

General Terms and Conditions for services provided by RUAG companies with their place of business in Switzerland (GTC Services)

1. Scope and validity

- 1.1 These GTC Services govern the conclusion, content and performance of contractual relationships and the provision of services by of RUAG. Unless otherwise agreed, the General Terms and Conditions for the Sale of goods, the performance of work as well as for the supply of other deliverables by RUAG companies with their place of business in Switzerland (GTC) shall apply work contracts, purchase of goods and similar contracts, the General Terms and Conditions for Maintenance and Support by RUAG companies with their place of business in Switzerland (GTC Maintenance) for maintenance and support.
- 1.2 These GTC Services shall be considered accepted if the contractual partner orders from RUAG and reference is made to them in the offer or in the order confirmation. General Terms and Conditions of the contractual partner are explicitly excluded.

2. Offer and order

- 2.1 An offer submitted by RUAG is valid during the period mentioned in the offer. If there is no respective information, RUAG remains bound for 30 days.
- 2.2 If the order of the contractual partner deviates from the offer or from the order confirmation of RUAG, the offer, the order confirmation respectively, applies, unless the contractual partner raises an objection immediately after receipt.
- 2.3 Orders are only binding if they are placed in writing or subsequently confirmed in writing. Electronic orders are binding if this is foreseen in a written agreement between the parties.

3. Execution

- 3.1 RUAG undertakes to execute the agreed service faithfully and carefully, but owes no success.
- 3.2 If for the execution RUAG has to enter contractual partner's premises, it shall comply with client's company regulations, in particular with the safety regulations and house rules, which it will be handed upon request.

4. Enlisting of third parties

- 4.1 RUAG is entitled to enlist third parties for the provision of the services, unless a personal provision of the services is mandatory
- 4.2 RUAG remains responsible toward contractual partner for the provision of the services.

5. Remuneration and expenses

- 5.1 Contractual partner makes a remuneration compensating for the services agreed upon in the contract. Unless expressly otherwise agreed, it is due net, excluding taxes and duties, without deductions.
- 5.2 Appropriate accommodation-, travel- and transport costs in connection with the provision of the services shall be paid by contractual partner in addition.

6. Terms of payment

- 6.1 Unless otherwise agreed, the payments are due at once, payable to RUAG within 30 days from the invoice date without any deduction.
- 6.2 RUAG can ask for partial payments (downpayments and instalments).
- 6.3 The payment dates have to be complied with, even if the services are delayed for reasons, for which RUAG is not responsible

7. Delivery times and default of delivery

- 7.1 Delivery times are considered kept if until their expiry the services agreed upon have been provided by RUAG..
- 7.2 If RUAG cannot comply with a delivery time for reasons, for which it is not responsible (e.g due to unfulfilled obligation to co-operate of the contractual partner or the fault of third parties), it is extended appropriately.
- 7.3 **If the parties have agreed upon an exact deadline for delivery of the services, in case RUAG does not meet the deadlines so fixed, it comes into default without further ado; in the other cases after reminder by the contractual partner and granting of a reasonable respite. If RUAG comes into default through its own**

fault, the contractual partner is entitled to claim a contractual penalty. For each full week of the delay from default the contractual penalty amounts to a maximum of 0,5%, but not more than a total of 5%, calculated on the contractually agreed remuneration for the delayed (partial) delivery. For the first week from the beginning of default there is no claim for a contractual penalty. The contractual penalty is credited against a possible compensation for damages to be paid. Personal negligence of the contractual partner or Force Majeure remain reserved.

8. Place of performance

- 8.1 Unless otherwise agreed, the premises of RUAG are the place of performance.
- 8.2 With the delivery to the place of performance title and risk are transferred to the contractual partner.

9. Liability

RUAG is only liable for violations of contract caused through gross negligence or intentionally. Liability for auxiliary personnel is excluded

10. Termination and revocation

- 10.1 The parties may terminate or revoke the contract in writing at any time.
- 10.2 In case of a termination of contract acc. to para. 10.1 above RUAG shall be entitled to compensation for services already provided.
- 10.3 In case of a termination at an inopportune juncture claims for compensation of any resultant damages remain reserved.

11. Instructions and cooperation

- 11.1 Instructions by the contractual partner are only binding if they are given in writing or subsequently confirmed in writing. Instructions given electronically are on par with written instructions, if they do not constitute a change of contract. Mere suggestions and proposals by the contractual partner are not considered instructions and do not have to be observed for the proper fulfillment of the contract.
- 11.2 Contractual partner undertakes to provide RUAG timely and completely with all documents, information, approvals, rights of access and use required for the provision of the services

12. Emerging intellectual property rights

- 12.1 Intellectual property rights (Copyrights, patent rights etc.) that are created during the performance of the contract, particularly on works, concepts, hardware and individual software including source code, program description in written or machine-readable form specially developed by RUAG belong to RUAG.
- 12.2 Contractual partner has a non-transferable and non-exclusive right to use the emerging intellectual property rights within the purpose of the contract. In case of software this right includes the use of the hardware as agreed and their successor systems. For a changed operating system or higher performance, the modification and extension of the right of use requires the approval of RUAG.
- 12.3 Both parties are entitled to use and dispose of ideas, procedures and methods which are not protected by law, but without being under the obligation to disclose them.

13. Pre-Existing intellectual property rights

- 13.1 Pre-Existing intellectual property rights (Copyrights, patent rights etc.) remain with RUAG or third parties.
- 13.2 The contractual partner obtains a non-exclusive and non-transferable right to use the existing intellectual property rights for the agreed purpose.

14. Infringement of intellectual property rights

- 14.1 RUAG shall contest at its own cost and risk any third party claims arising from infringement of intellectual property rights. The contractual partner informs RUAG immediately in writing about claims of third parties due to infringement of intellectual property rights. He lets RUAG conduct a possible trial and take care of the measures and instructions for a settlement in court or out of court of the lawsuit.

In case of a trial the contractual partner shall consult RUAG immediately. If necessary, he takes first damage-reducing measures.

14.2 Under these conditions RUAG assumes the costs accruing to and damages paid by the contractual partner. In case of a settlement out of court RUAG makes the agreed payment to third parties only if it has approved it beforehand.

15. Confidentiality

15.1 Both parties shall treat in strict confidence all information which is neither generally known nor generally accessible, and shall use it only for the purpose of fulfilling the concluded contract. Moreover the parties shall ensure the confidential treatment by their personnel and consulted specialists. In case of doubt, all information is to be treated confidentially.

15.2 Confidential information of a party does not include information which:

- was already known to the other party, before it was made accessible by the disclosing party;
- is or becomes generally known without the other party's responsibility;
- was disclosed to the other party by a third party without any transfer restriction;
- was developed by the other party itself without using or referring the confidential information of the protected party;
- has to be disclosed based on a legally binding decision of a law court, administrative or other authority. In this case the party under the obligation to disclose has to inform the other party immediately about the decision and support protective measures the other party may want to take.

15.3 This obligation of confidentiality already exists prior to the conclusion of the contract and remains valid for a period of 3 years after termination of the contractual relationship.

15.4 Without the approval of the other party the disclosure of information to third parties is not permitted. The companies of the RUAG Group, particularly the RUAG Holding AG as well as its subsidiaries and enlisted specialists (lawyers, auditors, experts) are not third parties in terms of this agreement. If the approval is given, the obligations of secrecy are to be transferred to the receiving third party.

15.5 Advertising and publications about specific services in connection with the contractual relationship require the written approval of the other party. Without the written approval of RUAG the contractual partner may not advertise the fact that a cooperation between the parties exists or existed, and may not give RUAG as a reference.

15.6 If a party violates the above-mentioned obligations of confidentiality, it owes, unless otherwise agreed, a payment to the other party, unless it can prove that it was not at fault. For each case the payment amounts to 10% of the entire compensation for purchase-, service- and similar contracts or 10% of the annual compensation for continuing obligations, but no more than CHF 50'000.00 per case. This payment does not relieve the party from the obligation of confidentiality; but it is credited against the damages to be paid. Possible penal consequences remain reserved.

16. Data protection

16.1 The parties commit themselves to adequate data protection, corresponding with Swiss legislation. In particular they undertake to take economically, technically and organisationally reasonable measures to protect the data affected by contract performance effectively against unauthorised knowledge by third parties.

16.2 Personal data may only be processed for the purpose and to the extent required for the fulfillment of the contract and for safeguarding a high service and security standard. To this extent and for this purpose personal data may also be passed on to another company of the RUAG Group and to domestic and foreign business partners, as far as legally admissible.

16.3 The parties transfer these commitments to their subcontractors, subsuppliers and other third parties enlisted for the fulfillment of the contract.

17. Compliance

17.1 The parties comply with applicable legal standards, particularly with the competition- and antitrust laws, industrial safety and child protection provisions (e.g. regarding raw materials under conflict), the prohibition of trafficking in women and with the core conventions of the International Labor Organisation, as well with the provision against counterfeits or for the protection of the environment and of health (e.g. guidelines like REACH and RoHS).

17.2 The parties commit themselves not to accept financial or other favours, if in return the giving party expects an unjustified advantage or is rewarded. They also commit themselves to observe the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions concluded within the OECD on 17 December 1997 also in private business transactions.

17.3 The parties shall commit their personnel, subcontractors, subsuppliers and other third parties enlisted for the fulfillment of the contract contractually to compliance with this article.

17.4 If one of the parties violates the above-mentioned compliance commitments, it shall owe a contractual penalty, unless it can prove that it was not at fault. For each case of violation this penalty amounts to 10% of the total remuneration or 10% of an annual remuneration in case of a recurring remuneration, but no more than CHF 50'000.00. This payment does not relieve the respective party from its contractual obligations.

18. Assignment and pledging

18.1 The contractual relationship or rights and duties therefrom can only be assigned or pledged after previous written approval of the other party. The written approval of the other party is also required for pledging of claims from the contractual relationship. Apart from that RUAG may assign right and duties from the contract to another company from the RUAG Group at any time.

19. Set-off

19.1 Contractual partner shall not be entitled to set-off.

20. Applicable law and jurisdiction

20.1 For the rest material Swiss Law shall apply, excluding its rules on conflicts of legal systems (in particular Federal Law on International Private Law of 18.12.1987).

20.2 For all disputes arising out of or in connection with the contractual relationship only the law courts at the domicile of RUAG shall be competent.