

General Conditions Addendum For Israeli Customers

1. Definitions

In this Addendum the following terms shall have the meaning ascribed to them herein:

- 1.1. "**Basic Package**"; "**System**"; "**System's Components**" and "**Priority Cloud**" shall be interpreted in accordance with the respective definition provided in the Transaction Document.
- 1.2. "**Customer**" means the individual or legal entity who engaged with Priority, by its approval or signing on the relevant Transaction Document, to obtain a license to use the System and/or to receive services from Priority.
- 1.3. "**Customer Content**" or "**Content**" shall be interpreted in accordance with the definition provided in the EULA or the relevant Transaction Document, as applicable.
- 1.4. "**Privacy Addendum and DPA**" means the most current version of Priority's Privacy Addendum and the Data Protection Addendum, available at <https://www.priority-software.com/terms-erp/>.
- 1.5. "**EULA**" means the most current version of Priority's End User License Agreement (for Israeli customers), available at <https://www.priority-software.com/terms-erp/>, which sets out the terms and conditions under which Priority agrees to provide Customer a license to use the System, granted to it in the Transaction Document ("**License**").
- 1.6. "**Transaction Documents**" means the applicable agreement, quote, order or any other document through which Customer placed an order for the System or any of its components and/or according to which Customer ordered services from Priority and/or any subsequent amendment(s) and/or other related instruments entered into thereafter. In the event of any inconsistency between the provisions of the applicable Transaction Document and the provisions of this Addendum, the provisions of the applicable Transaction Document shall prevail.
- 1.7. "**Priority**" means Priority Software Ltd.

2. Approvals and Confirmations

Customer confirms and agrees as follows:

- 2.1 To receive invoices by e-mail and/or via SMS as a digital document pursuant to Article 18B of the Income Tax (Management of Account Books) Regulations, 5733-1973, as well as to receive other documents via email.
- 2.2 That Priority may contact it, using the information provided by Customer to Priority, including by sending messages through the various means of communication (such as phone calls, SMS, e-mail, messaging apps such as WhatsApp, etc.) for operational, marketing and/or advertising purposes of any kind, including sending information on Priority products and services; and to receive such messages, offers and mailings.
- 2.3 To all the terms, obligations and provisions detailed in the: (a) EULA; and (b) the Privacy Addendum and the DPA, - which constitute an integral part of the Transaction Documents and their content will bind Customer and Priority for all intents and purposes.

3. General Payment terms

- 3.1 The consideration amounts set forth in the Transaction Documents (the "**Consideration**"), are valid at the time of signature or confirmation by Customer of the relevant Transaction Document (the "**Order Date**"). Following the Order Date, placing an order for additional System Components and/or services with Priority shall be subject to the amounts and additional terms applicable at that time.
- 3.2 For the avoidance of doubt, it is clarified that the Consideration payment is deemed final, and no refund shall be issued, for any reason whatsoever, including in the event of a reduction of System's Components and/or services in accordance with section 4.3 below.
- 3.3 In the event of Consideration payment (or any portion thereof) made on a semi-annual, quarterly, or monthly basis (as specified in the Transaction Document), the initial charge for such payment shall encompass the proportional payment for the remaining period from the Order Date (or another payment commence date, if and as agreed in the Transaction Document) until the end of the relevant half-year, quarter or calendar month.
- 3.4 The Consideration amounts will be linked to the Consumer Price Index published by the Israeli Central Bureau of Statistics or any other authorized body that may replace it (the "**Index**"). The base index is the last known Index on the Order Date (the "**Base Index**"). The effective Index for the purpose of calculating the actual Consideration amount will be the last known Index on the actual invoicing date (the "**Then-Current Index**"). If on the actual invoicing date of the Consideration, the Then-Current Index exceeds the Base Index, the Consideration amount will be calculated according to the Then-Current Index. In any case, the Consideration amount will not be lower than the amount quoted in the Transaction Document(s).
- 3.5 If there is a delay or default (including instances of failed direct debit charges), Priority retains the right to impose daily Arrears Interest effective from the first day following the payment due date pursuant to the terms of the Transaction Document until the date the actual payment is received by Priority. Without derogating from the above and/or Priority's rights granted in the EULA, in the event of a payment delay exceeding 30 (thirty) days from the payment due date, Priority retains the right to suspend Customer's right to use the System or any part of it and/or terminate or suspend the support services provided to Customer under the Transaction Document (the "**Support Services**") and/or terminate or suspend other services for which the Consideration has not been paid and/or terminate the Transaction Document.

For the purpose of this Section, the term "**Arrears Interest**" means: daily interest at the prevailing overdraft rate in the debit account at Bank Leumi per day.

- 3.6 Without derogation from Section 3.5 above:
 - (i) **Software as a Service (SaaS) model:** If Priority decides to suspend Customer's right to use the System, as mentioned in Section 3.5 above, Customer may submit a written request to Priority during the calendar month following the calendar quarter in which the suspension commenced, seeking to renew the right to use the System. Priority, at its discretion, may approve such request. If approved, the renewal shall be subject to the full payment of (1) applicable professional services fees for the restoration of Customer Content from backup; and (2) the Consideration (including fees for services and Content storage charges) for the continuous period commencing at the end of the period covered by the last actual payment by Customer until the renewal date, inclusive of any outstanding debts (including expenses, if applicable, and differences

due to indexing). It is clarified that Priority reserves the right to reject Customer's request.

- (ii) **Perpetual model:** If Priority decides to terminate or suspend the Support Services for any reason (including non-payment of the Consideration), Customer may submit a written request to Priority seeking to renew such services. Priority, at its discretion, may approve such request. If approved, the renewal shall be subject to the full payment of Consideration for the Support Services for the continuous period commencing at the end of the period covered by the last actual payment by Customer until the renewal date, inclusive of any outstanding debts (including expenses, if applicable, and differences due to indexing). It is clarified that Priority reserves the right to reject Customer's request.

For the avoidance of doubt, this Section and/or any other provision in this Addendum and/or in the Transaction Documents do not allow late payment under any circumstances.

- 3.7 All the Consideration payments shall be made in full and promptly. Customer hereby waives any right to withhold payments. Furthermore, Customer agrees that no refunds will be granted for any amount paid, regardless of the circumstances.

4. The Term; Reducing System's Component

- 4.1 Each Transaction Document shall commence on the Order Date and shall continue in accordance with the terms and conditions outlined therein (the "**Term**").
- 4.2 **Software as a Service (SaaS) model:** Customer is responsible for downloading its Content prior to the termination or expiration of the Term (including through a file in a uniform format for an income tax audit or transfer to the CPA). Downloading Content following the termination or expiration of the Term shall be subject to the terms and conditions of the EULA.
- 4.3 **Customer entering into a Transaction Document that constitutes an order for the System and/or additional Licenses and/or additional System's Components:** The base package, as outlined in the Transaction Document, cannot be reduced and/or changed. In the event that Customer orders additional Licenses and/or Optional Components on a Perpetual Licensing Basis and/or Optional Components on a Subscription Licensing Basis (as those terms are defined in the Transaction Document), and subsequently wishes to reduce such additional Licenses and/or optional Components, it shall inform Priority, in writing, of its request of reduction, in accordance with the following timelines:
 - 4.3.1.1 **Perpetual model:** at least 60 (sixty) days prior to the then-current renewal/expiration date of the Transaction Document.
 - 4.3.2 **Software as a Service (SaaS) model:** at least 30 (thirty) days prior to the then-current renewal/expiration date of the relevant Transaction Document.

Such reduction, for which Priority has received a written notification as per the above, will come into effect on the then-current renewal/expiration date of the relevant Transaction Documents. For the avoidance of doubt, if Customer wishes to add back such reduced components Customer will have to re-order the respective licenses from Priority, subject to the amounts and additional terms applicable at that time.

5. Setting Up an Environment in the Priority Cloud and Transferring Content to Priority Cloud

- 5.1 **Software as a Service (SaaS) model:** For the avoidance of doubt, it is clarified that the setup and management of the System's production environment and/or development

and/or testing environments for Customer in Priority Cloud shall be performed in accordance with Priority's procedures, as may be updated by Priority from time to time.

5.2 **Software as a Service (SaaS) model:** Without derogating from the provisions of Section 5.1 above, the development and/or testing environments (if ordered from Priority) shall include a copy of the Database¹ and Files² from Customer's production environment, with the exception of attachment Files. The copying of the attachment Files to such environments shall be made following the receipt of a written request from Customer. Priority reserves the right to charge an additional fee for storage volume in the development and/or test environments exceeding the storage volumes that are included in the Cloud Services, as detailed in the Transaction Document, at Priority's discretion and subject to its procedures (including pricing), as may be amended from time to time.

5.3 Upon Customer's transition from an On-Premise Licensing model to a Software as a Service (SaaS) Licensing model, the following instructions shall apply:

5.3.1 The transfer of Customer Content from Customer's on-premise installation to Priority Cloud will be made in accordance with Priority procedures. Customer will cooperate with Priority with respect of the transfer of such Customer Content.

5.3.2 Customer is responsible to test and validate the integrity of the environment set up in Priority Cloud, including testing of the execution of business processes, the proper functioning of Allowed Derivative (as defined in the EULA), and the completeness of the Content following its transfer to the Priority Cloud. In the event of any issues concerning the environment setup and/or Content transfer to the Priority Cloud, Customer must promptly inform Priority in writing before initiating any work on the System (i.e., prior to entering new Content into the System).

5.3.3 Without detracting from the provisions of the EULA, making backups before transferring Customer Content to Priority Cloud will be the sole responsibility of Customer; Priority will not be held liable for any whole or partial loss or destruction of Customer Content.

5.3.4 Without derogating from the provisions of this Section 5, Customer is informed and agrees that certain files which form part of Customer Content might not be transferable to Priority Cloud or might not be accessible from Priority Cloud, due to their storage location and/or access restrictions. In such cases, where feasible, the transfer or access will require additional services by Priority (prior to the installation of the System in Priority Cloud), which Priority will perform subject to Priority's procedures and for an additional fee (such fee shall be quoted to Customer by Priority, to be approved or rejected by Customer, prior to the installation of the System on Priority Cloud).

6. Miscellaneous

6.1 **Software as a Service (SaaS) model:** Customer undertakes, and is obligated to ensure, that any integration of the System with external systems or software (whether they are done by Customer itself or any third party on its behalf), as well as Customer's use thereof,

¹ The term **Database** means – all the data, records and information in the System that do not constitute Files.

² The term **Files** means - all the files that are or will be uploaded or created in the System and will be stored in the Priority Cloud, including the System's installation folders, attachments and files of any other type that Customer uploads to the System or creates through it (such as reports produced in the System) and are stored in it.

will comply with the instructions and methodology made available by Priority at Priority's developer portal (<https://prioritysoftware.github.io>), as may be updated by Priority from time to time. In the case of a breach of any instruction from the aforementioned guidelines, Priority shall be entitled to block and/or throttle transactions made in connection with such external integrations.

6.2 Priority may, at its discretion, provide any service ordered under the Transaction Documents (or any part thereof) through a third party acting on its behalf, including sub-providers located in Israel and/or other countries.

6.3 In the event that Priority's performance of its obligations, or any part thereof, under the Transaction Document (including this Addendum), is hindered or delayed due to a Force Majeure Event (as defined below), Priority shall have the right to suspend such obligations by issuing a written notice of suspension to Customer (the "**Suspension Notice**"). This suspension shall commence on the starting date of the Force Majeure Event and shall persist until the Force Majeure Event has concluded, or until Priority determines that it can fulfill its obligations despite the ongoing Force Majeure Event, whichever occurs first (the "Suspension Period"). During the Suspension Period, Priority shall not be held liable for non-performance or be obliged to provide compensation for unfulfilled obligations

Should the Suspension Period exceed 12 (twelve) months from the Suspension Notice date, Priority reserves the right to terminate the Transaction Document. In such a case, Priority shall provide Customer with a written notice of termination at least 60 (sixty) days in advance.

For the purposes of this Section, a "**Force Majeure Event**" means an unforeseeable event on the Order Date, beyond Priority's reasonable control, which hinders or delays the performance of its obligations. Examples of such events include, but are not limited to, natural disasters, epidemics, wars, terrorist events, strikes, emergency regulations, or government orders.

6.4 All intellectual property rights associated with or relating to the System are and will remain the exclusive intellectual property of Priority.

6.5 Each party agrees to maintain the confidentiality of any information received from the other party, and agrees not to use such information for any purpose, except as required for compliance with its obligations and/or for exercising its rights in accordance with and subject to the provisions of the Transaction Document.

6.6 Priority may publicize the fact that Customer is a Priority customer as well as use Customer's name and trademarks. If Customer does not agree to such use, it must give Priority an advance written notice of its objection.

6.7 During the Term, and for additional twelve (12) months from the end of the Term, Customer and/or anyone on its behalf shall be prohibited from: (a) contacting Priority's employees, either directly or indirectly, for job offers with Customer and/or anyone on its behalf; and (b) hiring Priority's employees directly and/or indirectly and/or in any form whatsoever.

6.8 Customer may not assign nor otherwise transfer any of its rights and/or obligations under the Transaction Document, either in whole or in part, to any third party, without the prior written consent of Priority. Priority may assign or otherwise transfer its rights and/or obligations under the Transaction Document, either in whole or in part, to its affiliate/s or - as part of a reorganization, structure change, change in control and/or merger - to a

third party entering into such a transaction with Priority or with its affiliate/s, without the need to obtain Customer's consent.

- 6.9 Priority may update this Addendum, as long as such an update does not derogate from Customer's material rights and/or from Priority's material obligations, by publishing updated Addendum on the website operated by and/or for Priority at <https://www.priority-software.com/terms-erp/>.