

General Terms and Conditions of Purchase (GTC-P) for RUAG group companies with their place of business in Switzerland

1. General

Unless otherwise agreed, these General Terms and Conditions of Purchase shall govern all contractually agreed orders placed with its Sellers by RUAG (hereinafter called the Buyer or Party). Through the acceptance of the order the Seller took note of and accepted these General Terms and Conditions. RUAG does not accept Seller's General Terms and Conditions unless otherwise agreed in writing.

2. Quotation

- 2.1 The quotation, which is free of charge, must be valid for at least 60 days from the date of receipt by the Buyer.
- 2.2 The quotation must specifically mention whether any deduction (discount, special reduction, quantity bonus) is made or whether the prices are net. The cost of any appliances, templates, tools, etc. that need to be specially manufactured must be listed separately.

3. Order and subcontracting

- 3.1 Orders are binding only when submitted in writing. All verbal or telephone arrangements must be confirmed in writing. The same applies for all modifications, supplements, specifications, etc.
- 3.2 Passing on orders to subcontractors is subject to the prior written consent of the Buyer. The Seller must ensure that subcontracted orders are performed in the premises of the subcontractor.

4. Prices

The prices shall be deemed firm as per the INCOTERM 2010 agreed between the Parties for the relevant order. If no specific INCOTERM was agreed, the prices shall be deemed firm as per FCA named place INCOTERMS 2010. Prices shall be deemed inclusive of transportation packaging costs and of any rental, user or exchange fees for transport equipment. Prices shall be deemed exclusive of VAT, but inclusive of all other foreign charges and levies for international deliveries.

5. Materials supplied by the Buyer

The materials that the Buyer provides free of charge to the Seller for the purpose of executing the order, remain the property of the Buyer (until installed or used) and, if necessary, must be labelled and separated as such. The Seller must inspect such materials upon arrival and immediately notify the Buyer in writing of any damage.

6. Samples, drawings, templates, tools

The samples, drawings, and means of production, such as test devices, templates and tools, made available by the Buyer remain the property thereof and may only be used for the purpose of submitting a quotation or executing the order. As a rule, these must be returned to the Buyer upon completion of the order. All means of production held by the Seller must be inventoried and appropriately stored and maintained.

7. Delivery dates

- 7.1 The delivery dates specified by the Buyer are binding, even in the case of part deliveries. These dates are deemed to have been met if the goods are received by the Buyer by the agreed date and can subsequently be accepted.
- 7.2 In the event that delivery is effected earlier than arranged, the Buyer reserves the right to postpone payment of the corresponding invoice until the credit period of the agreed delivery date and to charge for storage and/or maintenance costs incurred.
- 7.3 If a delay in despatching the goods necessitates the use of faster transport (express delivery, courier service), the Seller will bear the additional carriage costs. Likewise, the Seller will bear the extra charges incurred for express deliveries not specifically requested by the Buyer.

8. Buyer's right of withdrawal

- 8.1 The Buyer may fully or partially withdraw from the order at any time.

The Buyer will notify the Seller of such withdrawal in writing.

- 8.2 In this case the Seller is entitled to compensation for work done or expenses incurred and also an appropriate profit margin unless such withdrawal is made on the basis of defective or non-performance on the part of the Seller.
- 8.3 The Seller must fully substantiate and furnish documentary evidence of the cost incurred as a result of withdrawal. The payment due must not exceed the amount that the Seller would have received for fulfilment of the complete order.
- 8.4 The Seller is not entitled to lost earnings for the part of the order that has been cancelled.
- 8.5 The Buyer's obligation to pay in accordance with Section 8.2 only exists insofar as the unfinished work transferred by the Seller is free of third-party rights or claims.
- 8.6 If the goods delivered do not comply with the order, or if the delivery dates are not met, the Buyer may fully or partially withdraw from the order after granting additional time. Instead of withdrawing, the Buyer may also demand a replacement delivery, rework or may claim a reasonable reduction in price from the Seller. The costs of transporting return shipments or replacement deliveries will be borne by the Seller. The Buyer reserves the right to claim for damages.

9. Shipping instructions

- 9.1 The shipping instructions are given by the Buyer. Each consignment must be accompanied by a dispatch note indicating the relevant order number. If the goods are not shipped directly to the Buyer, a separate copy of the dispatch note must be sent to the Buyer. Furthermore, the Seller must issue all the necessary shipping documents.
- 9.2 Unless freight prepaid has been agreed, the freight charges for part-load consignments within Switzerland are exclusively debited to the Buyer's account, as authorized.
- 9.3 Shipments sent via courier services at the Buyer's expense are only permitted by prior written arrangement.
- 9.4 Transport insurance at the Buyer's expense may only be taken out by prior written arrangement.

10. Safety and environmental protection

- 10.1 In support of the Buyer's environment management system, the Seller must ensure that its product complies with all safety and environmental protection regulations in force at the time of the order. It must in particular ensure that its product is free from environmentally hazardous or carcinogenic substances, or that the Buyer has explicitly consented to the use of such substances prior to delivery of the product. The ordering party may request to see documentary evidence of compliance free of charge at any time.
- 10.2 The Seller 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 Seller 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.
- 10.3 Furthermore, the Seller 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.
- 10.4 The applicable packing and transport regulations must be observed, and unnecessary packaging waste is to be avoided. The Seller 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.

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

11. Export Provisions

11.1 The Seller must, at all times, keep itself informed of national and supranational export provisions and is required, without any delay, to notify the Buyer in writing whether the material to be delivered is subject to those provisions. The export provisions include, in particular, the regulations of the European Union and the United Nations, the U.S. ITAR Regulations ("International Traffic in Arms Regulations" for arms-related goods) and the U.S. EAR Regulations ("Export Administration Regulations" for dual-use and civilian goods).

11.2 If the Seller does not comply with its information and notification duties in time, it will incur liability and be required to compensate the Buyer in full for the damage it suffers.

11.3 The Seller declares its willingness to assist the Buyer, at the latter's written request, in obtaining any necessary information and notices in a timely manner, in particular in order to minimize any possible damages that may be incurred on the party of the Buyer.

12. Place of performance and passing of risk

12.1 The place of performance for delivery is the destination designated by the Buyer.

12.2 The risk will pass to the Buyer upon arrival of the consignment at the place of performance.

13. Testing and acceptance

13.1 The Seller must test all goods delivered to the Buyer and ensure they comply with the order. The Buyer's inspection of the goods may be on the basis of accompanying certificates or an acceptance control. ISO-900x-certified Sellers automatically enclose with each consignment the corresponding certificates and reports or those specifically requested by the Buyer. The cost of such documents is included in the price agreed. The consignment is considered to be accepted when the materials delivered and tested are found to be in order.

13.2 The submission of a test report with notice of defects is recognized as a complaint.

13.3 Upon presentation of due identification, the authorized representatives of the Buyer will have free access to all rooms in which the goods ordered are manufactured, tested or stored for the purpose of carrying out inspections or audits. All information and documentation requested by these staff concerning the goods ordered will be made available to them.

13.4 The same applies for representatives and quality inspectors of our customers or official quality inspectors commissioned by our customers (in compliance with the AQAP 2110 standard).

14. Damages

The Seller is liable for damages arising as a consequence of defective or non-performance of the order, even if the Buyer withdraws from the order.

15. Product liability

The Seller expressly indemnifies the Buyer in full against third-party claims for damages and will compensate the Buyer for all such claims asserted against the Buyer on the basis of product liability with respect to its goods.

16. Invoicing

The invoice, which should include the order number and references, will be sent to the Buyer's address.

17. Payment

17.1 Payments are due within 30 days of the next working day following receipt of the invoice or the next working day following delivery, whichever is later.

17.2 In the event of defective or unverifiable invoices or late deliveries, the Buyer reserves the right to extend the deadline for payment of 30 days in accordance with the delay.

17.3 Payment shall take place subject to the weekly payment cycle following such payment becoming due and in a form of payment chosen by the Buyer.

18. Assignment and pledging of claims

Claims raised against the Seller on the basis of the order may not be assigned or pledged without the prior written consent of the Buyer.

19. Secrecy

19.1 The contracting parties will treat as confidential all information that is neither common knowledge nor available in the public domain. The obligation to maintain secrecy begins before the order is concluded and remains in place after termination of the contractual relationship, subject to the legal disclosure obligations.

19.2 The Seller requires the written consent of the Buyer to publicize this contractual relationship or use it for publicity purposes.

20. Intellectual property

All rights to existing intellectual property rights or such rights that are created upon performance of the contract with regard to services and products of the Buyer shall remain with it or with any entitled third parties. Where the Seller infringes third-party intellectual property rights, and where claims for such infringement are brought against the Buyer, the Seller shall indemnify the Buyer.

21. Warranty

21.1 As a specialist, the Seller warrants that the material displays the warranted properties and is free of any physical or legal defects that restrict its intended function.

21.2 The term of the physical warranty is generally 24 months from the date of acceptance of the materials. Any defects found must be reported by the Buyer in writing within 30 days.

21.3 Even after expiry of the physical warranty, the Seller is liable for defects that occur within the warranty period and are reported in writing within 30 days of expiry thereof.

22. Governing law and place of jurisdiction

22.1 **Swiss substantive law shall apply** as subsidiary to the present terms, **to the exclusion of the Swiss rules and conflicts of law (and especially of the Swiss Federal Act on Private International Law)**. The UN Sales Convention (of Vienna) is hereby expressly precluded.

22.2 The **ordinary courts** at the **Buyer's place of business** shall be competent for disputes arising from, or in connection with, this contract.