

General Terms and Conditions for the Procurement of licenses for standard software by RUAG companies with their place of business in Switzerland (GTC-P Licenses)

1. Scope and validity

- 1.1 These GTC-P Licenses provide for the conclusion, content and performance of license contracts of RUAG for the procurement of standard software.
- 1.2 These GTC-P Licenses shall be considered accepted if the licensor submits an offer to RUAG or confirms an order of RUAG. General Terms and Conditions of the licensor are explicitly excluded.

2. Offer and order

- 2.1 The offer is free of charge unless specified otherwise in the request for proposal.
- 2.2 The offer is binding during the period mentioned in the request for proposal or in the offer. If there is no respective information, the licensor is bound for 4 months from the period of the offer.
- 2.3 If the offer deviates from the request for proposal, the licensor shall explicitly point this out.
- 2.4 Orders are only binding if they are placed in writing.

3. Execution

- 3.1 The licensor shall supply the standard software to RUAG online or on data carrier in the language and number agreed in writing.
- 3.2 The licensor shall inform RUAG at once about all circumstances, which might jeopardize, facilitate or reduce the price of the contractual performance and shall obtain all required specifications. This also includes the change of sublicensees and subcontractors.
- 3.3 If for the execution RUAG premises have to be entered, the licensor shall comply with RUAG's company regulations, in particular with the safety regulations and house rules, which he will be handed upon request.

4. Rights of use

- 4.1 Within the contractual purpose RUAG is given a temporally, spatially and factually unlimited, non-exclusive, transferrable right to use the standard software within the purpose of the contract. The licensor undertakes to base no rights on the intellectual property rights of this software, which could be opposed to the foreseen rights of use and distribution regarding the subject matter of contract.

In particular, this right includes the use of the standard software on the hardware specified in the contractual document and its successor systems. For a changed operating system or higher performance class, the modification and extension of the right of use requires the approval of the licensor. He may only deny the approval for important reasons. The changes and extensions of the rights of use are calculated according to the original cost rate.

- 4.2 For data back-up and storage purposes, RUAG may make copies of the standard software. In case of a failure of the contractually specified hardware, it is entitled to use the standard software on a replacement hardware without any additional compensation.
- 4.3 For the rest the intellectual property rights (copyrights, patent rights, etc.) shall remain with the licensor or third parties. As far as third parties are entitled to rights, the licensor guarantees that he disposes of the respective rights of use, disposal and sale.

5. Documentation

- 5.1 The licensor shall supply to RUAG, together with the software, a complete, reproducible documentation for the installation and operation of the software (in electronic or paper form) in the languages and number agreed in writing in the contractual document.
- 5.2 RUAG may copy and use the documentation as specified in the contract. In particular, RUAG may give the end-user the documentation intended for him.
- 5.3 The licensor shall promptly update the documentation as far as necessary.

6. Scope of maintenance services

- 6.1 Maintenance includes troubleshooting, the correction of program errors as well as the adjustment and enhancement of the standard software. Unless otherwise provided for in the contractual document, new functionalities and the respective rights of use are included in the remuneration for the maintenance of the software. The licensor provides his maintenance services according to the standby, reaction and troubleshooting times agreed in writing in the contractual document.
- 6.2 Upon request, the licensor shall help to diagnose the cause of a fault resulting from the interaction of several systems or components. If the licensor can show that the fault was not caused by the software for the maintenance of which he is responsible, RUAG shall be billed separately for this service.
- 6.3 Upon RUAG's request and against separate remuneration:
 - the licensor shall also provide his services outside the maintenance standby time;
 - maintenance also includes the necessary adjustment of the standard software on operating, database and carrier systems changed by RUAG;
 - the licensor also eliminates errors caused by circumstances, for which RUAG or third parties are responsible.
- 6.4 The licensor informs RUAG on a regular basis about the enhancement of the standard software which may be of interest for maintenance. In particular, he calls RUAG's attention to the consequences of the enhanced standard software for the hardware. The delivery or installation of enhanced standard software may only take place with RUAG's approval.

7. Distribution of the standard software

In the event that RUAG intends to forward the standard software as part of its services, it also has the right for distribution. In particular, this includes the right for sublicensing to the end user and, if agreed in writing in the contractual document, the right to conclude license contracts with the end user as an intermediary agent for the licensor, so that the end user has the non-transferrable and non-exclusive right to the full or partial utilization of the standard software. The right for distribution also includes the right to lease the standard software and to provide services in connection with the standard software.

8. Remuneration

- 8.1 Remuneration shall be in the form of a one-time payment or a recurring fee. Maintenance and support services may be charged according to expenditure. In this case, the licensor shall disclose the cost types and cost rates in his offer.
- 8.2 The remuneration compensates for all services required for the proper performance of the contract. In particular, it covers installation, test and documentation costs for a possible initial instruction, the expenses (particularly for subsistence, travel and accommodation) the license fees, possible maintenance and support services agreed in writing, transport packaging costs as well as public charges such as taxes and customs duties.
- 8.3 The use of the standard software during the test period is free of charge.

9. Terms of payment

- 9.1 Unless otherwise agreed in writing, the payments become due upon acceptance. RUAG pays invoices made out after the due date within 60 days after receipt of the invoice.
- 9.2 RUAG reserves the right to return incorrect, unverifiable invoices for correction. The term of payment starts anew with corrected invoicing.
- 9.3 If partial payments (downpayments and instalments) are agreed in writing, RUAG may request securities from the licensor at his expense.

10. Changes to contractual specifications

- 10.1 The licensor shall inform RUAG about all developments, which for technical or economic reasons invite for specifications to be modified.

The parties may request changes to the agreed contractual specifications in writing at any time. If RUAG should want a change, the licensor shall inform in writing within 20 calendar days, whether a change is possible and what consequences it will have for

the performance to be provided and for the remuneration including deadlines. RUAG decides within the same period whether the change is to be realized. If the licensor should want a change, RUAG shall approve or refuse the substantiated application within the same period.

Prior to their realization the change of contractual specifications and possible adjustments of remuneration, deadlines and other points of the contract are laid down in a written amendment to the contract. The adjustment of the remuneration is calculated according to the rates of the original cost basis.

11. Delivery times and default

11.1 If the parties have, in the written contract, agreed upon an exact deadline for delivery of the services, in case he does not meet the deadlines so fixed, the licensor comes into default without further ado; in the other cases after reminder by RUAG and granting of a reasonable respite.

11.2 Without the written approval of RUAG neither part deliveries nor advance deliveries are permitted.

11.3 RUAG shall be notified immediately in writing of each emerging default of the licensor.

11.4 If the licensor comes into default, he owes an amount of 1% of the entire remuneration per day of delay with a maximum of 10% of the total remuneration. In case of recurring remuneration, the licensor owes an amount of 10% of an annual remuneration with a maximum of an annual remuneration. The payment is also owed if the services are accepted without reservation. This payment does not relieve the licensor from the other contractual obligations; however, it is credited against the compensation for damages to be paid. Personal negligence of RUAG and Force Majeure remain reserved.

12. Place of performance

Unless otherwise agreed in writing, the premises of RUAG are the place of performance. Title and risk are transferred to RUAG at the place of performance.

13. Test period and acceptance

13.1 RUAG tests the standard software during the test period agreed in writing, which lasts at least 30 days. In case of installation by the licensor, the test period begins after completed installation.

13.2 If during the test period or during the acceptance inspection, major defects are detected, acceptance is postponed. The licensor remedies detected defects immediately and notifies RUAG of a new acceptance date.

13.3 If during the acceptance inspection minor defects are detected, acceptance takes place anyway with the completion of the acceptance inspection. The licensor immediately rectifies detected defects.

13.4 If RUAG does not request an acceptance inspection, the standard software is considered accepted with the successful start of the productive operation.

13.5 The delivery of an inspection report with complaints is considered a notification of defects.

14. Warranty

14.1 The licensor as specialist and in awareness of its purpose warrants that the standard software shows the material and legal properties agreed in writing and is suitable for the specified use. The licensor expressly warrants that he is entitled to deliver and/or provide to RUAG the standard software and the services, and that no legally effective third party rights are opposed to the use of the standard software.

14.2 Defects are to be notified within 60 calendar days after their detection. Unless otherwise agreed in the contractual document, the warranty rights lapse within 180 days after successful putting into operation of the standard software or acceptance, unless the licensor knew or should have known about the defect. Maliciously concealed defects can be asserted during a period of ten years after acceptance. If the standard software is defective, RUAG can request rectification. The licensor rectifies the defect within the specified period and bears all resulting costs.

14.3 If the licensor has not provided any requested rectification or not provided it successfully, RUAG can claim damages and:

- can deduce an amount corresponding to the reduced value from the remuneration; or

- withdraw from the contract in whole or in part, but only in case of major defects; or
- demand the necessary documents (particularly the source code) – as far as no legal or contractual provisions are opposed to this – and perform the respective measures at the licensor's risk and expense or have them performed by a third party, but only in case of major defects.

14.4 Support services by the licensor during the warranty period are considered rectifications of defects, unless the licensor can prove otherwise.

15. Investment protection

15.1 The licensor warrants to RUAG for at least 6 years after expiry of the warranty period the compatibility of the standard software with the licensor's developments.

15.2 Upon RUAG's request, the licensor maintains and supports the standard software for at least 6 years after expiry of the warranty period according to the applicable General Terms and Conditions of RUAG. After expiry of the warranty period, the support services of the licensor are provided against payment and at competitive conditions.

15.3 If the licensor (due to garnishment, impending bankruptcy, composition procedures or other reasons) can no longer provide his services or have them provided by third parties at the same conditions or offer an economically equivalent alternative, RUAG can provide the services itself or have them provided by third parties. In this case, RUAG is entitled, without further ado, to access the source code and use it, as far as this is required for the maintenance and support of the standard software.

15.4 To protect the obligations to hand-out based on warranty or software maintenance and support, RUAG may request at any time that at the licensor's expense the source code is deposited with a trustworthy company or third parties or protected by technical measures, deposited on a system designated by RUAG and kept up-to-date. This provision does release the licensor from his obligation to provide the services.

16. Export regulations and authorizations

16.1 The licensor keeps informed at all times about national and international export regulations (e. g. ITAR) and notifies RUAG immediately in writing if contractual services are subject to these provisions in whole or in part. This obligation applies beyond the duration of the contract.

16.2 Unless expressly otherwise agreed in writing, the licensor takes all measures required to obtain further official authorizations or licenses required for the provision of the services. Where RUAG has to apply for such authorizations or licenses, the licensor provides RUAG with appropriate support, particularly for the procurement of needed information and data.

16.3 Where applicable, the licensor shall provide, no later than at the time of acceptance of the contract, the following minimum information:

- The customs tariff numbers of the country of consignment, and the countries of origin for all goods.
- For controlled goods, the relevant national export control numbers must be indicated and, if the goods and/or services are subject to U.S. export regulations, the U.S. Export Control Classification Numbers (ECCN) or classification numbers of the International Traffic in Arms Regulations (ITAR) must be specified.
- Proofs of preferential origin as well as conformity declarations and marks of the country of consignment or destination are to be submitted without being requested; certificates of origin upon request.

17. Infringement of intellectual property rights

17.1 The licensor shall contest at its own cost and risk any third party claims arising from infringement of intellectual property rights. If a third party initiates a lawsuit against the licensor, he shall inform RUAG immediately in writing. If the third party raises direct claims against RUAG, the licensor shall participate, upon RUAG's first request, in the lawsuit according to the possibilities of the respective legal procedure. The licensor undertakes to bear all costs (including damages) accruing to RUAG from the lawsuit and its possible settlement out of court. In case of a settlement out of court, the licensor shall only assume the payment to the third party agreed in writing, if he has previously agreed to it in writing.

17.2 If due to raised claims from intellectual property rights it is made impossible for RUAG

to use the contractually owed services in whole or in part, the licensor has to either change his performance in such a way that they not infringe on third party rights and still correspond to the contractually owed performance, or obtain at his expense a license from the third party. If the licensor does not realize one of these possibilities in due course, RUAG may rescind the contract at once and ask the licensor to return the respective services against full refund and indemnification.

18. Confidentiality

18.1 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.

18.2 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 to 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.

18.3 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.

18.4 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 MRO Holding Ltd 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 confidentiality are to be transferred to the receiving third party.

18.5 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 licensor may not advertise the fact that cooperation between the parties exists or existed, and may not give RUAG as a reference.

18.6 If a party violates the above-mentioned obligations of confidentiality, it owes, unless otherwise agreed in writing, 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 total remuneration respectively 10% of the annual remuneration in case of a recurring remuneration, but no more than CHF 50,000.00 per case. This payment does not relieve the violating party from the obligation of confidentiality; however, it is credited against the compensation for damages to be paid. Penal consequences remain reserved.

19. Data protection

Each party may have access to personal data (for example names, functions, business units, contact details and communication data) relating to the other party's employees, representatives, consultants, agents, contractors and other personnel ("Personnel"; "Personnel Data") in relation with the contract that is subject to these GTC-P Licenses. The parties agree that they act as independent controllers in relation with such Personnel Data unless otherwise agreed in writing expressly by the parties. Personnel Data may be processed only in accordance with applicable law, applying appropriate security measures (e. g. technical and organizational measures, etc.), and only in order to enter into and perform the contract and compatible purposes including but not limited to order and payment processing, tolls, taxes and import/export management, customer relationship management, business accounting and general administrative purposes. Each party undertakes to inform its own Personnel about the processing of Personnel Data by the other party, in accordance with applicable law. Additional details about RUAG's data processing are set out in RUAG's privacy notices (see www.ruag.ch/en/privacy).

20. Compliance

20.1 The licensor complies with applicable legal standards, particularly with the competition and antitrust laws, industrial safety and child protection provisions (e. g.

regarding conflict commodities), the prohibition of human trafficking and with the core conventions of the International Labor Organisation, as well with the provisions against counterfeits or for the protection of the environment and of health (e. g. guidelines like REACH and RoHS). The licensor complies with the current code of conduct for business partners of RUAG, which he will be handed upon request.

20.2 The licensor commits himself not to accept financial or other favors, if in return the giving party expects an unjustified advantage or is rewarded. He also commits himself 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.

20.3 The licensor shall commit his personnel, sublicensors, subcontractors and other third parties enlisted for the fulfillment of the contract contractually to compliance with this article.

20.4 If the licensor violates the above-mentioned compliance commitments, he shall owe a contractual penalty, unless he can prove that he 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 licensor from his contractual obligations; however, it is credited against the compensation for damages to be paid. Penal consequences remain reserved.

21. Termination of contract

21.1 If a license contract is concluded for an indefinite time period and with recurring remuneration, it may be terminated by RUAG as of the end of a calendar month, observing a period of notice of 30 days. Support services may be terminated separately by RUAG at any time, after 6 years at the earliest by the licensor. The period of notice is 3 months.

21.2 A license contract may be terminated at any time without notice if the other party is in severe breach of contract. Claims for damages and claims of RUAG for further use of the software remain reserved. In all these cases the remuneration is calculated pro rata temporis.

21.3 RUAG shall destroy the original software and any copies and shall on request, submit confirmation within 30 days of the termination of the contract. In justified cases RUAG may keep a copy of the standard software for archiving purposes.

22. Assignment and pledging

The contractual relationship or rights and duties therefrom can only be assigned or pledged after previous written approval of the other contracting party. Apart from that RUAG may assign rights and duties from the contractual relationship to another company from the RUAG Group at any time.

23. Notices and alterations of contract

Notices as well as supplements and alterations of these GTC-P or to the contract subject to these GTC-P and its contractual components shall only be valid if they are made or agreed to in writing by the parties.

24. Electronic signature

Each party agrees that the term "writing" includes the electronic form and that all electronic signatures appearing on notices, documents or contracts shall be equivalent in terms of validity, enforceability and admissibility to the written form according to this clause. A simple electronic signature is sufficient, unless otherwise provided by law. Electronically signed notices, documents or contracts may also be transmitted electronically.

25. Applicable law and jurisdiction

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

25.2 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.