

## KLAS STANDARD TERMS AND CONDITIONS OF SALE (USA)

### 1. Interpretation

#### 1.1 In these Conditions:

- 1.1.1 'Buyer' means the person, firm or body which buys or has agreed to buy the Goods and/or Services.
- 1.1.2 'Buyer's Equipment' means any equipment, systems, cabling or facilities provided by the Buyer and used directly or indirectly in the supply of the Goods or Services.
- 1.1.3 'Company' means, as applicable Klas Government, Inc., 450 Springpark Place, Suite 1200, Herndon, VA 20170, U.S.A; and, Klas Telecom, Inc., 1101 30th Street NW, Suite 500 Washington DC, 20007, U.S.A.
- 1.1.4 'Company's Equipment' means any equipment, including tools, systems, cabling or facilities, provided by the Company or its subcontractors and used directly or indirectly in the supply of the Goods or Services which are not the subject of a separate agreement between the parties under which title passes to the Buyer.
- 1.1.5 'Conditions' means the standard terms and conditions of sale set out in this document and (unless the context otherwise) includes any special terms and conditions agreed in writing between the Buyer and the Company.
- 1.1.6 'Contract' means the Buyer's purchase order and the Company's acceptance of it, or the Buyer's acceptance of a quotation for Goods or Services by the Company in accordance herewith.
- 1.1.7 'Deliverables' means all Documents, products and materials developed by the Company or its agents, subcontractors, consultants and employees in relation to the Goods and/or Services in any form, including computer programs, data, reports and specifications and which are expressly specified as deliverable to the Buyer under the Contract.
- 1.1.8 'Document' includes, without limitation, in addition to any document in writing, any drawing, map, plan, diagram, design, picture or other image, tape, disk or other device or record embodying information in any form.
- 1.1.9 'Goods' means the goods which the Company is to supply to the Buyer in accordance with these conditions. Any reference to Goods should also be a reference to any instalment of part of the goods where appropriate.
- 1.1.10 'In-put Material' means all Documents, information and materials provided by the Buyer relating to the Goods or Services including (without limitation) computer programs, data, reports and specifications or such other material as specified in the Contract as necessary for the performance thereof by the Company.
- 1.1.11 'Intellectual Property' means (without limitation) present and future patents, trade marks, registered designs (including any applications for the foregoing and related rights including rights of inventions) copyrights, unregistered design rights, database rights (including rights of extraction), rights in semiconductor topographies and all rights or forms of protection offered by intellectual property law of a similar nature or having equivalent or similar effect to any of them which may subsist anywhere in the world, such as service marks, mask works, design models, and utility models.

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1.1.12 'Services' means the services to be provided by the Company in accordance with these conditions, together with any other services which the Company provides, or agrees to provide, to the Buyer.

1.1.13 'Writing' includes telex, cable, facsimile transmission and comparable means of communication.

1.2 Any reference in these Conditions to any provision of a statute shall be construed as a reference to that provision as amended, re-enacted or extended at the relevant time.

1.3 The headings in these Conditions are for convenience only and shall not affect their interpretation.

### **2. Basis of the Sale**

2.1 Subject to any variation agreed in writing and executed by the Buyer and the Company, the Contract shall be on these conditions to the exclusion of all other terms and conditions (including any terms or conditions which the Buyer purports to apply under any purchase order, confirmation of order, specification or other document).

2.2 No terms of conditions endorsed on, delivered with or contained in the Buyer's request for proposal, request for quote, purchase order, confirmation of order, specification or other document shall form part of the Contract simply as a result of such document being referred to in the Contract.

2.3 These conditions apply to all the Company's sales and any variation to these conditions and any representations about the Goods or Services shall have no effect unless expressly agreed in writing and signed by an employee authorised by the Company to do so.

2.4 The Company's employees or agents are not authorised to make any representations concerning the Goods or Services unless confirmed by the Company in Writing. In entering into the Contract the Buyer acknowledges that it does not rely on, and has not relied on, any statement, promise or representation made or given by or on behalf of the Company which is not set out in the Contract, and the Buyer waives any claim for breach of, any such representations which are not so confirmed.

2.5 Any advice or recommendation given by the Company or its employees or agents to the Buyer or its employees or agents as to the storage, application or use of the Goods or Services which is not confirmed in Writing by the Company is followed or acted upon entirely at the Buyer's own risk, and accordingly the Company shall not be liable for any such advice or recommendation which is not so confirmed.

2.6 Any typographical, clerical or other error or omission in any sales literature, quotation, price list, acceptance of offer, invoice or other document or information issued by the Company shall be subject to correction without liability on the part of the Company.

### **3. Orders and Specifications**

3.1 Quotations given by the Company its representatives and agents are for guidance only and do not and shall not be deemed to constitute an offer or commitment of any kind on the part of the Company to supply the Goods or Services, or any of them mentioned therein.

3.2 Any quotation is given on the basis that no Contract shall come into existence until the Company dispatches an acknowledgement of order to the Buyer. Unless expressly specified otherwise on the face of the quotation, any quotation is valid for a period of thirty (30) days only from its date.

3.3 No order may be cancelled or altered except on terms accepted in writing by the Company. The Company may impose reasonable cancellation charges. A restocking charge will be applied, including

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reimbursement for direct costs and allowances for disruption as may be determined by the Company. Cancellation charges associated with orders for products specifically manufactured for Buyer's order may equal the price of the Goods plus any other reasonable costs incurred.

- 3.4 No order placed by the Buyer shall be deemed to be accepted by the Company until a written acknowledgement of order is issued by the Company or (if earlier) the Company delivers the Goods or supplies the Services to the Buyer.
- 3.5 The Buyer shall be responsible to the Company for ensuring the accuracy of the terms of any order (including any applicable specification) submitted by the Buyer, and for giving the Company any information relating to the Goods or Services which the Company reasonably deems necessary, within a sufficient time to enable the Company to perform the Contract in accordance with its terms.
- 3.6 If the Services are to be provided, or the Goods are to be manufactured or any process is to be applied to the Goods by the Company in accordance with a specification submitted by the Buyer, the Buyer hereby indemnifies the Company against all loss, damages, costs and expenses awarded against or incurred by the Company in connection with or agreed by the Company in settlement of any claim for infringement of any patent, copyright, design, trade mark or other industrial or intellectual property rights of any other person which results from the Company's use of the Buyer's specification.
- 3.7 The Company reserves the right to make any changes in the specification of the Goods or Services which are required to conform to any applicable safety or other statutory requirements or, where the Goods or Services are to be supplied to the Company's specification, which do not materially affect their quality or performance.
- 3.8 The quantity and description of the Goods or Services shall be as set out in the Company's quotation or acknowledgement of order.
- 3.9 All samples, drawings, descriptive matter, specifications and advertising issued by the Company and any descriptions or illustrations contained in the Company's catalogues or brochures are issued or published for the sole purposes of giving an approximate idea of the Goods or Services described in them. They shall not form part of the contract and this is not a sale by sample.

### **4. Services**

#### **4.1 Company's Obligations**

- 4.1.1 The Company shall use reasonable endeavours to provide the Services, and to deliver the Deliverables to the Buyer, in accordance in all material respects with the description thereof contained in the Company's quotation or acknowledgement of order.
- 4.1.2 The Company shall use reasonable endeavours to meet any performance dates specified in the Contract, but any such dates shall be estimates only and time shall not be of the essence for performance of the Services.
- 4.1.3 The Company shall use reasonable endeavours to observe all health and safety rules and regulations, and any other reasonable security requirements that apply at the Buyer's premises and that have been communicated to it under condition 4.2.1(e), provided that it shall not be liable under the Contract if, as a result of such observation, it is in breach of any of its obligations under the Contract.

#### **4.2 Buyer's Obligations**

- 4.2.1 The Buyer shall:

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- (a) co-operate with the Company in all matters relating to the Services;
- (b) provide the Company, its agents, subcontractors, consultants and employees, in a timely manner and at no charge, with access to the Buyer's premises, office accommodation, data and other facilities as reasonably required by the Company for the performance of the Services;
- (c) provide to the Company, in a timely manner, such In-put Material and other information as the Company may reasonably require and ensure that it is accurate in all material respects;
- (d) be responsible (at its own cost) for preparing and maintaining the relevant premises for the supply of the Services, including identifying, monitoring, removing and disposing of any hazardous materials from its premises in accordance with all applicable laws, before and during the supply of the Services at those premises, and informing the Company of all of the Buyer's obligations and actions under this condition 4.2.1(d);
- (e) inform the Company of all health and safety rules and regulations and any other reasonable security requirements that apply at the Buyer's premises;
- (f) ensure that all Buyer's Equipment is in good working order and suitable for the purposes for which it is used in relation to the Services and conforms to all relevant standards or requirements;
- (g) obtain and maintain all necessary licences and consents and comply with all relevant legislation in relation to the Services, the installation of the Company's Equipment at the Buyer's premises, the use of In-put Material and the use of the Buyer's Equipment in relation to the Company's Equipment insofar as such licences, consents and legislation relate to the Buyer's business, premises, staff and equipment, in all cases before the date on which the Services are to start;
- (h) keep, maintain and, where applicable, ensure the Company's Equipment which remains on the Buyer's premises in good condition OR in accordance with the Company's instructions as notified in writing from time to time, and shall not dispose of or use the Company's Equipment other than in accordance with the company's written instructions or authorisation; and

4.2.2 If the Company's performance of its obligations under the Contract is prevented or delayed by any act or omission of the Buyer, its agents, subcontractors, consultants or employees, the Company shall not be liable for any costs, charges or losses sustained or incurred by the Buyer arising directly or indirectly from such prevention or delay.

4.2.3 The Buyer shall be liable to pay to the Company, on demand, all reasonable costs, charges or losses sustained or incurred by the Company (including, without limitation, any direct, indirect or consequential losses, loss of profit and loss of reputation, loss or damage to property and those arising from injury to or death of any person and loss of opportunity to deploy resources elsewhere) arising directly or indirectly from the Buyer's fraud, negligence, failure to perform or delay in the performance of any of its obligations under the Contract, subject to the Company confirming such costs, charges and losses to the Buyer in writing.

## 5. Price

5.1 Unless otherwise agreed in Writing by the Company, the prices of the Goods or Services shall be the price quoted to the Buyer by the Company or, where no price has been quoted (or a quoted price is no longer valid), the Company's list price current at the date of acceptance of the order.

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- 5.2 The Company reserves the right, by giving notice in Writing to the Buyer at any time before delivery, to increase the price of the Goods or Services to reflect any increase in the cost to the Company which is due to any factor beyond the control of the Company (such as, without limitation, any foreign exchange fluctuation, currency regulation, alteration of duties, significant increase in the costs of labour, materials or other costs of manufacture), any change in delivery dates, quantities or specifications for the Goods or Services which is requested by the Buyer, or any delay caused by any instructions of the Buyer or failure of the Buyer to give the Company adequate information or instructions.
- 5.3 The price is exclusive of any applicable value added tax, or other import or customs taxes, impositions or charges, which the Buyer shall be additionally liable to pay the Company.
- 5.4 The cost of pallets and returnable containers may be charged to the Buyer, at the Company's sole option, in addition to the price of the Goods and Services, but full credit will be given to the Buyer provided they are returned undamaged to the Company before the due payment date.

### **6. Payment**

- 6.1 Subject to any special terms agreed in Writing between the Buyer and the Company, the Company may invoice the Buyer for the price of the Goods and/or Services on or at any time after delivery of the Goods or the provision of the Services, unless the Goods are to be collected by the Buyer or the Buyer wrongfully fails to take delivery of the Goods, in which event the Company shall be entitled to invoice the Buyer for the price at any time after the Company has notified the Buyer that the Goods are ready for collection or (as the case may be) the Company has tendered delivery of the Goods.
- 6.2 The Buyer shall pay the price of the Goods and/or Services, without any deduction, within thirty (30) days of the date of the Company's invoice, and the Company shall be entitled to recover the price, notwithstanding that delivery may not have taken place and the property in Goods or Deliverables has not passed to the Buyer. The time of payment of the prices shall be of the essence of the Contract. Receipts for payment will be issued only on request.
- 6.3 If the Buyer fails to make any payment on the due date then, without limit to any other right or remedy available to the Company, the Company may:
- (a) cancel the Contract or suspend any further deliveries or supplies to the Buyer;
  - (b) appropriate any payment made by the Buyer to such of the Goods and/or Services (or the goods or services supplied under any other contract between the Buyer and the Company) as Company may think fit (notwithstanding any purported appropriation by the Buyer); and
  - (c) charge the Buyer interest (both before and after any judgment) on the amount unpaid, at the rate of one and a half per cent per month (18% per annum), until payment in full is made (a part of a month being treated as a full month for the purpose of calculating interest).

### **7. Delivery**

- 7.1 Goods are shipped CPT to the destination agreed between the Parties.
- 7.2 Any dates specified by the Company for delivery of the Goods are intended to be an estimate and time for delivery shall not be made of the essence by notice. If no dates are so specified, delivery shall be within a reasonable time.
- 7.3 If for any reason the Buyer fails to accept delivery of the Goods when they are ready for delivery, or if the Company is unable to deliver the Goods on time because the Buyer has not provided appropriate instructions, documents, licences or authorisations:

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- 7.3.1 Risk in the Goods shall pass to the Buyer (including for loss or damage caused by the Company's negligence);
- 7.3.2 The Goods shall be deemed to have been delivered; and
- 7.3.3 The Company may store the Goods until delivery, whereupon the Buyer shall be liable for all related costs and expenses (included, without limitation, storage and insurance).
- 7.4 The Company may deliver the Goods by separate instalments. Each separate instalment shall be invoiced and paid for in accordance with the provisions of the Contract.
- 7.5 Each instalment shall be a separate Contract and no cancellation or termination of any one contract relating to an instalment shall entitle the buyer to repudiate or cancel any other contract or instalment.
- 7.6 Subject to the other provisions of these conditions the Company shall not be liable for any direct, indirect and consequential loss (all three of which terms include, without limitation, pure economic loss, loss of profits, loss of business, depletion of goodwill and similar loss), costs, damages, charges or expenses caused directly or indirectly by any delay in the delivery of the Goods (even if caused by the Company's negligence) nor shall any delay entitle the Buyer to terminate or rescind the Contract unless such delay exceeds one hundred and eighty (180) days.
- 8. Non-Delivery**
- 8.1 The quantity of any consignment of Goods as recorded by the Company on dispatch from the Company's place of business shall be conclusive evidence of the quantity received by the Buyer on delivery unless the Buyer can provide conclusive evidence proving the contrary.
- 8.2 The Company shall not be liable for any non-delivery of Goods (even if caused by the Company's negligence) unless the Buyer gives written notice to the Company of the non-delivery within five (5) days from the date when the Goods would in the ordinary course of events have been received.
- 8.3 Any liability of the Company for non-delivery of the Goods shall be limited to replacing the Goods within a reasonable time or issuing a credit note at the pro rata Contract rate against any invoice raised for such Goods.
- 9. Risk and Property.**
- 9.1 The Goods shall be at the risk of the buyer from the time delivery has taken place.
- 9.2 Notwithstanding delivery and the passing of risk in the Goods or any other provision of these Conditions, ownership of, and the title in, the Goods shall not pass to the Buyer until the Company has received (in cash or cleared funds) payment in full in respect of:
  - 9.2.1 the full price of the Goods together with any interest if applicable payable in respect thereof; and,
  - 9.2.2 all other sums which are or which become due to the Company from the Buyer on any account.
- 9.3 Until such time as the property in the Goods passes to the Buyer, the Buyer shall:
  - 9.3.1 hold the Goods as the Company's fiduciary agent and bailee, and

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- 9.3.2 store the Goods (at no cost to the Company) separate from all other goods of the Buyer or of any other third parties in such a way that they remain readily identifiable as the Company's property;
- 9.3.3 not destroy, deface or obscure any identifying mark or packaging on or relating to the Goods; and,
- 9.3.4 maintain the Goods in satisfactory condition and keep them insured on the Company's behalf for their full price against all risks to the reasonable satisfaction of the Company. On request the Buyer shall produce the policy of insurance to the Company;
- 9.3.5 Until that time the Buyer shall, on its own behalf and dealing as principal, be entitled to resell for full market value or use the Goods in the ordinary course of its business but shall;
  - (a) account to the Company for the proceeds of sale or otherwise of the Goods, whether tangible or intangible including insurance proceeds; and,
  - (b) keep all such proceeds separate from any moneys or property of the Buyer and third parties and, in the case of tangible proceeds, properly stored, protected and insured.
- 9.4 The Buyer's right to possession of the Goods shall terminate immediately if;
  - 9.4.1 The Buyer (being an individual) has a bankruptcy order made against it or makes an arrangement or composition with its creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) convenes a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) except a solvent voluntary liquidation for the purposes only of reconstruction or amalgamation, or has a receiver and/or manager, administrator or administrative receiver, or examiner appointed of its undertaking or any part thereof, or documents are filed with the court for the appointment of an administrator or examiner of the Buyer or notice of intention to appoint an administrator or examiner is given by the Buyer or its directors or by a qualifying floating charge holder, or a resolution is passed or a petition presented to any court for the winding-up of the Buyer or for the granting of an administration order in respect of the Buyer, or any proceedings are commenced relating to the insolvency or possible insolvency of the Buyer; or
  - 9.4.2 The Buyer suffers or allows any execution, whether legal or equitable, to be levied on his/its property or obtained against him/it, or fails to observe or perform any of his/its obligations under the Contract or any other contract between the Company and the Buyer, or is unable to pay its debts within the meaning of section 214 of the Companies Act, 1963 or the Buyer ceases to trade; or
  - 9.4.3 The Buyer encumbers or in any way charges any of the Goods.
- 9.5 The Company shall be entitled to recover payment for the Goods notwithstanding that ownership of any of the Goods has not passed from the Company.
- 9.6 Until such time as the property in the Goods passes to the Buyer (and provided the Goods are still in existence and have not been resold), the Company may at any time require the Buyer to deliver up the Goods to the Company, and if the Buyer fails to do so forthwith enter on any premises of the Buyer or any third party where the Goods are stored and repossess the Goods.

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9.7 The Buyer grants the Company, its agents and employees an irrevocable licence at any time to enter any premises where the Goods are or may be stored in order to inspect them, or, where the Buyer's right to possession has terminated, to recover them.

9.8 Where the Company is unable to determine whether any Goods are the Goods in respect of which the Buyer's right to possession has terminated, the Buyer shall be deemed to have sold all goods of the kind sold by the Company to the Buyer in the order in which they were invoiced to the Buyer.

9.9 On termination of the Contract, howsoever caused, the Company's (but not the Buyer's) rights contained in this condition 9 shall remain in effect.

### **10. Sub-Contracting**

10.1 The Company may in its sole discretion delegate any of its duties in the provision of the Goods or Services.

### **11. Non-Solicitation of Employees**

11.1 The Buyer shall not, without the prior written consent of the Company, at any time from the date of the Contract to the expiry of twelve months after the last date of supply of the Goods or Services OR termination of the Contract, solicit or entice away from the company or employ (or attempt to employ) any person who is, or has been, engaged as an employee, consultant or subcontractor of the Company in the provision of the Goods or Services.

11.2 Any consent given by the Company in accordance with condition 11.1 shall be subject to the Buyer paying to the Company a sum equivalent to 100% of the then current annual remuneration of the Company's employee, consultant or subcontractor or, if higher, 100% of the annual remuneration to be paid by the Buyer to that employee, consultant or subcontractor.

### **12. Force Majeure**

12.1 Notwithstanding any agreement to the contrary the Company reserves the right to defer the date of delivery or commencement of the Services, or to cancel the Contract or reduce the volume of the Goods ordered by the Buyer (without liability to the Buyer) if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of Company including, without limitation, acts of God, fire, accidents, war, riot, civil commotion, government order, regulation or direction, shortages of labour, equipment or material, strikes, lock-outs or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, provided that if the event in question continues for a continuous period in excess of one hundred and eighty (180) days, the Buyer shall be entitled to give notice in writing to the Company to terminate the Contract.

### **13. Insolvency of Buyer**

13.1 This Clause applies if:

13.1.1 the Buyer makes any voluntary arrangement with its creditors or becomes subject to an order appointing an examiner to it or (being an individual or firm) becomes bankrupt or (being a company) goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction), or

13.1.2 an encumbrancer takes possession or a receiver is appointed of any of the property or assets of the Buyer or



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13.1.3 the Buyer ceases or threatens to cease to carry on business or the Company reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly.

13.2 If this Clause applies then without prejudice to any other right or remedy available to the Company, the Company shall be entitled to cancel the contract or suspend any further deliveries under the Contract without any liability to the Buyer and if the Goods or Services have been delivered but not paid for the price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

### **14. Notice**

14.1 Any notice required or permitted to be given by either party to the other under these Conditions shall be in Writing addressed to that other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

### **15. Waiver**

15.1 No waiver by the Company of any breach of the Contract by the Buyer shall be considered as a waiver of any subsequent breach of the same or any other proviso.

### **16. Severability**

16.1 If any provision of these Conditions is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of these Conditions and the remainder of the provision in question shall not be effected thereby.

### **17. Warranty and KlasKare**

17.1 A twelve month limited manufacturer's warranty applies to the Goods subject to the terms and conditions of the applicable warranty found at [www.klasgroup.com/legal](http://www.klasgroup.com/legal).

17.2 KlasKare may be purchased separately and provides for additional technical support as well as coverage for defects and accidental damage from handling, subject to the terms and conditions found at [www.klasgroup.com/legal](http://www.klasgroup.com/legal).

### **18. Confidential Information**

18.1 The Buyer shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Buyer by the Company, its employees, agents, consultants or subcontractors and any other confidential information concerning the Company's business or its products which the Buyer may obtain.

18.2 The Buyer may disclose such information:

18.2.1 to its employees, officers, representatives, advisers, agents or subcontractors who need to know such information for the purposes of carrying out the Buyer's obligations under the Contract; and

18.2.2 as may be required by law, court order or any governmental or regulatory authority.

18.3 The Buyer shall ensure that its employees, officers, representatives, advisers, agents or subcontractors to whom it discloses such information comply with this condition 18.

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18.4 The Buyer shall not use any such information for any purpose other than to perform its obligations under the Contract.

### **19. Liability/Indemnification**

THE BUYER'S ATTENTION IS PARTICULARLY DRAWN TO THIS CONDITION

19.1 This condition 19 sets out the entire financial liability of the Company (including any liability for the acts or omissions of its employees, agents, consultants, and subcontractors) to the Buyer in respect of:

19.1.1 any breach of the Contract;

19.1.2 any use made by the Buyer of the Goods or Services or any part of them; and

19.1.3 any representation, statement or tortious act or omission (including negligence) arising under or in connection with the Contract.

19.2 Except to the extent expressly permitted herein, all warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded from the Contract.

19.3 Nothing in these Conditions limits or excludes the liability of the Company:

19.3.1 for death or personal injury resulting from negligence; or

19.3.2 for any damage or liability incurred by the Buyer as a result of fraud or fraudulent misrepresentation by the Company; or

19.3.3 for any liability incurred by the Buyer as a result of any breach by the Company of a condition as to title or the warranty as to quiet possession implied statute.

19.4 Subject to condition 19.2 and condition 19.3

19.4.1 the Company shall not be liable for:

(a) loss of profits; or

(b) loss of business; or

(c) depletion of goodwill and/or similar losses; or

(d) loss of anticipated savings; or

(e) loss of goods; or

(f) loss of contract; or

(g) loss of use; or

(h) loss of corruption of data or information; or

(i) any special, indirect, consequential or pure economic loss, costs, damages, charges or expenses.

19.4.2 the Company's total liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise arising in connection with the performance, or

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contemplated performance, of the Contract shall be limited to the price paid for the Goods and/or Services.

### 20. Intellectual Property Rights

- 20.1 Ownership. Except for the specific licenses granted in this Agreement, Company shall retain all right, title and interest in and to its Intellectual Property including that which is supplied or provided by Company to Buyer hereunder. Any third party Intellectual Property licensed to Company for integration and sale with the Goods shall remain the property of such third party suppliers including that which is supplied or provided by Company to Buyer hereunder. Company hereby grants to Buyer a non-exclusive, non-transferrable, license to use the Goods. When Buyer has notified Company in writing prior to purchase that the Goods are intended to be resold by Buyer to a third party end user, Company hereby grants to Buyer a non-exclusive, non-transferrable, license to and market and resell the Goods to customers.
- 20.2 If the Goods are to be resold by Buyer to third party customers (such resale being subject to prior notice to Company and provision of certain customer information for licensing and warranty purposes), Buyer shall provide to such customers a copy of any end user license agreements, user manuals and warranty documents provided by Company with the Goods on delivery and shall notify Company promptly of any breach or suspected breach of any such end user license agreements. Buyer shall assist Company in efforts to preserve Company's Intellectual Property Rights including pursuing an action against any breaching parties.
- 20.3 Except for the limited license to resell and use the Goods and their associated documentation, Buyer is granted no right, title or interest in any Company Intellectual Property.

### 21. Intellectual property rights indemnity

- 21.1 The Company will indemnify and hold harmless the Buyer against any damages (including costs) that may be awarded or agreed to be paid to any third party in respect of any claim or action that the normal operation possession or use of the Goods by the Buyer infringes the patent, copyright, registered design, or trade mark rights of said third party (an 'Intellectual Property Infringement') provided that the Buyer:
- 21.1.1 gives notice to the Company of any Intellectual Property Infringement forthwith upon becoming aware of the same;
  - 21.1.2 gives the Company the sole conduct of the defence to any claim or action in respect of an Intellectual Property Infringement and does not at any time admit liability or otherwise settle or compromise or attempt to settle or compromise the said claim or action except upon the express instructions of the Company; and
  - 21.1.3 acts in accordance with the reasonable instructions of the Company and gives to the Company such assistance as it shall reasonably require in respect of the conduct of the said defence including without prejudice to the generality of the foregoing the filing of all pleadings and other court process and the provision of all relevant documents.
- 21.2 The Company shall reimburse the Buyer its reasonable costs incurred in complying with the provisions of clause 21.1 above.
- 21.3 The Company shall have no liability to the Buyer in respect of an Intellectual Property Infringement if the same results from:
- (a) any breach of the Buyer's obligations under this agreement; or,

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- (b) Company's compliance with Buyer's designs, specifications, or instructions; or,
- (c) use of any item provided by Company in combination with products not supplied by Company, if such infringement would have been avoided by use of Company items alone; or,
- (d) use of other than the latest commercially available modification of software provided with or embedded in the Goods, if the infringement would have been avoided by use of the latest modification; or,
- (e) any modification of the Goods by Buyer, if the infringement would have been avoided without such modification.

21.4 In the event of an Intellectual Property Infringement the Company shall be entitled at its own expense and option either to:

21.4.1 procure the right for the Buyer to continue using the Goods; or

21.4.2 make such alterations modifications or adjustments to the Goods so that they become non-infringing without incurring a material diminution in performance or function; or

21.4.3 replace the Goods with non-infringing substitutes provided that such substitutes do not entail a material diminution in performance or function.

21.5 If the Company in its reasonable judgement is not able to exercise any of the options set out at clauses 21.4.1, 21.4.2 or 21.4.3 above within 180 days of the date it received notice of the Intellectual Property Infringement then the Buyer without prejudice to any other rights or remedies it may have hereunder or at law shall be entitled to terminate this agreement by 90 days' notice to the Company.

21.6 The provisions of clause 19.4 above shall apply to this clause 21.

## 22. Export Control

22.1 The parties shall perform the Contract in accordance with all applicable import, export and economic sanctions laws and regulations, including but not limited to laws of the United States, the European Union, individual member states of the European Union, and the UK ("Applicable Trade Law"). In particular:

- Buyer is required to obtain any authorization required by Applicable Trade Law for any onward export or transfer of Goods or Services (regardless of whether Company has obtained authorization under Applicable Trade Law for delivery of such items under this Contract); and
- the obligations of Applicable Trade Law include obligations that attach to Goods or Services outside their original country of origin, such as those under the U.S. International Traffic in Arms Regulations and Export Administration Regulations.

22.2 Buyer shall not export or sell the Goods or Services to any third party which Buyer has reason to believe intends to export, resell or transfer the Goods or Services to customers or otherwise in a manner prohibited by Applicable Trade Law.

## 23. No Partnership or Agency

23.1 Nothing in the Contract is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.

## **KLAS STANDARD TERMS AND CONDITIONS OF SALE (USA)**

### **24. Company Group Members**

24.1 The Company is a member of a group of companies. The Company may perform any of its obligations or exercise any of its rights under the contract by itself or through any other member of its group, provided that any act or omission of any such other member shall be deemed to be the act or omission of the Company.

### **25. Rights of Third Parties**

25.1 Except as expressly provided otherwise herein, a person who is not a party to the Contract shall not have any rights under or in connection with it.

### **26. Import Licences**

26.1 The Buyer is responsible for obtaining, at its own costs, such import licences and other consents in relation to the Goods or Services as are required from time to time and, if required by the Company, the Buyer shall make those licences and consents available to the Company prior to the relevant shipment.

### **27. Assignment**

27.1 The Company may assign the contract or any part of it to any person, firm or company.

27.2 The Buyer shall not be entitled to assign the contract or any part of it without the prior written consent of the Company.

### **28. Governing Law and Jurisdiction**

28.1 The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, the laws of the Commonwealth of Virginia.

28.2 The parties irrevocably agree that the courts of the Commonwealth of Virginia shall have non-exclusive jurisdiction to settle any dispute or claim that arises out of, or in connection with, the Contract or its subject matter or formation (including non-contractual disputes or claims).

### **29. US GOVERNMENT SALES**

29.1 IF THIS SALE OR SUPPLY IS IN SUPPORT OF UNITED STATES GOVERNMENT ("USG") CLASSIFIED CONTRACTS, PURCHASE ORDERS MUST BE ISSUED TO KLAS GOVERNMENT, INC. AND KLAS GOVERNMENT, INC. SHALL NOT PERFORM OR COMMENCE PERFORMANCE OF SUCH CLASSIFIED CONTRACTS UNTIL, IN ACCORDANCE WITH UNITED STATES NATIONAL SECURITY POLICIES, THE RELEVANT USG CONTRACTING ACTIVITY SHALL HAVE OBTAINED AND PROVIDED KLAS GOVERNMENT, INC. WITH THE FOLLOWING ACCESS AUTHORISATIONS AND APPROVALS:

29.1.1 48 CFR 4.403, DD FORM 254, CONTRACT SECURITY CLASSIFICATION SPECIFICATION; AND

29.1.2 32 CFR 2004.22(C): NID (NATIONAL INTEREST DETERMINATION), IF REQUIRED.

29.2 NOTICE IS HEREBY PROVIDED TO BUYER (WHICH NOTICE SHALL BE PROVIDED BY BUYER, AS APPROPRIATE, TO THE USG IF THIS SALE OR SUPPLY IS IN SUPPORT OF A USG CONTRACT), AND ACCEPTANCE OF A QUOTE OR ISSUE OF A PURCHASE ORDER SHALL BE DEEMED ACCEPTANCE, THAT THE SALE OF GOODS HEREUNDER MAY INCLUDE PROVISION OF UNCLASSIFIED INFORMATION TECHNOLOGY PRODUCTS BY KLAS LIMITED. IF SUCH TECHNOLOGY PRODUCTS ARE UTILIZED, AND UNLESS ADVISED TO THE CONTRARY BY THE BUYER, KLAS GOVERNMENT, INC. SHALL SHARE APPROPRIATE UNCLASSIFIED

## **KLAS STANDARD TERMS AND CONDITIONS OF SALE (USA)**

INFORMATION ABOUT THE CONTRACT WITH KLAS LIMITED AS IS NECESSARY FOR EFFECTIVE ADMINISTRATION OF THE CONTRACT.