



KvantPhone Master Service Agreement (MSA)

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KvantPhone

Master Service Agreement

Interpretation

All definitions with capital letters in this Agreement shall have the meaning ascribed to them below, unless this Agreement expressly provides otherwise.

Agreement shall mean the present KvantPhone Master Service Agreement.

Client shall mean the entity concluding the present Agreement with the Service Provider for the purposes of using the Service.

KvantPhone shall mean the secure communication solution developed by the Service Provider constituting the intellectual property of the Service Provider and enabling the encryption of the communication packages generated by the users of the KvantPhone Software and transmitted between the subscribers of the Service.

KvantPhone Software shall mean the KvantPhone client software.

Declaration on Acceptance shall mean a written declaration sent by the Client to the Service Provider via e-mail, post or other form of written communication, by which the Client (i) accepts the Service Offer, (ii) provides the Service Provider with the data requested by the Service Provider necessary for issuing invoices and for using the Service, and (iii) expressly declares acceptance of the terms of the present Agreement.

Documentation shall mean all the relevant documentation published by the Service Provider on www.KvantPhone.com

Ordinary Termination shall mean the ordinary termination of this Agreement as set out in section 9 of this Agreement.

Service shall jointly mean (i) the access to KvantPhone provided by the Service Provider to the Client or Subscriber in a "Software as a Service (SaaS)" construction under the present Agreement, (ii) the product support provided to the Client or Subscriber, (iii) the limited usage and license rights of the KvantPhone central server infrastructure (back-end), (iv) the limited usage and license rights of the KvantPhone Software and (v) the limited usage and license rights of the management interface; (iii) to (v) provided to the Client or Subscriber to the extent necessary for the use of the KvantPhone by the Client or Subscriber.

Service Offer shall mean a written offer sent by the Service Provider via e-mail, post or other form of written communication to the Client, including the fees for the Service and a reference to the present Agreement as the general terms and conditions under which the Service is proposed to be provided.

Service Provider shall mean Arenim Infosec Kft. (Headquartered in Hungary, 1095 Budapest, Lechner Ödön fasor 6., Company Registration No.: 01 09 387808 ; Tax No.: 27190506-2-43) as provider of the Service.

Subscriber shall mean a person designated by the Client as subscriber (user) and having access to the Service.

Parties, each **Party** shall mean Service Provider and the Client together.

Telecommunication Services shall mean the Internet services, (VoIP and other communications enabled Internet data services), required for the use of the Service.

1 Subject of the Master Service Agreement

1.1 KvantPhone is provided by the Service Provider as part of the Service. The purpose of KvantPhone is to ensure that its subscribers are able to communicate with each other securely and that with currently known cryptanalysis techniques the communication packages being transmitted by the properly used KvantPhone Software cannot be decoded by third persons in case they are intercepted on the telecommunication network used for their transmission. KvantPhone may only be used with appropriate telecommunication terminal equipment and after the installation of the KvantPhone Software.

1.2 The Service Provider provides the Service to the Client or Subscriber under the terms of the present Agreement. The Service may only be used in full compliance with the provisions of this Agreement.

1.3 The Service expressly does not cover:

- (a) Telecommunication Services; or
- (b) the provision of terminal equipment (smartphones, tablets) necessary for the use of the Service; or
- (c) the protection of subscribers' telecommunication terminal equipment against unauthorized use, interception, or against malicious software attacks (viruses).

1.4 The Service does not qualify as an electronic communications service under the EU's regulatory framework concerning electronic communications.

2 Main features of the Service

2.1 During the term of the Agreement, and provided that the Client fulfills its obligations, the Service Provider, as part of the Service, will assist the Client to connect with other subscribers to the Service, and will create the conditions necessary for securely communicating with them using the Service. However, the Service Provider has no access to the data packets that encapsulate the content of the communication, thus has no knowledge of the content of such communication, and therefore cannot assume any liability in this respect. As the Service Provider cannot and does not have access to the encryption keys used to encrypt the information exchanged between users of the Service. As a consequence, the Service Provider does not have the information necessary to decode the communications between users of the Service, and is therefore unable to provide this information even if lawfully requested.

2.2 The Service Provider expressly calls the Client's attention to, and the Client expressly accepts the following: the Service is intended to ensure only the security and confidentiality of voice and instant message communications between subscribers of the Service. The Service does not provide Telecommunication Services. In order to access the Telecommunications Services, the Client shall conclude a separate service agreement with its local internet service provider, (Wi-Fi end point provider or cellular data provider), as the Service cannot be used without a suitable internet connection (via WiFi or the mobile network).

2.3 The Client acknowledges that it may only use the Service to communicate with third persons who are also Subscribers of the Service.

2.4 The Client declares, that it has reviewed all the Documentation and that based on this Documentation (i) it has determined that the Service is capable of operating in line with his expectations and needs, (ii) it is aware of and acknowledges the handset and handset operating system requirements necessary for the use of the Service as defined in the Documentation, and (iii) it confirms that it meets and guarantees that it will meet these requirements during the entire term of the Agreement.

2.5 Provided that the Service Provider is furnished with all the necessary user data by the Client, the Service Provider shall activate the Service and provide the Client with the necessary subscriber access details within 168 hours of receiving payment for the invoiced subscription period.

2.6 The Client acknowledges that it is not possible to use the Service to make emergency calls, or use other similar services, or to place calls to PSTN or VoIP numbers. It is exclusively the responsibility of the Client to ensure access to such services.

2.7 The Client expressly declares and warrants that it has no direct or indirect ownership or other legal or commercial relationship with third persons who distribute or manufacture products or services competing with the Service or the KvantPhone Software. In case of breach by the Client, the Service Provider (i) reserves the right to

terminate the Service and the Agreement with immediate effect, and (ii) is released from all liability towards the Client for the use of the Service or the operation of the KvantPhone Software.

2.8 Using currently known cryptanalytic techniques, as published in the scientific journals of the cryptography profession, the data set generated by the KvantPhone Software's encryption algorithms (crypto text or encrypted text) cannot be decoded within a practical period of time. In order to ensure the highest possible security for Clients' communication, the Service Provider continuously develops the KvantPhone Software and makes updates available to all Subscribers ~~free of charge~~. Each Subscriber is responsible for installing and applying these updates (KvantPhone Software updates), as well as installing any updates to the operating system of the Subscriber's handset, released by its vendor during the term of the Service. Should the Subscriber fail to install these updates immediately after their release, the Service Provider is released from all liability in connection with the use of the Service, and reserves the right to suspend the Service to the Subscriber.

The Client should exercise caution that although the KvantPhone Software and Service may function on "rooted" or "jailbroken" devices, for security reasons the Service Provider neither recommends nor supports installing the KvantPhone Software and using the Service on such devices.

The Service Provider assumes no liability whatsoever if a Subscriber accesses the Service on a "rooted" or "jailbroken" device. Similarly, the Service Provider assumes no liability whatsoever if a Subscriber accesses the Service on a device that

- i. does not have access protection enabled (PIN / Passcode / Pattern / Biometric identification);
- ii. was for any period of time whatsoever not under the supervision of the Subscriber while "unlocked" (in an "open" state, for example, after keying in the passcode or after biometric identification).

3 The Parties' main rights and obligations

3.1 The Client may access the KvantPhone Software by downloading it from the Apple App Store or from the Google Play Store. Both the Apple App Store and the Google Play Store conduct a thorough examination of each app prior to making it available to the public in order to ensure that the app is free of viruses, malicious programs, and other malicious codes. Each release of the KvantPhone Software undergoes testing by the Apple App Store and by the Google Play Store. The Service Provider does not assume any liability for the thoroughness or the result of the Apple App Store or Google Play Store review.

3.2 The KvantPhone Software is an app that runs on Subscribers' handsets (endpoint application). It is protected with a user ID and passcode, which ensure that access to the Service is only possible with the knowledge of both of these parameters.

The Service Provider assumes no liability for any damages in case a Subscriber reveals his user ID or passcode to unauthorized third persons, or provides access to these information.

3.3 The Client shall notify the Service Provider within 5 days of any change in the data originally provided in connection with the Service and the Agreement. The Service Provider shall not be liable for any damages arising from inaccuracies in the originally provided data or from failure to notify subsequent changes.

3.4 The Client is entitled to designate Subscribers (users) and request access to the Service for them. The Client is responsible and liable for the conduct of Subscribers designated by him. The Client shall inform its Subscribers about the terms and conditions, and the appropriate use, of the Service, and shall ensure that they comply with the terms. Each subscription entitles one unique person (Subscriber), to access the Service. Sharing of subscriptions among several individuals is not permitted.

3.5 The Client shall use the Service in compliance with any applicable laws and in a way that does not harm third parties' rights or their lawful interests. The Client expressly acknowledges that any infringement of the above is a serious breach of the Agreement, which entitles the Service Provider to terminate the Service and the Agreement with immediate effect. In such a case the Client will have no right to a reimbursement of any fees already paid, or to compensation or damages on any ground whatsoever. The Service Provider also reserves the right in case of such a breach of the Agreement to seek appropriate further remedies allowed by applicable laws.

3.6 The Client shall cooperate with the Service Provider and other third parties, including but not limited to relevant state and regulatory authorities, to ensure that the Service Provider is able to fulfill its legal obligations.

3.7 The Service is provided solely for the use by the Client's personnel designated as Subscribers. The Client or its designated Subscribers are not authorized to resell the Service, to provide commercial or similar services with or through the use of the Service or otherwise use the Service in any manner or form not expressly authorized hereunder.

3.8 If compliance with legal requirements or with investigative procedures so require, the Service Provider reserves the right to suspend or limit the Service, without notifying the Client in advance. In such cases the Client may not claim any reimbursement, compensation or damages.

PLEASE NOTE:

Arenim is not able to decrypt the calls and messages of any KvantPhone users therefore:

- Subscribers of the KvantPhone service must accept that upon an Authority request regarding the calls or messages of particular users – and

because KvantPhone cannot provide the decryption of the calls for the Authorities – KvantPhone will immediately bar the users under observation from further access to the services.

- In such a situation no refund of pre-paid service fee is possible.
- Upon an Authority request regarding the calls or messages of particular users we might provide metadata related to those calls or messages. Metadata may be available on KvantPhone's system:
 - Time and date, and status of calls
 - Time and date, and status of messages
 - IP addresses of communicating users

Metadata never exposes the content of the calls or messages of our users. Metadata are data which might also be collected from Internet Providers used during the communications of KvantPhone users, which does not mean any security risk about the content of the communication of any KvantPhone users.

3.9 The Service Provider continuously aims to ensure that the Service keeps pace with technological and cryptographic developments and advancements. Software updates incorporating such advancements will be provided by the Service Provider free of charge.

4 The Client's main obligations

4.1 The Client and its Subscribers must only use the Service for lawful purposes, in line with applicable laws, official regulations and any other applicable rules.

4.2 In order to be able to use the Service, Subscribers must install the KvantPhone Software on appropriate terminal equipment (mobile device or computer), as set out in the Documentation, and have access to Telecommunication Services.

4.3 The Client is exclusively responsible for the use of its Service account, its access codes and details, all other system access data, and for handling such data confidentially. Furthermore, the Client is exclusively responsible for any outcome that is a result of the use of the Service through his account or user IDs and passcodes. Subscribers shall immediately inform the Service Provider of any unauthorized use of their access rights or of any security infringements or risk thereof.

4.4 Subscribers shall choose adequately complex passcodes and modify them with appropriate frequency. The Client shall be responsible for the management of the passcode(s), recovery codes and any passwords of other system components (e.g. user administration interface).

4.5 The Client shall ensure, and is exclusively responsible for, the security, virus and other malicious program free operation of its Subscribers' handsets. Moreover, the Client is responsible for protecting these handsets from unauthorized access, penetration and abuse. The Service Provider expressly assumes no liability for any damage or detrimental consequence to the Client's equipment or data arising from the Client's omissions or inappropriate operational practices in connection with the above.

4.6 The KvantPhone Software may automatically download updates from the Service Provider from time to time. These updates serve to improve the Service and further improve its security. The Client and its Subscribers undertake to accept and implement these updates as part of the Service and enable and authorize the Service Provider to send them the updates. The Client acknowledges that the application and operating system updates of the devices running the KvantPhone Software may be critically important and necessary to ensure the security of the Service. The Client acknowledges that failure to keep its Subscribers' handsets fully updated may create a security risk. In this case, the Service Provider cannot guarantee the security of Subscribers' communication using the Service, and is released from all responsibility and liability for any damages that may arise as a consequence.

The Client acknowledges that the Service Provider may from time to time release mandatory updates of the KvantPhone Software. After such a release, the Service cannot be used until the mandatory update is applied and installed.

4.7 The Client acknowledges that while the Service is in use, the KvantPhone Software conducts data communication through the Internet. Use of the Service abroad (e.g. roaming on foreign mobile internet or data networks) may be significantly more costly than on the Client's home mobile data service network. All data transmission related costs, whether on the home mobile network or while roaming, is borne by the Client. It is exclusively the Client's responsibility to be aware of and to obtain information on data transmission costs and to pay data, roaming and any other charges levied by telecommunication service providers.

4.8 If a Client's Subscriber loses the telecommunication terminal equipment (e.g. mobile phone) on which the KvantPhone Software is installed, or if it is stolen or if the Subscriber considers it necessary to disable the Service (e.g. the handset is suspected to be maliciously compromised), the Service Provider should be contacted by telephone, as set out in section 7.6 of the Agreement. The Service may later be restored. The Subscriber data needed to disable the Service via telephone are the following:

- E-mail address (used as User ID)
- Recovery Code (optional – might be required only if used by the Subscribers)

5 Limitation of liability

5.1 The Service Provider warrants that the part of the Service developed by the Service Provider is suitable for its intended use, and that it conforms to the description and terms specified in the Documentation.

5.2 Although the Service Provider has no reason to believe that components and code developed by third-parties and used in the KvantPhone Software and Service are not suitable for their intended use, the Service Provider does not warrant their suitability for their intended use.

5.3 The Service Provider's liability for damages shall not extend on any basis to:

- a) indirect or consequential damages;
- b) loss of profits;
- c) loss of business opportunities or customers;
- d) reputational damage, loss or impairment of goodwill;
- e) total or partial data loss or damage to any data; or
- f) any damage not directly attributable to the Service Provider.

5.4 The Service Provider's maximum liability under the Agreement in respect of any breach hereof of otherwise shall be the lesser of (i) the amount of the average monthly license fee paid by the Client for the Service, or (ii) EUR 1,000.

5.5 The burden of proof is with the Client. In order to enforce a claim, the Client shall (i) prove that it had suffered damages, (ii) determine and justify the monetary value of the damage suffered, and (iii) prove the causal link between the damage it suffered and the Service Providers' actions.

5.6 The Client acknowledges and declares that he uses the KvantPhone Software at his own risk. Because of the diversity of the software environment of mobile phones and other communication devices, the Service Provider cannot assume responsibility for the compatible operation of the KvantPhone Software with all other software installed on a communication device. The Client acknowledges that compatibility issues may cause the KvantPhone Software or other installed software to malfunction or even create security risks, and the Client will indemnify and hold harmless the Service Provider in respect of any compatibility related issues or shortfalls.

5.7 The Service Provider shall not be liable if it gives prompt notification to the Client of any fault or security risk in connection with the Service that comes to the attention of the Service Provider, and alerts the Client to refrain from using the Service. Prior to issuing such notification, the Service Provider will evaluate, based on the information available to it, whether the identified issue poses a real threat to the security of the Service. There is no obligation on the Service Provider to notify the Client if after due consideration of the information available to him, the Service Provider concludes that the event poses no security risk to the Service or to the Subscribers' communications.

5.8 Without limiting the provisions of 5.1 to 5.7 above, the Parties agree that the Service Provider is not liable for any circumstances beyond its control, (including but not limited to any defect in a Subscriber's telecommunication terminal equipment or other device, its non-availability, defect or non-availability of the Internet network or other telecommunication networks, other force majeure events). The Parties further agree that the Service Provider is not liable for damages as a consequence of or in connection with circumstances beyond its control, or for the full or partial non-availability, improper quality, or defect of the Service for any reason. The Service Provider expressly excludes its liability for the leakage of confidential information that arises from sources external to the Service, even if the leakage of the confidential information takes place while using the Service (e.g. by eavesdropping software or bug installed on or near the telecommunication terminal equipment, or activity of persons observing the confidential communication via the Service).

5.9 The Parties expressly agree that if the Service Provider breaches the Agreement, the Client is only entitled to such remedies as are expressly set out in the Agreement. The Parties furthermore expressly acknowledge that the representations and warranties and their limitations and the limitations or exclusions of liability laid down in the Agreement are fully in line with the nature of the Service Provider's obligations under the Agreement as well as with professional practice, and the Parties agree that limitations on the Service Provider's liabilities and their consequent impact on the Client are fully compensated by the agreed level of the fees for the Service.

5.10 The Service is accessible from any country in the world. However, it may be that at the Subscriber's actual location or in his country of residence the installation of the KvantPhone Software on a telecommunication device or the usage of the Service is forbidden by law. Moreover, the Service uses enhanced cryptographic software that may fall under export-import and other restrictions in certain countries. In the course of using the Service, the Client and its Subscribers shall comply with all such and similar laws and regulations, and it is the exclusive responsibility of the Client to obtain the necessary permits to export, re-export, deliver, or import the Service and the KvantPhone Software. It is the exclusive responsibility of the Client to be aware of the laws and regulations relating to the Service in a given country before bringing the KvantPhone Software into the country and accessing the Service there. The Client furthermore undertakes that his Subscribers will use the Service and the KvantPhone Software exclusively in a manner which complies with the pertinent laws and regulations in force at the location of use or, if relevant, with the laws applicable in their country of residence or nationality, including but not limited to copyright law and other legal provisions regarding intellectual property.

5.11 The Service Provider has no possibility to control or influence the nature, content or any other aspect of Subscribers' communication using the Service. Subscribers and the persons with whom they are communicating using the Service are solely responsible and liable for the nature, content, etc. of their communications.

5.12 Solely the Client's responsibility is engaged, i.e. only the Client shall be held liable, if as a result of the conduct of the Client (including but not limited to the breach of or non-compliance with applicable legal provisions, administrative regulations and

orders, infringement of third parties' rights, or breach of or inaccuracy of the warranty undertakings of the Client set out in the Agreement), any third party or authority, or court of law raises a claim or starts legal proceedings against the Client. Moreover, in such cases the Client undertakes to take all measures requested by the Service Provider (for example giving a public or other declaration unambiguously stating the innocence of the Service Provider and that the Client shall take responsibility for any infringements of the law) to protect the good reputation of the Service Provider (including avoiding situations where the name of the Service Provider is mentioned in connection with any actual or alleged infringements of the law, and taking measures to prevent, mitigate or preclude any damage as a consequence of such events). The Client shall compensate the Service Provider for all damages, financial losses and costs that the Service Provider suffers due to the Client's unlawful conduct or as a consequence of, including but not limited to the consequences of any lawsuits or other proceedings initiated against the Service Provider and the related cost incurred by the Service Provider.

6 Fees, Payment of fees and invoicing

6.1 The Service Provider shall be entitled to charge mutually agreed license and other fees for and in connection with the Service. All applicable fees are listed in the Service Offer sent to the Client.

6.2 The Client will pre-pay all license fees for the Service for the period subscribed, and pay all other fees due, if any, upon receiving the Service Provider's invoice. Payment by bank transfer is due on or before the first day of the subscription period of the Service.

6.3 If the fee is not fully settled by the above due date, the Service Provider is entitled to delay, suspend or limit the Service. If the Service is suspended due to non-payment, all costs related to the reactivation of the Service shall be borne by the Client. Charges for reactivation shall be based on the hourly rates for support services set out in the Service Offer. The Service Provider shall notify the Client, in advance of proceeding with the reactivation, of the charges for the reactivation.

6.4 The Client may use the Service until the end of the pre-paid subscription period. At least 15 days before the end of the already pre-paid period the Service Provider shall send to the Client, electronically or by post, the invoice for the next subscription period. In case of late payment, the Service Provider is entitled to immediately suspend or limit the Service.

6.5 The Service Provider shall invoice the Client for consulting fees, configuration fees and the cost of such debugging and bug fixing as arises within the scope of the Client's control, for each commenced hour of service, based on the relevant hourly rate listed in the Service Offer.

6.6 With the exception of force majeure or late payment, the Service Provider shall not be remunerated for any periods of temporary Service suspension exceeding the level permitted under the service level specification in Section 7.1. License fees prorated for any such period shall be deducted from the fees due to the Service Provider.

7 Product and User support, event reporting, troubleshooting

7.1 The Service Provider undertakes to ensure a Service uptime of 99.5% on an annual basis.

Service downtime does not include suspensions due to announced maintenance or to circumstances independent from or beyond the control of the Service Provider. Such events include, but are not limited to events affecting Subscribers' access to the Internet for whatever reason, (including sustained power outages, line breakages, fire, and other incidents or accidents); the Service Provider assumes no responsibility for such events beyond its control. The Service uptime is independent of the availability of the telecommunications services provided by the internet service provider of the Client, for which the internet service provider is fully responsible. The Client acknowledges and accepts that any suspension of the telecommunications service also triggers an automatic suspension of the Service that is due to a circumstance beyond the Service Provider's control, and for which the Client is not entitled for compensation as per paragraph 6.6 above.

7.2 The Service Provider shall provide continuous hosting and software relay services (back-end), and as far as possible shall endeavor to ensure the fault-free operation of the Service.

7.3 In the event that a fault in the back-end services leads to an interruption of the Service to the Client, the Service Provider shall, at its own cost and as soon as made aware of the problem by the client as set out in paragraph 7.6, provide assistance to the Client and repair and restore the Service.

For the avoidance of doubt, the Service Provider shall remedy any faults in the Service that occur within its scope of control, without charges to the Client.

7.4 Support is available in English and Hungarian.

7.5 General customer service, technical support dealing with general subscriber questions or requests, and support requests for technical issues are available during official work days in Hungary from 09:00 to 17:00 (GMT + 1) by phone or by email.

7.6 Contact details for Support services:

- Telephone: + 44 20 8089 0000

- E-mail: support@kvantphone.com

7.7 Minimum information requirement for requesting technical support:

- Client / Subscriber identification, relevant user ID(s) or e-mail addresses,
- time of occurrence of event,
- detailed description of the event,
- In case of reporting an event by phone, the following identification information must be provided:
 - e-mail address of Subscriber
 - Recovery Code, if used
- In case of reporting an event by email:
 - the email reporting the event must be sent from the email address used to register the Subscriber for the Service
 - e-mail address of subscriber

For security reasons, support services are only available to Subscribers after identity verification.

7.8 Before submitting an event report concerning the Service, the Client shall (i) verify that an appropriate connection to the Internet is available and operational, (ii) restart the KvantPhone Software, and (iii) restart the handset (operating system). In case a Subscriber's Service is blocked, the Subscriber must reset the Service. If the problem persists after resetting, the Subscriber must follow again the three steps described in the previous sentence. The Parties agree that after completion of the above steps, the event and fault shall be considered to have occurred in the Service Provider's scope of control.

7.9 In case of interruption or failure of the Service, the Service Provider shall provide user support free of charge. User support for resolving interruptions to a Subscriber's service not arising as a result of a fault in the Service or the KvantPhone Software (e.g. conflict with another app installed by the Subscriber, faulty, "jailbroken", "rooted" or otherwise compromised handset, etc.) shall be chargeable in accordance with the hourly support fees set out in the Service Offer.

7.10 The Service Provider shall be deemed to be liable only after a Client has reported as specified in the foregoing an event effecting his Service.

7.11 The Client expressly acknowledges that, as the Service Provider endeavors continuously to update and develop the Service, the Service Provider is entitled to modify some aspects of the Service from time to time in its sole discretion. Provided that the Service Provider informs the Client of such action in advance, and with reasonable notice, the temporary limitation or interruption of the Service due to such upgrades and changes are deemed to be an announced for of maintenance, excluded from the Service uptime calculation of paragraph 7.1.

8 Right of use

8.1 The Parties agree that all intellectual property rights related to the Service, including without limitation the computer programs developed by the Service Provider (source program, code and object program) and all of the related documentation (online and hardcopy), irrespective of the form in which the above is recorded, are owned wholly by the Service Provider and that the Client is only entitled to a limited right of use, expressly granted by the Service Provider under the Agreement to the extent necessary for the exercise of rights granted to the Client under the Agreement.

8.2 The Client confirms the acceptance of the terms of the Agreement pertaining to the use of the Services upon installing the KvantPhone Software or upon installing any other software necessary in order to make use of the Service.

9 Scope, term, conclusion, amendment and termination of the Agreement

9.1 The Parties enter into this Agreement for an indefinite period. This Agreement is concluded in a way that the Service Provider sends a Service Offer to the Client. The Client accepts the Service Offer by returning the Declaration on Acceptance. Once the Service Provider receives the Declaration on Acceptance, the present Agreement is concluded and enters into effect with the terms set out in the Service Offer and in the present Agreement.

9.2 The Agreement shall terminate if

- (a) either Party terminates it with immediate effect;
- (b) either Party gives notice of Ordinary Termination;
- (c) either party ceases to exist without legal successor;
- (d) upon mutual agreement of the Parties;
- (e) the Client does not renew its subscription; or
- (f) if the Service Provider stops providing the Service.

9.3 Either Party is entitled to Ordinary Termination, i.e. to terminate the present Agreement at any time by giving 30 days' notice in writing.

9.4 Either Party may terminate the Agreement with immediate effect if the other party manifestly breaches any of its obligations under the Agreement and fails to remedy the breach upon written notification within the deadline set in the notification, or if the breach cannot be remedied. The Service Provider may, in addition, terminate the Agreement with immediate effect, if it is required by law, or regulatory or administrative rules, or if ordered by a court of law or administrative authority.

The Client shall have the right to terminate the Agreement with immediate effect, if the Service Provider is found to have materially breached its contractual obligations, in particular regarding its warranty representations, and notably its warranty representations concerning its obligation to continuously ensure the suitability of the Service for its intended purpose.

9.5 The following events and circumstances shall particularly qualify as a manifest material breach of the Agreement by the Client:

- (a) the Client fails to comply with its payment obligations within the applicable deadlines;
- (b) the Client uses the Service for illicit purposes, or in a way violating the right or the legitimate interests of third parties or public morality, or in any other way that in the opinion of the Service Provider breaches the public interest.

9.6 The Client accepts that upon any official request by an authority regarding the Client or any Subscriber associated with the Client, the Service Provider may suspend or terminate the Service and the Agreement with immediate effect, and without compensation or reimbursement to the Client.

9.7 The Party prevented from performing its obligations under the Agreement shall send written notification of the reasons to the other Party without unreasonable delay.

9.8 The termination of the Agreement shall not exempt the Client from the obligation to pay all fees, expenses and claims in connection with the Service or the Agreement prior to termination. However, in case of Ordinary Termination by the Service Provider, the Service Provider shall reimburse the license fee paid by the Client for the subscription period not used due to the Ordinary Termination.

9.9 The Service Provider reserves the right to suspend or definitively discontinue the Service if obliged by a change of law or regulation, or if there is a material adverse change that renders the Service unsuitable for fulfilling its intended purpose. The Service Provider will notify the Client of any such changes. In such situations the Client releases the Service Provider of any liability under this Agreement, and acknowledges that already paid fees for the service are not reimbursable.

9.10 The Client is not entitled to a reimbursement or partial reimbursement of any fees already pre-paid by him for the Service if the Client terminates the Agreement, for any reason other than for a material breach by the Service Provider as described in paragraph 9.4.

9.11. The Service Provider is entitled to modify the Agreement in its sole discretion. In this case, the Service Provider shall send a notice of such modification to the e-mail address of the Client, and the Client shall, if it does not wish to accept such modification, be entitled to terminate the Agreement with Ordinary Termination within 30 days as of the receipt of such letter. In this case the Client shall not be entitled to any reimbursement.

10 Data processing, data protection

10.1 The Client hereby agrees that the Service Provider has access to various personal and operational data (contact details, personal identification data, the name and username to be shown in the system, the email addresses of the Client's Subscribers, data provided to establish and enable the use of the Service) made available by the Client or generated in the course of the use of the Service. With the exception of official requests by government, administrative or regulatory authorities, or courts of law, the Service Provider may only share the personal and operational data with third parties if it has obtained the prior written consent of the Client.

The Service Provider shall endeavor to operate the Service with due regard and care to the confidentiality of all personal and operational data in its possession, and undertakes to only use these for the specific purpose of providing the Service and in accordance with the present clause of the Agreement. The Client acknowledges that despite due care by the Service Provider, the database and IT system holding the Client's and its Subscribers' personal and operational data may be compromised by malicious third parties. In such event the Client will release the Service Provider from its obligations and will hold him harmless of all liabilities.

In the above, Subscriber data includes all data used to establish and enable the Service to Subscribers. Operational data include the following:

- Full name of the user, which is displayed on the contact list (Alias)
- Email address used by the user to register for the Service
- Details of the interconnections between users
- Any annotations to user contact relationships and display names
- Logs required for troubleshooting phone connectivity issues (SIP logs)
- Operational logs and reports generated on the servers of the central operational services
- The version of the Subscriber's operating system, device type, biometric ID status, KvantPhone Software version and "Jailbreak" / "Rooting" status, as well as the history of these parameters

The Service Provider also records and stores the data related to the operational functioning of the Service (e.g. the IP address from which a given user used the Service).

Furthermore, the Service Provider shall collect metadata in accordance with applicable legal provisions of certain countries and for the purposes of system maintenance. Accordingly, the Service Provider collects the following metadata in connection with calls and conference calls: a) time of call, b) duration of call, c) outcome of the call (e.g. connection successful, busy, unavailable, etc.), d) participants' identifier, e) IP addresses and port numbers involved in the call. The Service Provider collects the following metadata in connection with messages: a) time of the message, b) outcome (message transmitted, read, failed, etc), c) identifier of

sender and receiver, d) IP address of sender and receiver, e) status of files attached to chat messages. The Service Provider keeps the metadata for the length of time stipulated by law.

10.2 The Service Provider does not assume any liability in connection with any loss or damage to user data (KvantPhone Contact database), partial or otherwise, attributable to an event or circumstance unforeseeable and unavoidable on the part of the Service Provider. The Service Provider shall make regular backups of the KvantPhone Contact database for restoration purposes, but gives no guarantee as to its ability to remedy any eventual data loss.

10.3 The Client hereby agrees that the Service Provider may use the log files and system information generated during the operation of the KvantPhone Software for error detection and correction, and Service improvement purposes. A Client's Subscribers can consent to this within the KvantPhone Software. Log files can be sent by Subscribers manually to the Service Provider's support staff after an event that needs to be analyzed and evaluated. Subscribers can turn off the logging at any time. Logging cannot be remotely activated by the Service Provider.

10.4 The Client agrees that the Service Provider may use personal data in its possession to contact the Client and its Subscribers with a view to sharing with them information or news related to the Service, as well as further service offers by the Service Provider. The Client and its Subscribers can at any time unsubscribe from any of these news and related services.

10.5 By registering for the service or activating his/her KvantPhone account, the Client / Subscriber authorizes the Service Provider to send the Client / Subscriber KvantPhone related emails regarding software updates, security related matters, new feature updates, etc.

11 Business secret and obligation to cooperate

11.1 The Parties hereby undertake to treat as business secret all facts, information and data coming to their attention during the provision of the Service or following the termination thereof, without any time limitation applicable and not to disclose such information to third parties. This confidentiality obligation covers all persons who have an employment relationship with the Parties or, have access to the confidential information on the basis of consulting or other contracts or a corporate relationship with the Service Provider or the Client. The Parties shall also comply with this unconditional confidentiality obligation in respect to the Service Offer provided to the Client as well as the entire content of the Agreement.

11.2 The Parties hereby undertake to enter into a confidentiality agreement with all persons exposed to the confidential information, binding them to keep the relevant business secrets confidential during the term of their legal relationship with the Client or the Service Provider, and following the termination of the legal relationship for whatever reason, without any time limit.

12 Governing law and dispute resolution

12.1 This Agreement shall be governed by, and construed in accordance with, the laws of Hungary.

12.2 Dispute arising from or in association with the present Agreement or conflict of laws shall be submitted to arbitration to the Permanent Court of Arbitration in Hungary consisting of three arbitrators with the remark that the Court of Arbitration proceeds according to its own Rules of Procedure. From the aspect of Act LX of 2017 the present Contract qualifies as an arbitration agreement.

The Parties set forth that in view that an arbitration agreement does not qualify as a usual contractual stipulation. The Client acknowledges that the arbitration agreement is to be regarded as individually discussed.

13 Force majeure

13.1. In connection with the performance of this Agreement, the Service Provider shall not be held liable for force majeure events, which are not attributable to the Service Provider and occur beyond his control, irrespective of the will, act, omission or procedure of the Service Provider, and war, civil commotion, strikes, natural disasters or any other unavoidable emergency, which hinder or render impossible the performance of the Services. Any physical damage or other malfunction of the communication network that is not attributable to the Service Provider as a result to which the Service becomes temporarily or permanently impaired, shall be considered a force majeure event.

13.2. A force majeure shall relieve the Service Provider from its obligations under this Agreement for the full duration of the force majeure event.

13.3. A force majeure event shall not relieve the Parties from any obligations under this Agreement that arose prior to the occurrence of the force majeure event.

14 Miscellaneous and final provisions

14.1. The provisions of this Agreement shall render ineffective any prior written or oral agreements entered into by and between the parties on the subject matter of the given provisions.

14.2. Considering the nature of the Service, the Service Provider shall act with utmost professional care, while the Client shall endeavor to act with the level of care that can be reasonably expected from it to facilitate the performance of the Service.

14.3. The Client agrees that the Service Provider, may display on its list of references the name of the Client and appropriate details of the service provided to the Client.

14.4. In cases of termination of this Agreement for any reason, certain provisions of the Agreement, in particular the provisions governing business secrets and confidential information shall remain in force.