

## General Terms and Conditions of Sale (GTC-S) for **RUAG Ammotec GmbH** with its **place of business in Fürth, Germany**

### 1. Preamble

The following terms and conditions apply to all deliveries and services rendered. General terms and conditions of the Purchaser only apply to the extent to which we have expressly agreed to them in writing. These terms and conditions apply to all business transactions with the Purchaser even when not explicitly referred to in conjunction with future contracts. The same applies if the Purchaser, in conjunction with future orders, refers to its own terms and conditions unless we have expressly agreed to these.

### 2. Offers and Subject Matter of the Contract

- 2.1 The offers made by us are not binding. In cases of purchases made on the basis of samples, we reserve the right to deviate from such samples with respect to color or quality, such deviations occurring for technical-production reasons or for reasons relating to product development.
- 2.2 The representations made in our specification sheets and any other information material are intended as guidelines only; these only become a binding part of the contract once we have expressly agreed to this in writing.
- 2.3 A contract only comes into existence through our written order-confirmation.
- 2.4 Subsidiary agreements and modifications to the contract must also be in written form.

### 3. Prices

- 3.1 The prices in effect are those set out in our order confirmation and are always subject to the German value-added tax (Mehrwertsteuer) in effect at any given time.
- 3.2 Price alterations are permissible if more than twelve weeks have elapsed between the entering into of the contract and the agreed delivery date, and if manufacturing costs have risen especially due to increases in wage and material costs. The price increase must be commensurate with actually incurred cost increases. The purchaser is entitled to rescind the contract - after having made prior notification of this - if the price increase exceeds the general cost of living increase in an amount that is not merely insignificant.

### 4. Proprietary Rights

- 4.1 We retain title to any drawings, specifications, samples, etc. transmitted to the Purchaser. To the extent required to fulfil our contractual obligations, we grant to the Purchaser a non-exclusive, non-transferable right of use (license). The Purchaser may neither allow third parties access to the documents entrusted to it nor may it exploit these in any other way.
- 4.2 We also retain title to forms/moulds and other tools even if the costs of them form a part of the purchase price or are being paid for by you in any other manner.
- 4.3 If we are under an obligation to deliver goods based on drawings, specifications, samples, etc. of the Purchaser, then the Purchaser assumes the risk of suitability for intended use. The Purchaser also warrants that we are not infringing any proprietary rights of third parties. Should we be restrained by a third party, who asserts a proprietary right owned by it, from producing and delivering goods that have been manufactured by us pursuant to drawings, specifications, samples, etc. of the Purchaser's, we are, to the exclusion of all claims for damages entitled – without being obligated to review the legal situation - to stop production and delivery and to demand compensation for the costs incurred by us. We reserve the right to assert any further claims for damages to which we are entitled.

### 5. Product Advisory Services

We undertake to advise the Purchaser to the best of our abilities on the deployment, handling/treatment, and use of our products, and to provide the necessary information. Although this support is provided by our employees to the best of their knowledge, it does not exonerate

the Purchaser from making its own test to determine suitability for the intended use.

### 6. Delivery / Delivery Dates

- 6.1 Provided that nothing to the contrary has been agreed, delivery costs and any customs duties must be paid by the Purchaser.
- 6.2 We are entitled to make partial deliveries.
- 6.3 Delivery dates are binding only if this has been expressly agreed. In all other cases, the delivery dates stated are deemed approximate dates only. Transactions where time is of the essence (Fixgeschäfte) must be explicitly designated as such.
- 6.4 In the case of a delayed delivery on our part, the Purchaser is only entitled to rescind the contract if it has granted us a reasonable extension of time within which to perform (Nachfrist) and if the granting of such an extension of time is made on the express condition that the Purchaser will refuse to accept our performance upon expiry of this time period and we do not perform our obligation within it. The right to rescind is restricted to the unperformed part of the contract unless the part already performed, seen objectively, is not utilizable. With respect to any claims for damages, the provisions of Item 9 apply.
- 6.5 We are entitled to withhold delivery until the agreed counter-performance or the provision of appropriate security has been effected if the Purchaser's financial situation deteriorates after the contract has been entered into, or if it already had deteriorated at the time of entering into the contract but we only became aware of it after this.

### 7. Passing of Risk

- 7.1 Commencing with their being loaded on the particular means of transportation, all goods are transported – irrespective of any agreement on who bears the transportation costs - at the Purchaser's risk; if the costs of transportation insurance are included in the purchase price, then we bear the risk up to delivery on the delivery date.
- 7.2 If the Purchaser delays in accepting the goods, then risk passes with the notification that the goods have been placed at the Purchaser's disposal (Bereitstellungsanzeige) on the delivery date.

### 8. Force Majeure

Incidents of force majeure and other unforeseeable circumstances that prevent or impede shipment - e.g. war, labour disputes, riots/insurrections, public administrative measures, shortages of energy or raw materials, operational breakdowns, failure to receive supplies from our suppliers, transportation disruptions – release us for the duration of such circumstances from our duty to deliver.

### 9. Warranty / Liability

- 9.1 The Purchaser's right to make warranty claims presupposes that the Purchaser has duly performed its legal obligations to inspect the goods and to give notice of any defects. In the case of patently defective or incomplete deliveries, the Purchaser must notify us of the defects in writing no later than 2 weeks subsequent to the arrival of the delivery at the place of destination, specifying the exact defect and the invoice number. The Purchaser's failure to fulfil this obligation results in the forfeiture of its right to make a claim based on patently defective or incomplete deliveries.
- 9.2 The ascertainment of latent defects must be reported to us in writing without undue delay, however no later than five business days subsequent to discovery, describing the defect and the affected delivery as precisely as possible.
- 9.3 Should the delivery be defective, our (subsequent) performance obligation may be fulfilled by either remedying the defects or by making a new delivery free of defects, the choice of which being ours. Only if this fails again, or if it should prove unreasonable, is the Purchaser entitled – to the extent provided for by law - to rescind the contract or to reduce the purchase price. Section 478 of the German Civil Code (BGB)

remains unaffected by this. The Purchaser is entitled to assert claims for damages in accordance with Item 13.

- 9.4 The Purchaser must inform us in writing without undue delay of all defects reported to it by its buyers in respect of the goods delivered. The Purchaser's failure to fulfil this obligation results in the forfeiture of its warranty claims (claims based on defects) against us.
- 9.5 Mere immaterial deviations from the agreed quality and/or mere insignificant impairments to usability will not give rise to warranty claims.
- 9.6 Our liability is unlimited to the extent prescribed by the German Produkthaftungsgesetz (Product Liability Act), where a guarantee has expressly been given or a procurement risk expressly assumed, and in cases of intentional or grossly negligent breaches of duty. Our liability is also unlimited in cases of intentional or negligent injury to life, the body, or to health. For property damage and pecuniary loss occasioned by slight (degrees of) negligence, we are only liable in the case of breaches of essential contractual duties (Kardinalpflichten), this being restricted, however, to loss/damage typical to the contract and foreseeable at the time of entering into the contract.
- 9.7 Claims for compensation for loss/damage of any kind resulting from the improper handling, modifying, assembling, and/or operating of the delivered goods, or resulting from incorrect advice or instructions given by the Purchaser, are precluded unless we are responsible for such.
- 9.8 Claims based on defects are barred by limitation 12 months after the passing of risk unless something to the contrary has been agreed in writing by the parties. The same applies to any defects in title. The statutory limitation periods apply to intentional breaches of duty, to claims based on tortious acts, where there is lack of warranted quality/characteristics, where a procurement risk has been assumed, and to personal injuries claims. Sections 438 (3), 479, and 634a (3) BGB are not affected by this.
- 9.9 Any liability for damages beyond the liability provided for in the foregoing paragraphs of this Item 9 is - regardless of the legal nature of the asserted claim - excluded.

#### 10. Compliance with Public Law Regulations

- 10.1 The Purchaser is aware of the fact that our products are subject to special legal regulations on storage, transportation, handling, and sale. The exporting of our products is also only permitted in some cases pursuant to certain restrictions.
- 10.2 The Purchaser is responsible for obtaining any required permits from public authorities and for complying with any of their regulations. We are not liable for any loss/damage resulting from infringements of the regulations and obligations imposed by public authorities.

#### 11. Nondisclosure/Data

- 11.1 We have the right to process the data on the purchaser received as part of or in connection with the business relationship in accordance with the German Federal Data Protection Act or other data protection laws, regardless of their origin.
- 11.2 The purchaser undertakes to treat as confidential all data obtained as part of the business relationship, use them for the fulfillment of the contract only and not pass them on to unauthorized third parties, and protect and store them securely against access and abuse by unauthorized people. Upon request, the purchaser shall be required to inform us about whom the data obtained as part of the business relationship were forwarded to.

#### 12. Legal Deficiencies in Title

- 12.1 Unless there is an agreement to the contrary, our obligation to deliver goods free of industrial property rights and copyrights of third parties (hereinafter referred to as "proprietary rights") only extends to the country of the place of delivery. Our liability for justified claims brought against the Purchaser by a third party for infringements of proprietary rights occasioned by goods delivered by us and used in compliance with the contract is as follows:
- At our discretion and at our expense, we will either acquire a license to use the delivered goods concerned, will modify such products so that the proprietary rights are not being infringed, or we will replace them. If we are unable to do this at reasonable conditions, the Purchaser is entitled to its statutory rights to rescind the contract or reduce the purchase price.
  - Claims for damages are governed by Item 9.
- 12.2 The Purchaser's claims are excluded if it is responsible for the infringement of the proprietary right. The aforesaid obligations also only exist if the Purchaser informs us - in writing and without undue delay - of the claims asserted by third parties, does not acknowledge the infringe-

ment, and if all means of defence and all settlement negotiations are reserved to us.

- 11.3 The Purchaser's claims are equally excluded if the infringement of the proprietary right is caused by special specifications stipulated by the Purchaser, by an application unforeseeable by us, or if delivered goods are modified or used together with other products not delivered by us.
- 12.4 In any other case, the provisions of Item 9 apply accordingly.
- 12.5 Any further or different claims of the Purchaser based on a defect in title other than those provided for in this Item 12 against us or against any party engaged by us to perform a contractual obligation of ours (Erfüllungsgehilfe) are excluded.

#### 13. Retention of Title

- 13.1 We retain title to the delivered goods until payment/satisfaction in full of the purchase price and all other debt claims of ours against the Purchaser. In the case of a current account, the retained title operates as security for the balance owed to us.
- 13.2 A processing or a blending of the delivered goods by the Purchaser is done on our behalf as the manufacturer within the meaning of Section 950 BGB. If the goods subject to a retention of title (hereinafter "reserved goods") are joined together or indivisibly combined with other objects not belonging to us to form one single thing, and if this single, resulting thing must be regarded as the main thing, then the Purchaser hereby transfers to us prorated co-ownership to the extent to which the main thing is owned by it.
- 13.3 Until lawfully revoked by us, which may be done at any time and without having to provide a special reason for it, the Purchaser is authorized to sell, subsequently process, or reshape the reserved goods in the ordinary course of business. Any debt claims resulting from such are hereby assigned to us by the Purchaser.
- 13.4 If the value of securities existing in our favor exceeds the Purchaser's claims by more than 10% in total, we are obligated at the Buyer's request to release securities of our choice equivalent to such excess amount.
- 13.5 The Purchaser is not entitled to make any other disposals of the reserved goods (pledges, transfers of title for the purposes of securing a debt) or other assignments of the debt claims set out in Item 13.3. In the event of seizures/attachments (by court authorities) or confiscations of reserved goods, the Purchaser must make our ownership known and must inform us without undue delay.
- 13.6 The Purchaser is obliged to adequately insure the reserved goods against all common risks - in particular against fire, theft/burglary, and water damage - at its own expense, to handle such goods with all due care, and to ensure proper storage.
- 13.7 If the Purchaser is in delay of payment, and if payment has still not been made upon the expiry of an extension of time granted by us, we are entitled to take back the reserved goods.

#### 14. Concluding Provisions

- 14.1 The exercising of a right of retention against our claim to the purchase price, as well as a set off with other undisputed or final (i.e. non-appealable) counterclaims, require our consent.
- 14.2 The assignment of any claims against us also requires our prior, written consent. The laws of the Federal Republic of Germany to the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG) govern our reciprocal legal relationships.
- 14.3 Legal venue for disputes on the obligations arising from our contractual relationship is Fürth, Germany. We are, however, also entitled to assert our claims at the place with general jurisdiction for you.