Appendix A - General PO conditions

1. "Supplier" - _____

2. **Definitions**

(a) "PO" - This document and all documents attached to it as appendices as well as any document attached to the general conditions or appendices.

(b) "Ricor" - Ricor Systems 2011 ACS Ltd.

(c) " Work" - all Supplier 's obligations according to the PO.

3. **Document Priorities**

3.1. This PO supersedes any document, agreement or memorandum in writing or verbal relating to the execution of work, except for those documents that are explicitly stated in this PO.

3.2. In any case of conflict, contradiction or inconsistency between a provision stated in the PO and the general conditions, the provision stated in the PO shall prevail.

4. **PO Processing**

4.1. Supplier undertakes to carry out the work faithfully, applying high quality and professional levels.

4.2. Supplier undertakes not to change and/or deviate from the terms of the PO unless he receives written confirmation from Ricor.

5. **Quality of items and services**

5.1. Ordered items and services provided to Ricor shall conform to quality, measurements, types of material and the processing as stated in the PO.

5.2. Items supplied under this PO shall conform to any official standard, temporary or guiding standard that apply to work or service related to items covered by this PO. This provision should not detract from any quality requirements as stated in section 5.1 above, or any other requirements as detailed in the appendices to this PO.

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6. Supervision

6.1. Ricor authorized representatives shall be allowed to supervise the work in process including planning, production processes, design and production, inspection of quality of materials and pace of the work at all stages of production and be present at all experiments and tests. Supplier shall make available a suitable place on premises for Ricor representatives and provide them with any help they may need in PO to carry out said inspection

6.2. Ricor shall not be accountable for any delays in delivery or any other adverse issues that may result from its supervision rights in accordance with the provisions as outlined in section 6.1 above.

7. Acceptance tests and quality control

7.1. Acceptance tests and/or quality control for goods will be conducted as specified in the PO. In the absence of explicit instructions in the PO, Ricor shall have the right to inspect any or all goods at its discretion at a later time.

7.2. Payments made by Ricor prior to performing acceptance or quality control tests as stated in section 7.1 above shall not Constitute Ricor's confirmation of the quality of goods nor would it be a waiver on part of Ricor of its right to perform such tests at a later time.

8. Delivery of the goods

8.1. Supplier shall pack the goods as stated in the PO. In the absence of explicit packing instructions in the PO, goods shall be packed in accordance with commercial accepted standard for packing this type of items. Delivery shall be made to the place specified in the PO on the date provided in the PO. Delivery date is of the essence. Packing Slip, Invoice and Certificate of Compliance (COC) should be attached to shipment.

8.2. Packaging materials and shipping costs are included in the PO price.

9. Warranty

9.1. Supplier is responsible for any spoilage, discrepancy or any other defect in goods or services provided under this PO that may result from poor workmanship or quality of materials used in the production of such goods or services. Non-compliance shall be determined by Ricor. Supplier's warranty shall be valid for 12 months from delivery date of goods.

9.2. Ricor will notify Supplier of any damage, discrepancy and/or defect as mentioned in section 9.1 above, within 3 (three) months from date of discovery of such discrepancy but no

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later than 9 months from delivery date of the goods. Time limit shall not apply and warranty will be valid beyond the said date in case defect could not have been discovered during conduct of a reasonable incoming inspection.
In addition, the provisions in this section shall not be overruled by any another instruction requiring Ricor to inspect the goods and or notify of any defect or discrepancy as well as also any provision that limits Ricor's rights in the event of non-examination or non-notification as mentioned above.

9.3. Without prejudice to any other rights of recourse under this PO, Supplier undertakes to repair, replace or otherwise make good on this PO as required, at his own expense in a timely manner and shall compensate Ricor for any losses it incurred as a result. In any case, upon notification to Supplier, Ricor will be entitled, at its discretion, to take remedial actions on its own and Supplier will be held liable for all expenses resulting from such actions.

10. Ricor Assets

10.1 Any raw or processed material as well as equipment, instruments, embossers as well as any other equivalent including specifications, drawings and technical knowhow paid by Ricor and provided by Ricor to Supplier or expenses (hereinafter: "Ricor Property") are/will remain the exclusive property of Ricor.
Suppliers must not use them except for the purpose of executing Ricor PO's. Supplier shall store Ricor's property separately and in an adequate manner identifiable as Ricor's property.

10.2. Receipt of Ricor's Property by Supplier shall serve as conclusive proof that property was of good quality and suitable for the needs of placing this PO, unless Supplier notified Ricor otherwise in writing within 60 days from date of receipt of property or within half the period between receipt of PO and until the date set for the first delivery date whichever comes first and provided during that period a proof to substantiate their claim to the satisfaction of Ricor.

10.3. Supplier is responsible for the preservation and maintenance of Ricor's Property and responsible for any loss or damage to Ricor's Property, except for normal depreciation and wear and tear. Supplier is responsible for damage caused for any reason whether it may have been Caused by Supplier's negligence or not, whether the damage was caused by Supplier's employee or by a party some other third party.

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11. Ricor's Knowledge

Knowledge provided by Ricor to Supplier, whether owned by Ricor, paid for by Ricor to acquired or gained by Ricor in the process of development or research paid for by Ricor, prior to or as part of this PO, shall belong exclusively to Ricor. Supplier may not use such knowledge except for the purpose of executing this PO. The knowledge shall be kept by Supplier in a way that prevents transfer to any party as well as preventing its use by other parties. For the purpose of this PO, "knowledge" includes copyrights, patents, models, drawings, planning documents, work methods and planning tools, nomenclatures of parts, software, instructions and procedures relating to development, production, assembly, quality control, acceptance tests, maintenance and other related to production, assembly, testing and maintenance tools and any written material and other related or involved in development, production, assembly, testing, or maintenance. "Knowledge" also includes any non-proprietary ideas, methods and information whether or not protected by patent laws, copyright or other legislation. "Knowledge" shall also include any record, document, software or other means in which the knowledge is recorded or described.

12. Retention of Ricor's Knowledge

12.1. Supplier is responsible to preserve and properly maintain Ricor's Knowledge as specified in section 11.

12.2. Supplier undertakes to keep Ricor's Knowledge as well as related news and documents received in connection with this PO completely confidential and undertakes not to use such knowledge, information or documents for any purpose other than this PO.

12.3. To remove any doubt attention is directed to Article 118 of the Israeli Penal Code in regard to disclosure in breach of contract, to Article 119 of the Israeli Penal Code in regard to disclosure in breach of trust and that violations of the provisions of section 12.2 above may constitute offenses under these sections.

12.4. Ricor is entitled at any time to instruct Supplier regarding security rules or security arrangements to ensure compliance with the above.

12.5. Supplier undertakes to inform its employees and subcontractors of the confidentiality requirements as stated above and will be responsible for their compliance.

13. Return of Ricor Assets and Knowledge

13.1. Upon completion or cancellation of the PO for any reason, Supplier shall immediately return to Ricor, upon completion or cancellation, as applicable, at the place and time determined by Ricor, without Supplier having any right of retention or delay, all Ricor assets and the Ricor knowledge provided to him and/or in his possession, in good, proper, and usable condition.

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13.2. In the case of a partial cancellation or reduction of the PO, Supplier shall act as specified in section 13.1 regarding those Ricor assets and knowledge that are no longer needed due to the reduction or partial cancellation of the PO.

14. Changes by Ricor

14.1. Ricor is entitled to request changes in the work at any time before starting working on the job, by sending a written notice to Supplier detailing the nature of the required change.

14.2. Upon Ricor's explicit written request, Supplier shall evaluate the change.

14.3 Within 30 days of sending the change notice, Supplier shall inform Ricor in writing if the change affects any terms of the PO, particularly the schedule and prices, detailing his position and requirements.

15. Patents and Copyrights

15.1. Supplier declares and undertakes that the use of items and/or knowledge developed by him during the work does not infringe on any patent rights, copyrights, trade secrets or any other proprietary rights of a third party.

15.2. Supplier shall indemnify Ricor and the end user of the items and knowledge for any expense and/or damage caused to them due to the breach of the commitment detailed in section 15.1.

15.3. Without prejudice to the foregoing, Supplier shall assist Ricor at his own expense in any legal proceedings in which Ricor is sued for such infringement as mentioned in section 15.1.

16. Ricor's Rights due to Breach of contract by Supplier

16.1. Whenever Supplier fails to meet one or more obligation under this PO, Ricor is entitled to cancel the PO, in whole or in part, at its discretion. The foregoing does not preclude Ricor from any other additional remedy to which it may be entitled under any law and/or PO terms.

16.2. If Ricor cancels the PO due to a breach by Supplier, Supplier must return to Ricor any amount received from on account of this PO. In case of partial cancellation, Supplier must return to Ricor the amounts paid for the portion of PO that was canceled.

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16.3. In the case of PO cancellation, whole or in part, Ricor is entitled to place the same part of the canceled work with another entity and to charge Supplier the full cost of the work ordered from the other entity and all expenses incurred by Ricor as a result, including damages and/or losses.

16.4. In any case of delay in meeting the schedule, Supplier shall pay Ricor agreed and pre-determined damages of 2% per month or part thereof, up to a maximum of 20% of the value of the goods in delay.

16.5. Supplier shall report to Ricor in writing any delay in meeting the schedule and/or the possibility of such delay, including the reasons for the delay and the estimated date of compliance with the commitment in delay, immediately upon becoming aware of such delay.

17. Cancellation of the PO at Ricor's Discretion

Ricor is entitled, at its discretion and for any reason, at any time it deems appropriate, to cancel the PO, in whole or in part, by giving written notice to Supplier. In such case, the following provisions shall apply:

17.1. Upon receipt of the notice, Supplier shall act in accordance with the notice.

17.2. Supplier shall act to reduce its expenses due to the cancellation of the whole or part of the PO.

17.3 Supplier shall return to Ricor all Ricor assets and technical knowhow (drawings, specifications etc.)

17.4 Supplier shall transfer to Ricor the items whose production has been completed.

17.5. For work and/or items and/or services that have been completed and supplied to Ricor, Ricor shall pay Supplier the price set for them in the PO. If no separate price has been set in the PO for each item and/or service performed and supplied, Ricor shall pay a proportional part of the price specified in the PO for the items and/or work and/or services that have been completed and supplied. For items and/or work and/or services not supplied due to the cancellation of the PO, Ricor shall pay the reasonable direct costs actually incurred by Supplier up to the date of receipt of the cancellation notice, provided that such costs are substantiated to Ricor's satisfaction by Supplier.

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17.6. Ricor is entitled to withhold payments due to Supplier under this section until it receives back the items, Ricor assets and Technical knowledge, that Supplier suppose to transfer to Ricor.

17.7. To prevent any doubt, it is emphasized that Supplier shall not be entitled to any compensation or additional payment due to the cancellation of the PO, in whole or in part, other than the payments detailed in this section.

17.8. Supplier shall return to Ricor any amount paid to it on account of items and/or work and/or services not supplied.

17.9. Supplier undertakes to include the provisions of section 17 in their entirety in its dealings with its subcontractors.

18. Additional Quantity

Ricor shall be entitled to demand from Supplier, at any time before half the period set for the supply of the last installment of the items and/or work and/or service, an increase of up to 20% of the quantity specified in the PO, without any change in the price of the items and/or work and/or services ordered. All other terms of the PO shall remain in effect and shall also apply to the additional quantity ordered under this section. If it is not possible to supply the addition by the date specified in the agreement, Supplier may request a suitable date for the supply of the addition.

19. Fixed Prices

The prices specified in the PO are agreed and fixed in advance, and no addition shall be paid for them, except for an adjustment or escalation if specified in the PO or its annexes. Without prejudicing the generality of the foregoing, the instruction regarding the non-payment of the addition shall also apply without taxes, duties, mandatory payments, depreciations, and escalations.

20. Offset

20.1. Ricor is entitled to offset any amount due to it from Supplier under this agreement or due from Supplier under any other agreement or by any law, from the amounts to which Supplier is entitled under this agreement.

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20.2. Ricor is entitled to withhold funds found from time to time in Ricor's treasury which are to the benefit of Supplier if Supplier fails to meet its obligations under this agreement or under any other agreement. No adjustment and/or interest of any kind shall be paid for such withholding of funds.

21. Prohibition of PO Transfer

Supplier is not allowed to transfer the PO, in whole or in part, directly or indirectly, to a third party, and Supplier is not allowed to contract for the performance of the PO, in whole or in part, with another Supplier, without obtaining prior written consent from Ricor. Such consent, if granted, shall not create direct contractual relations between Ricor and the other Supplier, and Supplier shall remain responsible to Ricor for the performance of the PO.

22. Receiving Funding

Supplier declares and undertakes that if it was and/or is entitled to receive any payment for a grant, a preferred subsidized loan from public funds, funding provided to it by a governmental office or any public source, in connection with the items, the work, or the services ordered or any part thereof, it shall immediately notify Ricor and no later than 30 days from the day of approval of the grant or loan as aforementioned. In such a case, Ricor is entitled to deduct the amount of the grant or loan as aforementioned from the consideration. Ricor shall bear the payments required from receiving the grant or loan as aforementioned. It is emphasized that such payments will be made to Supplier against his invoice.

23. Waiver

No waiver, abstention from action, or extension granted by one party to another shall be considered a waiver of its rights under any law or under the PO unless such party expressly and in writing waives them. It is emphasized that such a waiver shall be valid only if given by the signatory authorities who signed the PO or by their replacements.

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24. Liability for Damages

24.1 Supplier is responsible for any damage and/or loss caused during the performance of the work and/or use of the goods to his body and/or to the property of any person. This liability is in addition to any liability on Supplier under any law.

24.2 Without detracting from the foregoing in section 24.1, in any case where Ricor is required to pay damages, Supplier commits to indemnify Ricor for any amount that Ricor is obligated to pay, whether by court judgment or by a settlement agreement, and to pay this amount upon Ricor's first demand.

25. Insurance

25.1 In order to ensure the fulfillment of Supplier's obligations under sections 10 and 24 above, and without detracting from any additional obligation under this PO, Supplier shall insure at his own expense the Ricor assets against all risks and shall also insure his liability under section 24 above. In addition to Supplier, the insureds shall be Ricor and Ricor employees.

25.2 Without detracting from Supplier's responsibility, Ricor has the right to determine the amount of insurance and all other terms of the policy, as per section 25.1 above. In addition Ricor will be entitled to demand that it receives directly any insurance compensation due under this policy. Supplier shall provide to Ricor, upon request, a copy of insurance policy.

26. Use of Ricor's Technical Knowhow or resources

Supplier commits not to manufacture or supply to any person or entity other than Ricor items or parts of items of the type specified in this PO, using Ricor's technical knowhow or other resources, unless Supplier has obtained prior written approval from Ricor subject to the terms agreed with Ricor. Ricor shall have the right at its sole discretion to grant or deny such request with regard to items that may involve direct or indirect the use of Ricor's assets or technical knowhow.

27. Jurisdiction

The parties agree that the District Court of Nazareth in Israel shall have exclusive local jurisdiction to hear any matter related to or arising from these general terms.

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