

RAICOL CRYSTALS LTD.

GENERAL TERMS AND CONDITIONS FOR THE SALE AND SUPPLY OF PRODUCTS

General. The Products (as defined below) specified in the acknowledgment document from Raicol Crystals Ltd. ("**Raicol**") (which may be sent by email) produced by Raicol with regard to the confirmation of the sale and/or the provision of such Products to be sold and/or provided by Raicol to the customer specified in such acknowledgment document, and any documentation accompanied thereto ("**Products**", "**Acknowledgement**" and "**Customer**" respectively) shall be sold and/or provided by Raicol according to the terms and conditions stated herein ("**Terms and Conditions**"), which, together with the Acknowledgment shall constitute the sole and only terms and conditions which govern the sale of the Products by Raicol, and which shall override any preprinted terms and conditions of purchase/sale produced by Customer. Any deviation, waiver, modification or amendment of any of the Terms and Conditions or the Acknowledgment shall be effective only if in writing and signed by both parties hereto.

Compliance with Laws. The parties shall comply with all applicable laws, governmental rules, regulations and codes relevant to their respective businesses. Without derogating from the generality of the aforesaid, Customer shall be responsible for obtaining and maintaining all necessary governmental registrations or approvals as required for the purchase and/or import of the Products and the fulfillment of its obligations hereunder.

Export. Raicol's obligation to deliver the Products to the Customer shall be at all times subject to all applicable export control laws and regulations and conditioned upon the receipt of an appropriate export license, when such license is required under applicable laws and regulations. Regardless of any disclosure made by Customer to Raicol of an ultimate destination of the Products, Customer will not export either directly or indirectly any Product purchased from Raicol nor any system incorporating said product, in violation of any applicable laws, regulations and treaties relating to the sale and transfer of the Products, including without limitation, U.S. export control laws and regulations, Israeli and European export control regulations nor will sell or transfer the Products without first obtaining all required licenses and permits from the relevant authorities in the US, Europe or Israel, as the case may be, all to the extent that such licenses are required under applicable export control laws and regulations. Purchaser shall not sell or transfer any of the Products to countries or to persons or entities prohibited under applicable US, Israeli, European or other laws and regulations, including, without limitation, any person or entity located in Iran, Lebanon, Syria, North Korea and Sudan.

Specifications. The Products to be sold and/or provided by Raicol, including the qualities and quantities thereof, shall be as specified in the Acknowledgment ("**Specifications**").

Delivery. The delivery dates are approximate and are based on prompt receipt by Raicol of all necessary ordering information from Customer. Unless specified otherwise in the Acknowledgment, title in the Products shall pass from Raicol to Customer upon full payment for the Products by

Customer, whereas risk of loss shall pass from Raicol to Customer at the gate of Raicol's premises and at the time of dispatch of the Products. Without derogating from the aforesaid, all delivery terms regarding the Products shall be EXW Raicol's facilities at Rosh Ha-Ain, Israel.

Documentation. All Products shall be delivered to Customer accompanied by the documents specified in the Acknowledgment.

Force Majeure. Raicol shall be excused from delay or non-performance in the availability or delivery of the Products and Customer shall have no claim for damage if and to the extent such delay or failure results (directly or indirectly) from fire, explosion, unusually severe weather, acts of god, war, acts of terrorism, civil disturbance, act of any government, *de jure* or *de facto*, or agency or official thereof, strike, labor or employment difficulties, freight embargo, material or labor shortage, transportation contingencies, default of any other manufacturer or a supplier or subcontractor, lack of timely instructions or essential information from Customer, or otherwise arisen as a result of reasons beyond Raicol's control.

Acceptance of Products. Customer shall carefully inspect the Products upon receipt and immediately notify Raicol in case of any shortage or other discrepancy between the Products and the Acknowledgment ("**Discrepancy Notice**"). At Raicol's request and upon provision by Raicol of an RMA number to the Customer, Customer shall return the non-conforming Products to Raicol (and Raicol, at its discretion, shall decide who shall pay for such returned non-conforming Products). Products as to which no Discrepancy Notice has been delivered within 10 days from receipt, shall be deemed accepted and in compliance with the Specifications. In the event that the Customer presents Raicol with a Discrepancy Notice with respect to the quantity of the Products, Raicol shall deliver non-shipped Products in the next delivery or proportionally reduce the amount indicated in the respective invoice for such Products.

Price and Payment. Unless specified otherwise in the Acknowledgment, all amounts due and payable with respect to the Products sold and/or provided by Raicol hereunder shall be as specified in the Acknowledgment, and paid by Customer in the following installments: (i) 30% (thirty percent) prepayment within 5 days of receipt of the Acknowledgment by Customer; and (ii) 70% (seventy percent) before delivery of the Products to Customer, upon notification by Raicol to Customer that the Products are manufactured and ready to deliver to Customer. Customer agrees to pay such payments when due regardless of other scheduled deliveries. Without derogating from any other remedy available to Raicol under applicable law, in the event Customer fails to pay such payments when due, Customer hereby agrees to pay a monthly service charge at 1.5% (one and one-half percent) of the said invoices, or, if such rate is prohibited under applicable law, a service charge at such lesser rate of interest as is the maximum rate permitted under such applicable law. Payment shall not be the subject to any setoff, withholding, lien or counterclaim by Customer. All payments hereunder shall be made by wire transfer to Raicol's bank account details of which appear in the Acknowledgment.

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Taxes. Unless explicitly agreed in the Acknowledgment, the prices of the Products listed therein are exclusive of any federal, state or local taxes or other administrative or governmental charges, customs and excise duties, VAT, levies and/or any other taxes and payments imposed by any authority, applicable to the sale and/or provision of the Products, whether currently in force or coming into force hereafter (the “Taxes”). All Taxes, when imposed, shall be borne by Customer. An amount equal to the appropriate Taxes will be added to the invoice by Raicol where Raicol has the legal obligation to collect or pay such Taxes.

Limited Warranty. The Products purchased hereunder shall be, upon delivery by Raicol to Customer, substantially free from defects in materials and workmanship under normal use and service and shall conform in all material respects to the Specifications, and for a period of 6 months thereafter, provided that the Products in question have been stored and used in accordance with the Acknowledgement (and the accompanying documentation) and in any event, the ordinary industry practices and conditions. In the event that the Products do not comply with the above warranty and such non-conforming Products are returned to Raicol by Customer, Raicol, at its sole discretion, shall either (i) refund Customer for such non-conforming Products; or (ii) replace such Products at no additional cost to Customer; the replaced Products shall be returned to Customer, freight prepaid. However, if it is determined that either no fault exists by Raicol, or that the damage to be repaired was caused by negligence of Customer, its agents, employees or customers, Customer agrees to pay all charges associated with such repair. The foregoing expresses the sole and exclusive warranty made by Raicol with regard to the Products. TO THE EXTENT PERMITTED BY LAW, RAICOL GRANTS NO OTHER WARRANTY, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Limited Liability. CUSTOMER WARRANTS AND REPRESENTS THAT RAICOL WILL IN NO EVENT AND UNDER NO CIRCUMSTANCES BE LIABLE FOR LOSSES, COSTS, PENALTIES, ATTORNEYS FEES, BUSINESS INTERRUPTION AND ANY SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS, TAXES AND PENALTY TAXES), WHETHER SUCH DAMAGES ARE SOUGHT IN CONTRACT, TORT OR ANY OTHER LEGAL THEORY (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY), EVEN IF THE CUSTOMER HAD NOTIFIED IN ADVANCE OF SUCH POSSIBILITY. RAICOL'S SOLE, EXCLUSIVE AND MAXIMUM AGGREGATE LIABILITY SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCTS ON WHICH SUCH LIABILITY IS BASED. ANY TAMPERING, MISUSE OR NEGLIGENCE IN HANDLING OR USE OF THE PRODUCTS RENDERS THE WARRANTY VOID.

Indemnification. Subject to Raicol's limited warranty and limited liability as detailed above, Customer hereby waives any and all claims against and shall hold harmless Raicol, Raicol's officers, employees and agents, and shall indemnify all of the aforesaid from and against any and all third party claims, liabilities, losses, damages or expenses of every kind or nature whatsoever (including costs and fees of attorneys and other expert advisors) arising directly or indirectly from, as a result of, or in connection with, the sale or use of the Products hereunder and/or the

failure of Customer to perform its obligations under these Terms and Conditions or under the Acknowledgment.

Severability. If any term or provision of these Terms and Conditions is unenforceable or invalid, the Terms and Conditions shall be ineffective only to the extent of such provisions, and the enforceability or validity of the remaining provisions of these Terms and Conditions shall not be affected thereby, unless the ineffectiveness of such term or provision materially undermines the purpose and intent of the parties hereto, in which case these Terms and Conditions shall be null and void.

No Third Party Rights. Nothing in these Terms and Conditions, shall create or confer upon any person or entity, other than the parties hereto or their respective successors and permitted assigns, any rights, remedies, obligations or liabilities, except as expressly provided herein.

Assignment. Neither party may assign or transfer any rights or obligation in these Terms and Conditions without the prior written consent of the other party (and with respect to Raicol other than in the framework of a sale/merger/asset sale of substantially all of its shares/assets as applicable). Any attempted assignment or transfer in violation of this section will be deemed void.

Intellectual Property. Customer acknowledges That Raicol retains all title, ownership rights and Intellectual Property Rights (as defined below) embedded in the Products and Customer is granted the title solely in the physical Products and the right to use the Products. For the avoidance of doubt, Raicol reserves all rights in the Products that are not expressly granted herein. “Intellectual Property Rights” means any and all rights in and to any and all trade secrets, patents, copyrights, service marks, trademarks, know-how, or similar intellectual property rights, as well as any and all moral rights, rights of privacy, publicity and similar rights of any type under the laws or regulations of any governmental, regulatory, or judicial authority, whether foreign or domestic.

Confidentiality. Customer shall not disclose these Terms and Conditions or the Acknowledgment (or any documentation related thereto) or any provision or existence thereof to any person other than to employees of Customer, on a need-to-know basis, except with the prior written consent of Raicol. Such disclosure shall be made in confidence and shall extend only so far as may be necessary for the purposes of these Terms and Conditions.

Termination. Each party may at any time by notice in writing terminate the transaction contemplated hereunder without compensation to the other party in any of the following events: (i) if the other party ceases to function as a going concern or makes an assignment for the benefit of creditors; at the commencement of a liquidation, dissolution, bankruptcy, winding up or reorganization of the other party (or any similar proceedings under applicable law), either voluntary or non-voluntary; or (ii) any material breach by the other party of its obligations under these Terms and Conditions or the Acknowledgment, which is not remedied by the other party within 10 days of such party's prior notice to the other party.

No waiver. The failure of either party to enforce any of its rights under these Terms and Conditions or the Acknowledgment at any time and for any period will not be construed as a waiver of such rights.

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Disputes; Applicable Law; Jurisdiction and Venue. To the best of their ability, the parties hereto shall try to clarify and settle all disputes arising in connection with the transaction contemplated hereunder by mutual discussions and with the intention of reaching a mutual understanding. Should no settlement be reached in such discussions within 30 days, such disputes shall be governed solely by the laws of the State of Israel, without regard to its conflict of law rules, and the competent courts of Tel Aviv-Jaffa shall have exclusive jurisdiction over all matters arising under or relating to these Terms and Conditions. [Notwithstanding the above,

Raicol shall have an exclusive right to find remedy at any lawful court, should it wish to do so, at its sole and unfettered discretion]. Additionally, and for the avoidance of doubt, in accordance with the provisions of the Sale Law (International Sale of Products) 5760 – 1999, the terms of the regulations of the UN Convention on Contracts for the International Sale of Products (Vienna, 1980), shall not apply to these Terms and Conditions.
