Forces called to assist in the vehicle theft event, if and to the extent these entities demand special payment for their services.

6. Additional Services

- 6.1 In addition to the tracking and location services, the Company provides additional services, as specified below. Each of the additional services, as well as additional services offered by the Company in the future, will be provided only if ordered by the Client, and subject to technical compatibility and separate payment. Regarding performance of the payments, the provisions of Section 9 below will apply, *mutatis mutandis*.
- 6.1.1 SMS service – service that allows receipt of notice in real time from the System installed at the Vehicle, if a signal is received at the Company's Call Center, through text message to the mobile phone, the phone number provided by the Client. The number of notices per calendar month will be limited according to the Company's pricelist and the service package selected by the Client. In case of receipt of message, the provisions of the Statement of Service will apply, including Section 5.2 above and the limitations upon provision of the Service as specified in Section 10 below.
- 6.1.2 iPointer service – a service that allows tracking of the Vehicle's location through the smart phone, following identification by personal code and password.
- 6.1.3 P2P service – a service that allows the Client to receive information on various matters and fields (*inter alia*, location of businesses, information on entertainment and leisure, etc.), as well as driver navigation services, through transfer of the relevant information according to the Client's question and through call to the Company's Call Center.
- 6.1.4 Pointer SOS service – a service that allows, at time of distress, to form contract with the Company's Call Center by pressing a distress button integrated in the Device's keyboard. If possible, the Call Center will maintain continuous contact with the driver, will report to the Emergency and Rescue Forces and will act in order to assist the Client in provision of initial aid.
- 6.1.5 Pointer Speed service – a service that allows receipt of voice alert by the Vehicle driver and to the Client through text message to the mobile phone and/or email, in case the Vehicle passes a maximal speed set by the Client.
- 6.1.6 Pointer Meter service – a service that allows tracking the kilometer gauge of the Vehicle. The service allows the Client and the automobile agency from which



the Vehicle was purchased to receive a report that includes the number of kilometers and/or to receive an update on the Company's internet site.

- 6.1.7 Pointer Radar service – a service that allows receipt of voice alert to the Vehicle driver in case the Vehicle nears a speeding camera.
- 6.2 **In case any of the Security Forces and/or the Emergency and Rescue Forces demands special payment for activities thereof as part of provision of any of the additional service – the Client will bear such payment.**
- 6.3 The services that include use of the mobile phone depends, *inter alia*, on external causes over which the Company has no control, including coverage limitations of the cellular operator from which the Client receives the service, and are subject to all provisions of the Statement of Service, especially the limitations set forth in Section 10 below, and thus it cannot be guaranteed that a signal will be received at the Company's Call Center and that every notice sent by the Company to the Client's mobile phone will reach the Client at the relevant time or will reach the Client at all, though the Company will act reasonably in order to fulfill its obligations. In addition, the Client acknowledges that the Company has no liability as to contents conveyed as part of the services that involve provision of information, *inter alia* since the information is dynamic and may change at any time, and that transfer of information by the Company does not constitute recommendation that may be relied upon. Use of the information transferred to the Client is at the responsibility of the user only, and the Client hereby waives any argument and/or claim and/or demand against the Company regarding the content of information conveyed thereto through such service, provided the Company was not negligent and/or malicious.
- 6.4 **The Client's request to receive any of the additional services is considered as explicit consent to delivery of information regarding the Vehicle to third parties as approved by the Client.**
- 6.5 Without derogating from the provisions of the Statement of Service, the Client undertakes to notify any person that uses the Vehicle regarding the additional services and the possibility that as part of provision of these services, the privacy of the Vehicle user may be compromised. The Client will indemnify the Company in case of claim and/or demand by a Vehicle user due to breach of the Client's obligation as aforesaid.
- 6.6 It is agreed that the Company reserves the discretion to determine the cases and the additional services that will be provided after receipt of authorization by phone, and the cases and additional services that will be provided only according to written authorization after receipt of inquiry from the Client. The Company will advise the Client, upon joining the service, whether written authorization is required in order to join the service and if the Company does not demand written authorization, the same will be considered as the Company's consent to authorization by phone.

7. The Company's Power of Attorney

- 7.1 **For provision of the Service, the Client hereby authorizes the Company and persons on its behalf to act in the name and on behalf thereof as the legal owner of the Vehicle, in connection and/or deriving from the provision of the services, including to turn and report to the Security Forces and/or any other entity due to an event that, in the Company's opinion, warrants the same.**
- 7.2 The Client agrees that the Company will use the data provided thereby and data accumulated in the Company's databases for provision of the Service according to this



Agreement, including transfer thereof to entities that assist it or that operate on its behalf.

8. The Client's Obligations

- 8.1 The Client undertakes that all details provided to the Company in the Statement of Service, including the subscriber/client details form, are complete and precise; the Client will advise the Company, as soon as possible, of any change in the details submitted to the Company. The change will bind the Company only if it actually reached it. Non-fulfillment of the aforesaid will compromise the Service and the Company will not be liable for the same.
- 8.2 This Statement of Service was prepared based on the details provided to the Company by the Client.
- 8.3 The Statement of Service and the service registration form constitute a contract between the Client and the Company.
- 8.4 The Client confirms holding a Vehicle lawfully according to a lease agreement for one year or more and being the legal owner of the Vehicle and there being no other owners of the Vehicle.
- 8.5 The Company undertakes to provide the Client with the Service subject to fulfillment of the material obligations thereof according to Section 17.1 of this Statement of Service and the Company will not be liable for damage incurred by the Client as a result of non-fulfillment of such obligation by the Client according to the Statement of Service.
- 8.6 **The Client undertakes to advise every authorized driver of the Vehicle that the Device is installed in the Vehicle, to advise such driver regarding the manner of operation of the Device and the System and the possibility to track the Vehicle at any time and provide details regarding its location to the Client, as well as regarding the additional services ordered by the Client from the Company, and to advise the Vehicle driver regarding the significance of the Service, including the additional services, and to ensure that the Vehicle driver agrees to follow the provisions of the Statement of Service.**
- 8.7 The Service according to the Statement of Service will be provided according to the terms specified in the Statement of Service; specification of the subscriber/s name in the subscriber/client details form and/or authorized drivers form constitutes declaration on part of the Client that they agree to specification of their name, and the Client will advise them of the various Services provided by the Company in connection with the Vehicle, the provisions of the Statement of Service in general, and the provisions of this Section 8 in particular.
- 8.8 **The Client undertakes not to add any supplement or perform any modification in the Device and not to connect thereto any equipment of any kind, or use, through the Device, end equipment for which the Company's approval has not been received.**
- 8.9 In case the Client uses the Service without good faith, not for the purpose for which the Service is provided, such as in case there is no concern for Vehicle theft event (but rather, for example only, use is made of the Service in connection with a business or family dispute), then the Client will bear all costs entailed in the redundant operation of the Service by the Company.
- 8.10 **For performance of Vehicle maintenance and repairs, the Device may be transferred to service mode, which will cease the operation of the Device and the System. The Client undertakes to transfer the Device to this mode only as needed and for the shortest possible duration. It is clarified that transfer of the Device to service mode**



as aforesaid is under the sole responsibility of the Client and the Client will have no claim against the Company in this respect.

- 8.11 The Client must advise the Company of any damage or malfunction of the Device as soon as possible after becoming aware of the same, and ensure that the Vehicle arrive at the Company's service station for repair of the Device. Non-fulfillment of the aforesaid will compromise the proper operation of the System and the Device, and the Company will not be liable in this respect.

Without derogating from the generality of the aforesaid, once every 18 months following commencement of the Service period, it is the responsibility of the Client to arrive with the Vehicle at a service station for inspection of the Device. The Company will send a reminder message to the Client upon elapse of 18 months following the last inspection performed for the Vehicle.

- 8.12 The Client undertakes to notify the Company of any case in which the Vehicle leaves the possession or control thereof, such as: accident, sale or lease.
- 8.13 In case the Vehicle is sold, the Client undertakes to advise the buyer of the existence of the Device in the Vehicle. Immediately upon transfer of the Vehicle as aforesaid, the Client will advise the Company of the same, the Statement of Service will terminate, and the Company will be exempt from all obligations thereof towards the Client, beginning on the date of transfer of the Vehicle to the other person. It is clarified that transfer of the Vehicle does not impose liability upon the Company towards the buyer and/or form contractual relations between the Company and the buyer and/or exempts the Company from obligations dated prior to the date of transfer as aforesaid.
- 8.14 The Client will be entitled to request from the Company to transfer the Device to another Vehicle owned thereby, subject to signature of a proper form and payment for performance of the transfer according to the updated tariff. In such case, the provisions of the Statement of Service will continue to apply.
- 8.15 The subscriber or any person that actually receives the Company's service pursuant to the Client's authorization, according to the Statement of Service vis-à-vis the Client, is not a party to the engagement with the Company; the Client is responsible for fulfillment of the Statement of Service towards the Company in respect of the Statement of Claim and in case of its non-fulfillment.
- 8.16 From time to time, according to technological changes and according to the requirement of the insurance companies, it may be necessary to perform modification and/or install a supplement to the Device that is necessary for continued provision of effective service to the Client. In such case, the Client will bear the associated costs, provided such demand is not raised during the first 12 months following commencement of the engagement according to this agreement.
- 8.17 In case that according to the Client physical damage is caused to the Vehicle as a result of provision of the Service, the Client is required: 1) to notify the Company regarding the damage as soon as possible; 2) to provide the Company with written details of all damages and the compensation required for the same; 3) to allow representatives of the Company to perform immediate inspection of the damage or loss, provided such inspection is done within two working days at the most, and to assist them to the extent possible in performing such inspection; 4) not to incur any expense in connection with repair of the damage without receiving the Company's written consent, subject to the time limitation specified in sub-section (3) above.



Performance of the aforesaid will constitute a condition for examination of the Company's obligation to compensate the Client, subject to the provisions of law and this Statement of Service.

9. The Consideration

- 9.1 As consideration for provision of the tracking and location service and the additional services, as ordered by the Client, the Client to pay the Company service fee as specified in the service registration form, according to amounts specified in the accounts submitted thereto by the Company for each charging period, as defined thereby, and according to the Company's updated tariff (heretofore and hereinafter – **the Service Fee** and/or **the Updated Tariff**, as the case may be), subject to Section 9.4 below and the provisions of law.
- 9.2 The rates specified in the Updated Tariff will be paid by the Client according to invoices issued by the Company. Any toll and/or levy imposed on the Client according to law will be paid by the Client according to the specification in the account.
- 9.3 The Company has provided the Client with the Updated Tariff of the Company as of the execution date, and the Client undertakes to pay the Service Fee according thereto. For avoidance of doubt, it is clarified that the Company is entitled to charge additional Service Fee for a Vehicle in which two tracking devices were installed, as specified in the Updated Tariff.
- 9.4 **After the elapse of six months following the commencement of engagement in this Agreement, the Company will be entitled to change the Service Fee from time to time, subject to the statutory obligation of the Company in this respect, provided that the percentage by which the Service Fee is raised does not exceed 10% for a single raise, following 30-days advance notice, and the Client undertakes to adjust the payments thereof accordingly.** For avoidance of doubt, it is clarified that in case the Service Fee is raised, the Client will be entitled to terminate the engagement according to the provisions of Section 11 below, subject to fulfillment of obligations as to future payments for service and/or equipment received before termination of the engagement and for which payment has not yet been performed, if any.
- 9.5 The payment for the Service will be performed by authorization to charge the Client's bank account or through a standing order for charging the Client's credit card and/or by cash payment for one year in advance. The Company has the discretion to determine the means of payment through which the Client may perform the payments according to this Agreement, and to change the same from time to time in case there are circumstances that justify such change, provided it advises the Client of such change 30 days in advance. It is clarified that the Company will not be obligated to accept payment of Service Fee that is not through one of the means of payments specified above, and the Client's refusal to pay through one of the means of payment will constitute cause for termination of the engagement by the Company. It is agreed that the Company will be entitled to collect handling fee for handling the means of payment as specified in the service registration form and/or change of means of payment form, as set in the Updated Tariff, unless the Company is the cause for change of the Client's means of payment.
- 9.6 It is agreed that the Company will be entitled to collect handling fee for registration to the Service as specified in the service registration form (including in case of change of ownership of the Vehicle) and/or for inspection of the Device, as set in the Updated Tariff.



- 9.7 The Client will bear the bank charges for dishonor of the standing order or authorization to charge the Client's bank account.
- 9.8 The Client hereby provides the Company with authorization to charge the credit card and/or the bank account details of which were submitted thereby to the Company, according to amount payable thereby on dates as agreed between the Client and the Company for the Services received, including due to repairs and/or supplements performed at the Client's request. Such charge will be performed by transfer of the payment instruction to the credit company (the issuer) and/or the bank prior to the payment date. The Statement of Service does not specify the number and amounts of the payments, since the Client is providing authorization to transfer charges to the card issuer and/or the bank from time to time. The Client may cancel this authorization by written notice to the Company which will be effective within one business day after its receipt by the Company. This authorization will also be effective for charging a card that is issued and that bears another number as substitute for the card the number of which was provided by the Client to the Company and/or another bank account number provided by the Client to the Company. The card and/or bank account will be charged as long as the credit company and/or the bank do not advise the Company otherwise. In case the credit company and/or the bank do not honor the card and/or the account, the Client is obligated to update the Company as to an alternative card and/or bank account and perform all payments timely; otherwise, the Company reserves the right to terminate the Service, as specified in Section 12.1 below.
- 9.9 An amount not paid on time will bear interest at the maximal rate that applies at Bank Hapoalim for deviation from approved credit facility in debit account, beginning on the due date until actual payment date.
- 9.10 The Updated Tariff of the Company, the rate of Service Fee paid by the Client and the provisions of this Statement of Service do not prevent the Company from holding various campaigns for marketing the various services according to its discretion and conditions or prices as set thereby from time to time.

10. Limitation of Liability and Limitations on Provision of Service

- 10.1 It has been explained to the Client prior to engagement thereof in this Statement of Service and the Client acknowledges that the operation of the Device and the System depends on many causes that are not under the Company's control, and thus the Company does not undertake, though it will exert reasonable efforts to solve the problem that prevented the possibility to provide the Service, that the Service will bring about the desirable result for the Client for which it is engaging with the Company. These causes include, *inter alia*, technical limitations pertaining to incomplete coverage area of the communication network; communication disruptions – whether intentional unintentional – that may be caused, *inter alia*, due to technical factors and/or physical factors such as: mechanic shops, roofed parking lots, topographical structure, etc.; proper operation of the national network; the communication infrastructure and facilities; weather and environmental conditions; disconnection of the System from power source and other malfunctions. Moreover, regular supply of the Service also depends on actions that the Client must perform, including taking all reasonable precautions for protecting the means at the disposal thereof, such as the Secret Code.
- 10.2 Therefore, the Client waives any right, claim, demand or lawsuit against the Company or against its owners, managers, employees, agents, and any person on its



behalf, due to non-receipt of an alert signal or due to receipt of disrupted telemetric message, or due to inability to track the Vehicle or due to any other malfunction as specified in Section 10.1 above, except in case of malicious and/or negligent action by the Company and/or in case of breach of the Company's obligation according to this Agreement, subject to the provisions of Section 10.6 below.

- 10.3 The Company will not be liable for any damage and/or loss and/or expense, including special, indirect, consequential or probably damage, incurred by the Client and/or any person on the behalf thereof in connection with or as a result of operation of the Service and/or inability to the Company to track the Vehicle and/or frustrate an attempted theft in any event, unless caused due to negligence and/or breach of obligation on part of the Company and/or its employees and/or agents, subject to the liability cap set forth in Section 10.6 below and the other provisions of this Agreement. It is clarified that the exemption will not apply in case of malice on part of the Company and/or its employees and/or agents.
- 10.4 Subject to the provisions of the Statement of Service, the Company is entitled to disconnect and/or temporarily limit and supply of the Services if warranted for performance of maintenance activity or vital erection or addition of equipment and facilities or during national emergency or national security reasons, subject to the terms of its license and any law.
- 10.5 The Client has received an explanation regarding the Service limitations due to which the Company does not undertake that the Device and/or the System will operate anywhere and anytime and that due to these limitations it may be impossible to track and detect the Vehicle in every situation as required.
- 10.6 The Service Fee was set regardless of the Vehicle value and in case that despite the aforesaid the Company is found to be liable to compensate the Client and/or person on its behalf and/or any third party due to damage incurred thereby, whether directly or indirectly, as a result of action and/or default by the Company, its managers, employees and/or any other person and/or body operating on its behalf and/or in its name, including breach of any undertaking or obligation of the Company and/or negligence on its part, the compensation will be limited to the amount of Service Fee actually paid to the Company, for the Vehicle that is the subject of the claim, during the month prior to the occurrence of the event due to which the Client submitted a claim or demand for payment to the Company, multiplied by 100 (hereinafter: "**the Liability Cap**"). The contractual and/or tort Liability Cap as aforesaid will apply notwithstanding any other provision of this Agreement, except in case of malicious action by the Company or its behalf, the will cover any number of claims and any number of causes of claim referring to a certain event and/or deriving from the same and/or connected to the same.
- 10.7 It is agreed that the Liability Cap reflects the nature of the service provided by the Company and the scope of the Service Fee for which the Client was charged, *inter alia* taking into account the fact that the Company is not an insurance company and that the Service does not replace an insurance policy, and the Client will have no claim regarding such Liability Cap.
- 10.8 For avoidance of doubt, it is clarified that the Company does not purport to act as an insurer and/or insurance company and/or bailee, and that the Service Fee constitutes payment for the services provided by the Company pursuant to the Statement of Service and not in exchange for insurance of the Vehicle or drivers thereof, and does not constitute payment for protection services against harm or damage to any property. It is clarified that the service is not applicable in cases of burglary, theft of auto parts, automobile content, sabotage, cause of damages to the Vehicle, etc., and



the Company will not be liable in such cases. Decision by the Client not to insure the Vehicle for cases of theft or to act in contrast to the insurance policy will be under the Client's liability.

11. Termination of Provision of the Service at the Client's Request

- 11.1 The Client is entitled, at any time, to request from the Company to terminate provision of the Service; the Company will terminate provision of the Service immediately upon receiving written notice from the Client, such notice constituting a notice regarding termination of the engagement. However, it is clarified that a request to terminate any of the additional services does not mean a request to terminate the other services, including the tracking and location service. However, if and to the extent the Client requests to terminate the tracking and location service, the Company will also cease providing all other additional services ordered by the Client, unless specified that the Client wishes to receive additional services that are not based on the Device and the System and the Company accepted the request thereof.
- 11.2 The Company may perform verification of the request to terminate the Service before it terminates the Service.
- 11.3 The Company will cease charging the Client for Service Fee for the period following the date of termination of the Service according to Section 11.1 above, though it is clarified that termination of provision of the Service, for any reason, does not exempt the Client for payment of any amount payable thereby to the Company in connection to services provided until the Service termination date.
- 11.4 The Client will advise all users of the Vehicle regarding termination of the engagement.
- 11.5 If the Client paid subscription fee for the Service through advance payment for one year, and announces termination of engagement with the Company, according to the provisions of this Agreement, before the end of the year for which advance payment was made, then the Client will be entitled to reimbursement of the relative part of the subscription fee for the period from the disconnection date until the end of the year for which advance payment was made.
- 11.6 The Client is entitled to advise the Company, in writing, of the desire thereof to terminate the engagement temporarily, for a fixed period as specified in the Client's written notice to the Company. The Company will be entitled to perform verification of the request to terminate the Service before it terminates the Service. Temporary cessation of the Service will be charged as specified in the Company's Updated Tariff.

12. Limitation or Termination of Provision of the Service by the Company

- 12.1 Upon occurrence of one or more of the cases specified below, the Company will be entitled, without derogating from any right and/or remedy available thereto according to this Agreement and/or the law, to instruct the Client to cure a breach performed thereby in connection to the Service within 14 days following the warning. If the Client does not cure the breach within such period, then the Company will be entitled, according to its discretion, to limit or cease provision of the Service to the



Client, entirely or partially, through a cancellation notice and/or service termination notice and/or service limitation notice –

- 12.2.1 The Client did not timely or fully pay the Service Fee or any payment;
- 12.2.2 The Client was declared as bankrupt or temporary or permanent receiver or liquidator, as the case may be, was appointed for the Client, in such manner that compromises fulfillment of the obligation/s thereof according to this Agreement;
- 12.2.3 The Client did not fulfill a material term of the Statement of Service and/or materially breached an undertaking towards the Company, as specified in Section 17.1 below;
- 12.2.4 The Client operated the Device in such manner that may cause disruption of supply of the Service to other clients;
- 12.2.5 Repairs or modifications or supplements were performed in the Device not by the Company or an authorized installer.

12.2 Upon occurrence of one or more of the cases specified below, the Company will be entitled, according to its exclusive discretion, to terminate the Service immediately –

- 12.2.1 The Device was transferred or delivered in any manner to a third party by the Client and/or with the knowledge thereof, without written approval from the Company in advance;
- 12.2.2 The Device was removed or disassembled from the Vehicle, provided its removal or disassembly was known to the Client and/or authorized drivers of the Vehicle;
- 12.2.3 The Client and/or authorized driver of the Vehicle used the Device in contrast to the law or made any use of the Service for an illegal purpose, under circumstances in which the very provision of the Service is incompatible with the law;

In case the Company is advised of occurrence of any of the foregoing events, following which the Service was terminated, notice will be provided to the Client. However, it is clarified that provision of such notice is not a condition for termination of the Service.

12.3 Subject to the Company's approval, the Client will be entitled to renew the supply of the Service; if the renewal is approved, the Client will be obligated to sign a new subscriber/client details form, pay connection fee and service fee as practiced by the Company at such time.

12.4 The Company will be entitled to announce termination of the Service after advance notice of 60 days, in case the Company decides to terminate provision of services pursuant to the Statement of Service, for any reason, provided it is reasonable, including, without limitation, technological developments that do not allow it to provide the services through the System and the Device installed at the Client.

12.5 The Company will be entitled to announce termination of the Service in case operation or licensing of the Service is cancelled, suspended to limited by law, by providing notice at least 14 days in advance according to the circumstances of the case. In case of termination of the Service according to the provisions of this Agreement, the Company will reimburse the Client, subject to any right provided thereto according to agreement and/or any law, for Service Fee paid thereby in advance, for the period following termination of the Service, if and to the extent Service Fee was paid in advance.



12.6 Notwithstanding the aforesaid, the Company is entitled to advise the Client, at any time, of termination of the Service according to this Agreement, for reasonable grounds. In such case, the Agreement will terminate after 30 days following the receipt of the notice by the Client and the Client will have no claim of and kind and type towards the Company in this respect.

12.7 The Company will not bear any liability for limitation or termination of the Service pursuant to this Section, and such limitation or termination will not derogate from the Client's obligation to pay the Company any amounts payable to the Company for services provided until termination of the Service and will not derogate from the Company's rights to collect such payments in full, including reasonable collection expenses, linkage differentials and/or arrears interest and/or exercise any other remedy to which it is entitled according to the Statement of Service and/or according to the law.

13. Warranty for the Device

13.1 The Company will provide warranty for the Device, parts and accessories in which flaws are revealed and that derive from production and construction of the Device, according to the terms specified in the warranty that applies to every device and for a period of 12 months or a longer period as agreed in writing with the Client, subject to the provisions of law.

13.2 The warranty will only apply to Devices that the Company or authorized marketer on its behalf marketed or supplied and that were installed by the Company or authorized installer on its behalf. The warranty will not apply to Devices in which the Client or any third party that is not the Company performed any supplement and/or modification, unless they received the Company's written permission in advance.

14. Maintenance Services

14.1 The Company will offer maintenance and repairs services after the end of the warranty period, as agreed with the Client, according to the Updated Tariffs Schedule. The Client may receive such maintenance service, subject to separate payment.

14.2 The maintenance services will be provided according to conditions that apply during the warranty period and will be provided only for devices installed by an authorized installer and in which no modifications and/or repairs and/or supplements were not done by an authorized installer.

15. Protection of Confidentiality and Privacy

15.1 All details provided by the Client to the Company are complete and precise.

15.2 The Company undertakes to maintain confidentiality, towards third party, of any information provided thereto by the Client and any information referring to telemetric messages in connection with the Client as obtained thereby during provision of the Service, unless it is obligated to disclose the same according to law or for provision of the Service.



- 15.3 It is agreed and clarified that transfer of information required for the Security Forces and/or the Emergency and Rescue Forces and/or any person as deemed proper by the Company, for provision of the services, will not be considered as breach of the provisions of this Section, subject to the provisions of the contract and the provisions of the law.
- 15.4 It is agreed and clarified that transfer of such information to employees and/or agents and/or persons acting on behalf of the Company, to the extent required and vital for provision of the Service or for collection of debts from the Client will not be considered as breach of the provisions of this Section.
- 15.5 From time to time and according to demand of a lawfully competent authority (such as court), the Company will be required to transfer details regarding the location of the Vehicle, even after the conclusion of the Service provision period. The Client provides the consents thereof for such transfer of information.
- 15.6 **Notwithstanding this Section, the Client agrees and acknowledges that all details and information provided to the Company and/or obtained thereby regarding provision of the Service will appear in the Company's databases, and the Company may use such information for provision of the Service. The Company may also use such information for offering of additional services to the Client by the Company and/or its behalf by way of direct mailing, to the extent the Client has explicitly consented thereto (opt-in). The Client will be entitled, at any time, to request from the Company in writing and/or by phone to the Company's Call Center, not to make such use of the information.**
- 15.7 It is hereby clarified that the provisions of this Section add upon and do not derogate from the provisions of the Wire Tapping Law, 5739-1979, the Protection of Privacy Law, 5741-1981 and/or any law regarding protection of privacy.

16. Intellectual Property

The Statement of Service or purchase of any Device from the Company will not provide the Client with any rights in the knowledge or technology developed by the Company and that serves for production of the Devices and operation of the System and all intellectual rights in the knowledge and technology as aforesaid will be the exclusive property of the Company.

17. General Provisions

- 17.1 It is agreed that the provisions of the Sections specified below are material obligations of the Client: 4.2, 4.4, 8.1, 8.4, 8.6-8.13, 9.1 and 9.8.
- 17.2 The Statement of Service exclusively sets forth the conditions and provisions that apply to provision of the Service to the Client; it cancels any consent, representation or undertaking given, if given, before its execution. This Section does not derogate from the parties' rights according to the Consumer Protection Law, 5741-1981 and/or other extra-contractual causes and/or other non-conditional law.
- 17.3 Subject to the provisions of this Agreement and the provisions of law, the Company is entitled, by written notice to the Client, to perform any reasonable and proportionate modification or supplement to the Statement of Service regarding matters that do not



pertain to material obligations of the Client (except as otherwise specified in the Statement of Service); for avoidance of doubt, it is clarified that in case of such modification or supplement, the Client will be entitled to terminate the engagement according to the provisions of Section 11 above, subject to fulfillment of obligations regarding future payments for service and/or equipment received before the termination of the engagement and not yet paid for, if any.

- 17.4 Regarding any matter pertaining to the service terms not set forth in an agreement between the parties, the parties will act according to the law as such is in effect from time to time.
- 17.5 The service provided to the Client may not be transferred and/or endorsed to another person unless the Company has agreed in advance and in writing.
- 17.6 The Company may transfer all or any of its rights and/or obligations according to the Statement of Service to another person, as it deems proper, provided the same does not derogate from the Client's rights according to the Statement of Service and provided the Company will be obligated, along with the assignee, to fulfill all obligations thereof pursuant to this Agreement for a period of 6 months following the transfer. For avoidance of doubt, it is clarified that in such case, the Client will be entitled to terminate the engagement according to the provisions of Section 11 above, subject to fulfillment of obligations regarding future payments for service and/or equipment received before the termination of the engagement and not yet paid for, if any.
- 17.7 The parties' addresses as pertain to the Service as the addresses specified in the subscriber/client details form. Any notice sent to such addresses will be considered as having been received by the addresses 72 hours after its dispatch, unless delivered at its address, in which case it will be considered as having been received upon delivery.

