



# KVH Industries, Inc. Standard Terms and Conditions

**BY ORDERING KVH PRODUCTS ("PRODUCTS") FROM KVH INDUSTRIES, INC. AND ITS SUBSIDIARIES, WITH CORPORATE OFFICES AT 50 ENTERPRISE CENTER, MIDDLETOWN, RI 02842-5279 USA ("KVH"), YOU AGREE TO THESE STANDARD TERMS AND CONDITIONS.** Any different, conflicting or additional terms in any purchase order, order acknowledgment, sales agreement, sales contract or other writing from you or in any other writing from KVH shall be void unless expressly agreed in writing and signed by an officer of KVH stating plainly that you and KVH intend it to serve as a substitution, modification or supplement to these Standard Terms and Conditions. These Standard Terms and Conditions shall comprise the exclusive terms, conditions and agreements of the parties respecting sale of Products described herein. The invalidity of the whole or in part of any provisions hereof shall not affect the validity of any other provision.

**ORDERS:** You agree to forward all duly executed and authorized purchase orders for Products to KVH. No order shall be processed without a purchase order and no order shall be final or binding until accepted and acknowledged in writing by KVH to you. Purchase orders are not cancellable.

**SHIPMENT, DELIVERY AND TITLE:** Dates of all planned shipments are estimated and not guaranteed. All Products will be tendered and shipped FOB (or as may be applicable, FCA, or EXW) KVH's plant or warehouse with title and risk of loss or damage to each of the Products passing to you at the point of shipment when delivery is made to the possession of the carrier. All orders may be so tendered in several lots. In the absence of specific instructions, KVH will select the carrier and ship freight prepaid and added to the price of the relevant Product. In cases where you request non-standard shipping, you shall be responsible for all additional costs, including without limitation costs associated with premium freight and, if applicable, any resulting overtime required in order to make deliveries in conformance with your required delivery schedule. KVH will not be deemed responsible for any liability in connection with any shipment because of the selection of a carrier or its failure to obtain insurance.

**SOFTWARE MAINTENANCE AND SUPPORT:** Certain Products include embedded or associated software necessary for their operation. Such Products and their software may be subject to KVH's Software Maintenance and Support Subscription Conditions.

**TAXES AND GOVERNMENTAL CHARGES:** Prices do not include any taxes or other governmental charges, including, without limitation, value-added, sales, use or privileges taxes, or excise or similar taxes. At KVH's discretion, any such taxes and charges may be added to the price for any Products or may be billed separately. You agree, in any event, to pay all such taxes and charges, on or before their due dates. In the event KVH is required at any time to pay any such tax or charge, you agree to reimburse KVH promptly on demand. If any governmental agency requires you to withhold any portion of the gross payment due to KVH, then such payment shall be increased by the amount of such withholding.

**TERMS OF PAYMENT:** Unless otherwise stated in KVH's invoice or agreed to in writing by the parties, terms of payment for orders shipped to destinations in the U.S. will be net thirty (30) days from date of invoice. The terms of payment are also subject to review of your credit by KVH. KVH shall have the right, at any time and from time to time, to require a prepaid cash balance equal to any unfulfilled order(s) or a guaranteed irrevocable letter of credit or other assurance of payment satisfactory to KVH as a condition to acceptance of any order or shipment of any Product. All payments by you to KVH shall be in U.S. Dollars fully net, without set-off, deduction for payment processing or counterclaim and, unless otherwise agreed to by KVH, shall be by check to be drawn on your corporate account at a national bank, by electronic funds transfer pursuant to KVH's instructions, or by KVH's draw upon a bank letter of credit satisfactory in form and substance to KVH. The requirement of a letter of credit is standard for shipments outside the U.S. and for special products.

**LATE CHARGES:** If you fail to pay the price or any other payment due to KVH promptly and when due, KVH may require you to pay, in addition to the price or payment, interest thereon at a rate equal to the lesser of 1-1/2% per month and the maximum rate of interest allowable under applicable law, from the original due date until full payment has been made by you or on your behalf.

**INTELLECTUAL PROPERTY:** You acknowledge KVH's absolute worldwide property, ownership and goodwill in any and all intellectual property, patent registrations and patent applications developed or held by or on behalf of KVH relating to the Products. Certain of the Products use software that is either embedded in the Product or otherwise made available for your use with the Product. KVH grants you a non-exclusive, revocable, personal, non-transferable license to use such software solely in connection with the Products. Such software is protected by copyright and other intellectual property laws and treaties. KVH or its suppliers own the title, copyright, and other intellectual property rights in such software, and such software is licensed, not sold. The license granted to you under this section for such software will terminate if you fail to pay the software maintenance fee applicable to the Product, at which point KVH may disable such software. You acknowledge that you have no right and you specifically agree not to: (a) transfer or sublicense your license rights to any other person, or use the software with unauthorized equipment or services; (b) make error corrections to or otherwise modify or adapt the software nor create derivative works based upon the software, or to permit third parties to do the same; or (c) copy, in whole or in part, decompile, decrypt, reverse engineer, disassemble or otherwise reduce the software to human-readable form.

**GRANT OF SECURITY INTEREST:** You hereby grant KVH a security interest in all Products sold to you hereunder to secure due and punctual payment and performance of all of your obligations hereunder. You agree to execute all financing statements and other documents, and take all other actions, that KVH may reasonably request to perfect, protect, continue or maintain such security interests.

**LIMITED WARRANTY:** Each Product manufactured and sold by KVH is covered by the applicable limited warranty provided with the Product, backed by KVH directly and through its national dealer support network, if applicable. If any Product covered under warranty is returned by you in accordance with

KVH's return policy, including without limitation its return authorization provisions, within the applicable warranty period, and upon examination KVH determines to its satisfaction that such Product was defective due to materials or workmanship within the specified warranty period, KVH will, at its option, repair or replace the Product or the defective part thereof. KVH may in its sole discretion refund the original purchase price of the Product to you. In no event will KVH be responsible for damage to any Product resulting from accident, neglect, use of the Product other than in accordance with the applicable user documentation provided with the Product, or resulting from installation, repairs or alterations made by any person or firm not duly authorized by KVH in writing, or for problems attributable to other products or services not provided by KVH. You agree to convey with each Product distributed to end users the applicable limited warranty included by KVH with such Product, and, if KVH determines that the appropriate remedy for a defective product is refund of your purchase price, you shall refund to the end user (or arrange for the refund to the end user of) the full purchase price paid by the end user for such defective Product.

**THIRD PARTY WARRANTIES:** With respect to Products sold to you by KVH but not manufactured by KVH, and unless otherwise indicated in the KVH Limited Warranty included by KVH with such Products, KVH MAKES NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, but will make available to you, to the extent permitted by law and applicable contracts, the warranties of the manufacturer of the relevant product upon your timely written request.

**NO IMPLIED WARRANTIES:** THE WARRANTIES GIVEN IN THESE TERMS ARE THE ONLY WARRANTIES GIVEN BY KVH WITH RESPECT TO THE PRODUCTS AND ARE GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. YOUR EXCLUSIVE REMEDIES, AND KVH'S SOLE LIABILITY, FOR ANY NONCONFORMITY OR DEFECT IN ANY PRODUCT SHALL BE THOSE EXPRESSED HEREIN.

**LIMITATION OF LIABILITY:** UNDER NO CIRCUMSTANCES SHALL KVH'S LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR KVH'S PERFORMANCE OR ASSERTED FAILURE TO PERFORM HEREUNDER, IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE PURCHASE PRICE OF THE PRODUCT TO WHICH SUCH LIABILITY RELATES. IN NO EVENT SHALL KVH BE LIABLE FOR SPECIAL, INCIDENTAL, EXEMPLARY, CONSEQUENTIAL OR OTHER INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES RESULTING FROM LOSS OF USE, PROFITS, BUSINESS OR GOODWILL, WHETHER OR NOT KVH HAS BEEN ADVISED OF THE POSSIBILITY THEREOF. This limitation of liability represents an allocation of risks between KVH and you, which allocation is reflected in the purchase price for the Products.

**RETURNS:** All sales are final. However, under certain conditions, or to correct a defect in the sales process, KVH, at its sole discretion, may issue authorization for the return of a KVH product. No Product will be accepted for return and no credit will be allowed on any returned Product unless (i) KVH has granted and distributed to you prior written permission by means of a Return Material Authorization ("RMA") Tag, (ii) all such returned goods are affixed with applicable KVH RMA Tags, and (iii) all Products are returned in a pristine and re-sellable condition. All returns shall be further subject to KVH's return policy, which may include provisions for authorization procedures, packaging, shipment and restocking charges, if applicable.

**EXPORT; COMPLIANCE WITH LAWS:** You agree to comply with all applicable laws, including, without limitation, the export control laws in effect in the U.S., Canada and Europe and applicable regulations which may be issued from time to time concerning the exporting, importing and reexporting of Products. You acknowledge that shipments of Products are subject to the export laws of the U.S., including without limitation U.S. Department of State and Department of Commerce regulations and that a license from the Department of State or the Department of Commerce may be required prior to export of Products. You agree to comply with all applicable licensing requirements. You also agree to comply with the U.S. Foreign Corrupt Practices Act, and shall indemnify KVH for any failure to comply or violation of such Act by you. You shall, at your sole cost and expense, obtain and maintain in effect all permits, licenses and other consents necessary to the conduct of your activities hereunder. Additionally, for U.S. export licensing purposes, you shall provide to KVH any and all documentation required to complete any and all applicable U.S.A. State Department or Commerce Department license applications.

**NON-EXCLUSIVE:** Nothing contained within this agreement shall be construed to establish an exclusive relationship between you and KVH within any territory or within any Product type.

**GOVERNING LAW:** You and KVH agree that the terms of purchase and sale of Products set forth herein shall be construed and interpreted pursuant to, and governed by, the substantive laws of the State of Rhode Island, U.S.A. without regard to its conflicts of law principles and without regards to the United Nations Convention on Contracts for the International Sale of Goods. Disputes between you and KVH pertaining to such purchases and sales shall be settled by binding and final arbitration in Rhode Island, U.S.A. pursuant to the Commercial Rules of Arbitration of the American Arbitration Association ("AAA") before a single arbitrator appointed by the AAA.

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