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## General Purchasing Conditions, RUAG Space AB

Unless differently stated in the individual Purchase Order the following conditions shall apply.

The term Product shall have the following meaning in these General Purchasing Conditions: Product means any deliverable item including but not limited to, hardware, software, data, information, documentation, or services.

### 1. Price and terms of payment

All prices are firm fixed prices. The Seller shall not be entitled to any additional charges not agreed upon by the Buyer. Date of payment shall be determined starting from invoice arrival date, however at the earliest from date of delivery.

### 2. Order confirmation

The Seller shall within two (2) weeks acknowledge the Purchase Order.

### 3. Delivery documents and package

All delivery documents, i.e. delivery note, packing receipts and invoice, shall be issued in accordance with the Buyer's instructions. Packing, including the packing material, shall be included in the price, and Product shall be packed in such a way that transport damage will be prevented. Product and package shall be marked in accordance with the Buyer's instructions.

All parts, materials and equipment intended for flight use shall be delivered with a signed manufacturer CoC, a signed supplier CoC and a confirmation that all requirements concerning counterfeit parts and the note D-P-NOT-01372-SE regarding Prohibited Materials are met.

### 4. Terms of delivery

FCA Incoterms 2000.

### 5. Buyer furnished Materiel and Software

Materiel and software furnished by the Buyer to the Seller shall remain the Buyer's property and the Seller shall keep this separate from materiel and software of the Seller and identified with an appropriate legend or marked as the Buyer's property. It shall be supervised, maintained and cared for by the Seller until redelivered to the Buyer.

The above rule shall also apply to any manufacturing equipment, tools, software and patterns belonging to the Buyer and being in the possession of the Seller. Such equipment, tools, software or patterns may not be used for any other purpose than performing work on behalf of the Buyer. The Buyer shall have the right at any time to take possession of manufacturing equipment, software, tools, patterns etc. belonging to the Buyer.

### 6. Confidentiality

The Seller is responsible for ensuring that information given by the Buyer is not without Buyer's prior written authorization brought to the knowledge of any third party or used for other purposes than carrying out work for the Buyer. The Seller shall not without the Buyer's prior written consent give publicity to or otherwise publish information on the Product or the existence or content of the Buyer's Purchase Order.

### 7. Obligation to notify

The Seller shall immediately notify the Buyer of any event that has occurred or is anticipated which may jeopardize a contracted delivery or fulfilment of the requirements specified by the Buyer. The Seller shall notify the Buyer of all changes in product and /or process definition and obtain the Buyers approval before the introduction of the change.

### 8. Delayed deliveries

The Seller recognizes that time is of the essence. If the Product is not delivered within the time specified, the Buyer shall be entitled to liquidated damages, which shall be computed as follows: 1 % of the purchase price of the Product that has been delayed or cannot be used for each commenced week of the delay. The liquidated damages shall not, however, exceed a total of 12% of the purchase price of the delayed Product.

### 9. Force Majeure

A case for release from obligations (Force Majeure) is deemed to be caused by impediment or occurrence that delays or prevents the fulfilment of the Purchase Order and which the effected party had no reason to take into account when entering into the Purchase Order and which is independent of any action by either party and could not be averted or prevented without unreasonable expense or loss of time. Such cases may result from war, mutiny, expropriation or confiscation for public needs, embargo, acts of God, discontinuation of public transportation or supply of energy, labour conflict or fire or other events beyond the effect of the parties' control which delay or prevent the fulfilment.

Delay on the part of a sub-contractor constitutes a case for release from obligation only when caused by Force Majeure as set out above and when another sub-contractor can not be engaged without unreasonable loss of time or expense. Should the relevant party fail to give written notice of a requirement for an extension of time for fulfilment of the agreed obligation within 7 days of the emergence of Force Majeure, it shall forfeit its right of extension. The party shall also inform the other party in writing within an equal period of the expiration of the Force Majeure.

Should an event of Force Majeure continue for more than three (3) months, the Buyer shall have the right to terminate the Purchase Order. In such a case the Buyer shall pay to Seller the price of Product delivered up to the date of termination.

### 10. Inspection of Product, quality etc.

Product shall meet the requirements and specifications stated in the Purchase Order and the demands for commercial or good technical practice. The Buyer shall be entitled to inspect Product and the production thereof, including the Quality Assurance System, and to make other necessary examinations at the premises of the Seller or the Seller's subcontractors. The above rights of the Buyer shall also include the Buyer's customer or his customers. The Seller shall, at the Buyer's request, arrange for the Product to be supplied with certificate of conformance.

### 11. Flow Down of requirements to lower tier suppliers

The Supplier shall flow down all applicable requirements in the purchasing documents, including key characteristics, to their sub tier suppliers.

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**12. Safety and environmental protection**

The supplier must ensure that its product complies with all safety and environmental protection regulations in force at the time of the sale. The ordering party may request to see documentary evidence of compliance free of charge at any time.

Suppliers of chemical substances, preparations containing chemical substances and products containing chemical substances in accordance with the EU's REACH Regulation (1907/2006) are obliged to inform the ordering party about the registration status or intended registration of the substances and to supply existing registration numbers in compliance with the REACH Regulation within the agreed deadline or not later than the date of delivery. The supplier must also provide all information about chemical substances it supplies by themselves, in preparations or in products if such information is needed for REACH-compliant business transactions.

Furthermore, the supplier must automatically provide the ordering party with up-to-date material safety data sheets for all the hazardous substances it delivers. These data sheets must include the UN number for labelling purposes.

The applicable packing and transport regulations must be observed. The supplier is liable for any breach of applicable regulations and has to indemnify the ordering party against any third-party claims, including the claims of government agencies.

The provisions of this paragraph apply mutatis mutandis to work carried out by the supplier or third parties subcontracted by it (e.g. on-site installation).

**13. Warranty**

The Seller shall at its risk and expense promptly remedy all defects in the Product resulting from faulty design, materials or workmanship. This warranty is applicable to defect in the Product which appears within a period of twenty-four months from the date of delivery. When the Product has been repaired or replaced pursuant to the warranty set out above the Seller shall be liable for defects under the same terms and conditions as those applicable to the original Product for a new period of twenty-four months. For items, materials and equipment intended for flight use the warranty for hidden defects or when it can reasonably be predicted that the product is not to be able to meet its requirements for its full design life the warranty do not expire before the launch of the satellite embodying the product.

**14. Changes**

The Buyer has the right to call for changes in the governing specifications, programmes, time schedules, etc., and it is the obligation of the Seller, if within his competence and experience, to introduce as soon as possible such changes if the Buyer so orders in writing. On receipt of a change proposal from the Buyer, Seller will evaluate the requested change and formally notify the Buyer as to the effect, if any, that the introduction of the change may have on prices, programmes, etc. and also inform the Buyer as to the latest date which the Seller can accept an order to introduce the change.

**15. Product liability**

The Seller shall indemnify and hold harmless the Buyer from and against any claim for loss of or damage to property or personal injury to or the death of any person arising under any theory of product liability which relates to the Product.

**16. Authority requirements**

The Seller shall be responsible for ensuring that the Product, as well as the manufacturing, delivery and packing thereof, satisfy all requirements by law or statute relating thereto.

**17. Export or import**

The Seller shall be responsible for ensuring that any export permit related to the Product is granted in due time. The Seller shall also supply, if applicable, the "Export Control Commodity Number" of Product according to "U.S. Export Administration Regulations" or the corresponding data according to other regulations and submit to the Buyer the exact wording of any application to be made BEFORE SUCH APPLICATION is submitted to the relevant authority. If, subsequent to the submission of a Purchase Order, it is found out that the Product is subject to export or re-export restrictions, the Buyer shall have the right to cancel the purchase. In case Export Authorization is not obtained in due time due to the Seller's default or lack of due diligence, the Seller shall be responsible for any damaging consequences for the Buyer resulting from that default of the Seller.

**18. Intellectual property rights (IPR)**

The Seller guarantees that the use of the Product does not constitute an infringement of its own or any third party's patents, copyright or other IPR, and undertakes to indemnify the Buyer in the event of such an infringement. Seller hereby grants to Buyer an irrevocable, free, non-exclusive right to use or have used all IPR, patentable or not, generated by Seller under this Purchase Order as well as any background IPR, patentable or not, necessary to enable the Buyer to use any product, data or other IPR produced or generated under this Purchase Order.

**19. Termination**

The Buyer is, at any time and after written notice thereof, entitled to terminate the Purchase Order **for convenience**, in whole or in part, with respect to Product not yet delivered to the Buyer. In the event of a partial termination the remaining part of the Purchase Order shall be unaffected.

Upon a termination for convenience the Buyer shall compensate the Seller for the following amounts which shall be reasonable: 1) actual costs incurred in the performance of the terminated Product, 2) actual costs incurred to cease the performance of the terminated Product, including amounts paid to vendors and subcontractors as a direct result of the Buyer's termination, 3) profit, if any, (not to exceed 6%) contemplated but not received on the Product performed or in performance at the day the Seller received the notice of termination. The Buyer's liability towards the Seller in connection with the termination for convenience shall be limited to the compensation described above. The Buyer shall in no event be obliged to pay an amount which exceeds the total agreed purchase price for the terminated Product. The Seller shall take reasonable actions in order to limit the costs incurred by the Buyer's termination. The Seller shall as soon as possible but not later than thirty (30) days from having received the notice of termination forward a termination claim to the Buyer specifying the costs and the profit, if any, to be paid by the Buyer. The claim shall contain verification of the compensation amounts requested to be paid by the Buyer and the amounts shall be determined in accordance with generally accepted accounting principles applied by the Seller. The Seller undertakes to agree with its vendors and subcontractors a right, similar to this Clause, to terminate the agreement in whole or in part for convenience.

The Buyer is, at any time and after written notice thereof, entitled to terminate the Purchase Order **for default**, in whole or in part, in any one of the following circumstances: 1) the Supplier becomes insolvent, 2) the Supplier fails to make delivery of any Contract Item or to perform any Service within the time stated under the Order or it become obvious that he will not, 3) the Supplier resorts to fraudulent practices in connection with the Contract, 4) the Supplier fails to comply with any other material provision of the Contract; and does not cure such failure or breach within a period of fifteen (15) days after receipt of the Termination Notice for Default specifying such failure. Should the Buyer terminate the Purchase Order for default the Buyer shall be entitled to compensation for the loss he has suffered as a result of the Seller's default or negligence.

In the event of termination of the Purchase Order in whole or in part the warranties, the indemnity for product liability and the intellectual property right shall survive such termination in relation to Product delivered to the Buyer.

**20. Amendments and additions**

Amendments and/or additions to the Purchase Order shall be valid only after written notification thereof by the Buyer.

**21. Disputes**

All disputes arising in connection with the Purchase Order shall be finally settled as simplified arbitration in accordance with the Swedish Arbitration Act and shall take place in Gothenburg, Sweden. The arbitration proceedings shall be held in the English language. The substantive laws of Sweden shall govern the Purchase Order.

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