

General Terms and Conditions for sales, service contract and other services of RUAG GmbH/Germany (GTC GER Sales)

1 Scope and validity

- 1.1 These GTC GER Sales govern the conclusion, content and performance of contracts for the sale of goods, the performance of work and other services by RUAG GmbH (hereinafter referred to as 'RUAG'), Landgraf-Karl-Str. 1, 34131 Kassel, Germany, for business partners (hereinafter referred to as 'contractual partner'), who are entrepreneurs within the meaning of section 14 of the German Civil Code [Bürgerliches Gesetzbuch - BGB] (business-to-business). Unless otherwise agreed in writing, these GTC GER Sales shall apply to sales, service contract and other services. By concluding the contract/placing the order, the contractual partner confirms that they agree with the validity of the following GTC GER Sales and had the opportunity to take note of the content.
- 1.2 RUAG does not accept any general terms and conditions that are in conflict with or deviate from these GTC GER Sales, unless RUAG expressly agrees in writing to apply such deviating general terms and conditions. This shall also apply if the contractual partner submits the contract offer or accepts the contract with a reference to the overriding validity of their own general terms and conditions or if RUAG makes the performance for the benefit of the contractual partner without reservation in full knowledge of the deviating clauses of the contractual partner.
- 1.3 These GTC GER Sales in English are an approximate translation of the GTC GER Sales in German. In case of doubt, the German version takes precedence.

2 Offer and order

- 2.1 Any offer submitted by RUAG remains valid for the period stated in the offer. In the absence of such specification, RUAG remains bound for 30 calendar days as of the date on which the offer was issued.
- 2.2 If the contractual partner's order deviates from RUAG's offer or order confirmation, RUAG's offer or order confirmation shall prevail, unless the contractual partner objects without undue delay upon receipt.
- 2.3 Orders are only binding if they are submitted in writing or subsequently confirmed in writing; unless otherwise agreed between the contracting parties case by case, the electronic form shall be sufficient for this purpose.

3 Enlisting of subcontractors

RUAG reserves the right to enlist subcontractors for the provision of the services if necessary and after careful selection. In such a case, RUAG remains responsible towards the contractual partner for the performance.

4 Remuneration, costs of shipping and insurances

- 4.1 In the absence of any deviating agreements, the prices of RUAG as stipulated in the offer shall apply. The prices are stipulated in euros (€) - for domestic deliveries excluding value added tax at the applicable rate - or in the respective agreed national currency.
- 4.2 Shipping costs such as freight, postage, customs duties or other costs resulting from the shipment shall be borne by the contractual partner.
- 4.3 RUAG will select their most favourable option for the shipping method and means of transport. In so doing, RUAG will take the evident interests of the contractual partner into account. If the contractual partner requests shipping or transport by a specific provider, the contractual partner is obliged to inform RUAG in good time about the forwarding agency or parcel delivery service provider to which the contract subject is to be handed over. If the contractual partner fails to inform RUAG thereof or if they are otherwise in default of acceptance, RUAG shall only be responsible in the event of intent and gross negligence.
- 4.4 RUAG provides transport insurance. At the request of the contractual partner, a separate or additional agreement may be concluded with RUAG.

5 Payment terms and default

- 5.1 Unless otherwise agreed, the invoice amount is due without deduction upon receipt of the invoice and must be paid to RUAG within 30 calendar days of the invoice date without any deduction.
- 5.2 Payments by cheque or bill of exchange require a prior written agreement with RUAG and shall only be accepted as conditional payment. Any bank, discounting and collection charges as well as interest must be refunded to RUAG without undue delay. Credit notes for bills of exchange and cheques will only be issued after receipt of the net proceeds and only up to this amount. In the case of payment by money order, bill of exchange and cheque, fulfilment shall only occur with the value date of the bank credit note. Justified objections must be asserted raised and reasoned by the contractual partner within a reasonable period of time, but no later than 2 weeks from the date of receipt of the invoice; otherwise the original due date for payment shall apply.
- 5.3 Payment deadlines must also be adhered to if the performance is delayed for reasons for which RUAG is not responsible, if insignificant parts are missing or if minor repairs are still required.
- 5.4 If the contractual partner is in default with their payment obligation in full or in part, they shall be liable for default interest at the statutory rate as of this date without prejudice to any other rights of RUAG. RUAG reserves the right to assert further damage caused by default, in particular a higher interest rate. For every dunning note, fees shall be charged at a reasonable rate.
- 5.5 In the event of payment default, RUAG may suspend further performance until the contractual partner has paid all due claims or has provided sufficient collateral for the payment. If, in this case, the contractual partner does not provide full consideration or adequate security within a period of 2 weeks after a written request to this effect, RUAG shall be entitled to revoke the agreement. Section 323 of the BGB applies with the necessary modifications. The right of RUAG to claim compensation pursuant to statutory provisions remains unaffected.
- 5.6 If the contractual partner ceases to make payments, is excessively indebted or if an application for the opening of composition or insolvency proceedings is filed, or if the contractual partner fails to redeem due cheques or bills of exchange, RUAG shall be entitled to demand immediate payment of all outstanding invoices, including those not yet due.

6 Retention of title

- 6.1 RUAG retains title to the contractually owed performance until all claims against the contractual partner have been fulfilled (goods subject to retention of title).
- 6.2 The contractual partner's right to pledge or assign the goods subject to retention of title to third parties for security is excluded.
- 6.3 As long as the retention of title remains in effect, the contractual partner is entitled to possession and to make use of the contract subject according to its intended use as long as the contractual partner fulfils all obligations under the retained title and is not in default of payment. If the contractual partner is in default of payment or if they do not fulfil their obligations under the retained title, RUAG may request the return of the contract subject from the contractual partner and, after setting a reasonable period of time, exploit the contract subject to the best of their abilities by private sale and subject to setting off the contractually owed consideration. All costs of recovery and exploitation of the contract subject shall be borne by the contractual partner.
- 6.4 During the term of the contract, the contractual partner may only sell, pledge or assign delivered items for security if they have satisfied all payment obligations arising from the contractual relationship in full.
- 6.5 If, contrary to the above clause 6.4, the goods subject to retention of title are sold or leased together with other goods that are not the property of RUAG, any claims under the resale or lease agreement between the contractual partner and the buyer shall be deemed to have been assigned in the amount of the remuneration agreed for the contract subject.

6.6 If the goods subject to retention of title are processed, converted or combined with other items not owned by RUAG, RUAG shall be entitled to co-ownership of the new item at the share resulting from the ratio of the value of the processed, converted or combined goods subject to retention of title to the value of the new item. In the event of a sale or lease of the new item, the contractual partner shall assign their claim to RUAG in the amount of the share to which the contractual partner is entitled.

6.7 For the duration of the retention of title, the contractual partner must carefully store, maintain and protect delivered items against theft, burglary, fire, water and other risks at their own expense and, moreover, take all reasonable measures to ensure that RUAG's claim to ownership is neither impaired nor cancelled.

7 Delivery times and default of delivery

7.1 Delivery deadlines shall be deemed to have been met if RUAG transmits the notice of dispatch or collection to the contractual partner before the expiry of the deadline. Any indicated delivery times are estimated delivery dates.

7.2 If RUAG is unable to meet a deadline for reasons for which RUAG is not responsible (e.g. due to the contractual partner's failure to comply with duties of cooperation or due to the fault of third parties), the deadline shall be reasonably extended. RUAG shall inform the contractual partner in writing of the expected substitute date.

7.3 In the event of delays for which RUAG is not responsible, the contractually agreed deadlines and delivery periods affected by the delay shall be postponed. In particular, RUAG shall not be responsible for delays in delivery or performance due to force majeure or events such as strikes, lockouts, employee absences, delays in upstream suppliers, official intervention, fire, pandemics/epidemics and similar circumstances that are similar to force majeure. Reference is made to clause 12 (force majeure). Contractual penalties for delivery delays are excluded.

8 Place of delivery and performance, transfer of risk and allocation of risk

8.1 Unless otherwise agreed, RUAG's warehouse, Am Setzebach 1, 34260 Kaufungen, Germany (FCA according to Incoterms 2020) shall be deemed to be the place of delivery and performance.

8.2 Benefit and risk shall pass to the contractual partner upon provision at the place of performance.

8.3 If delivery has been agreed, the risk shall pass to the contractual partner when RUAG hands the goods over to the transporting party (sale by delivery to a place other than the place of performance).

8.4 To this extent, the risk of loss of the contract subject - even in the case of carriage paid delivery or a deviating place of performance - shall pass to the contractual partner as soon as the goods are handed over to the carrier. In the case of performance, the risk shall pass to the contractual partner upon acceptance (contract for performance of work). If the sold item is lost or damaged after the transfer of risk, RUAG shall nevertheless be entitled to payment of the full purchase price. The risk shall pass to the contractual partner upon default of acceptance.

9 Inspection and acceptance

9.1 The contractual partner must carefully examine the contract subject within 7 calendar days of receipt of the contract subject and notify RUAG in writing of any defects (e.g. quantity discrepancies or incorrect deliveries) within this period; otherwise the contract subject provided by RUAG shall be deemed to have been approved and acceptance to have taken place. If acceptance of the contract subject is to take place at the premises of RUAG or of a subcontractor, the contractual partner must carry a careful inspection directly on site. The contract subject shall also be deemed to have been accepted as soon as it is used in productive operation.

9.2 Any pending remaining work or defects that do not significantly impair the intended contract subject do not prevent acceptance. They must be noted in the acceptance protocol of the contractual partner. RUAG shall subsequently remedy any detected defects.

9.3 Errors that cannot be detected during a proper inspection may be notified during the warranty period.

9.4 If significant defects are revealed during the acceptance test, acceptance shall be postponed. RUAG shall remedy any defects found and notify the contractual partner of a new acceptance date.

10 Warranty

10.1 The properties of the contract subject are generally not agreed, but are defined by reference to the customary properties and quality of comparable work results and services. RUAG only guarantees suitability for a specific purpose if this has been expressly guaranteed in writing.

10.2 In the event of a material defect, RUAG shall, at their discretion, initially be granted the option to remedy the defect (repair) or substitute delivery/performance.

10.3 If 2 attempts at curing the defect fail, the contractual partner is entitled to set a reasonable grace period for remedying the defect. In this case, the contractual partner is required to state explicitly and in writing that they reserve the right to withdraw from the contract in case of a repeated failure of the cure and/or to assert a claim for damages. Except if a defect is of minor significance, the contractual partner may, if the repair has failed also during this grace period, withdraw from the contract or reduce the remuneration if they have made express reference to such options in advance and if the defect is significant. A significant defect is understood to mean that the agreed functional scope of the contract subject cannot be maintained or restored.

10.4 The contractual partner is not permitted to remedy the defect himself. RUAG shall be entitled, at their own discretion, to select suitable measures to remedy the defect in accordance with clause 10.2.

10.5 Unless otherwise agreed, warranty rights shall lapse upon expiry of a limitation period of 12 months from the date of the transfer of risk or acceptance. The contractual partner shall notify defects in writing without undue delay, but at the latest within 7 calendar days after becoming aware of them. Reference is made to clause 9.1.

11 Liability

11.1 Liability for claims for damages and claims for reimbursement of futile expenses is determined, regardless of the legal grounds, as follows:

- a) RUAG shall be liable without limitation for damage caused intentionally or through gross negligence by RUAG's legal representatives or persons used to perform their obligation.
- b) In the event of a slightly negligent breach of essential contractual obligations on the part of RUAG, the obligation to pay compensation shall be limited to the foreseeable, typical damage. In all other respects, liability for damages caused by slight negligence is excluded. Clause 11.1 (f) remains unaffected. A contractual obligation is essential if the fulfilment of this obligation only makes the execution of the contract possible in the first place and if the contractual partner may rely on compliance with this obligation.
- c) In the case of clause 11.1 (b), RUAG shall be liable for each individual case of damage limited to twice the amount of the order value, limited to three times the order value per contract year.
- d) Liability for personal injury, i.e. for injury to life, body or health, is unlimited in its amount. Mandatory statutory liability, e.g. under the German Product Liability Act, remains unaffected.
- e) RUAG remains free to raise the objection of contributory fault.
- f) RUAG shall only be liable for data loss or data destruction if they caused the destruction intentionally, through gross negligence or due to a breach of an essential contractual obligation. RUAG's liability is limited to the amount of damage that would have occurred even in the event of a proper data backup by the contractual partner.

11.2 All claims under clause 11 shall upon lapse expiry of a limitation period of 12 months; Section 199 para. 1 of the BGB shall apply to the start of the limitation period. This does not apply in cases of liability due to intent, gross negligence, personal injury or in cases of mandatory liability, for example under the Product Liability Act.

12 Force majeure

12.1 The parties shall not be held responsible for failure to perform or for a delay in performing any of their contractual obligations if such failure or delay is due to force majeure.

12.2 Force majeure means any event causing damage that is beyond the control of the parties, i.e. if its cause does not result from the nature of the affected item and if the event cannot be averted or mitigated even with utmost reasonable care (in particular strikes, pandemics/epidemics, unrest, war, sabotage or comparable operational disruptions).

- 12.3 The party affected by force majeure shall notify the other party following the occurrence of the unforeseen event citing clause 12 of these GTC GER Sales in said notice, shall supply all relevant information about the effects of the event on the performance of their contractual obligations and shall strive to resolve the delay.
- 12.4 Unless mutually agreed to in writing, the party unable to perform because of force majeure is temporarily excused from performance while the incident of force majeure is occurring and obligated to perform once the incident ends. Such party shall not be subject to claims for damages.
- 12.5 If the incident of force majeure lasts for 12 months, the parties will seek to consult each other, and each party will have the right to terminate this agreement.
- 12.6 Any contractual obligations already performed shall be remunerated. Remuneration already paid shall be refunded, reduced, however, by the accrued cost and expenses for the contractual obligations performed.

13 Licenses and export regulations

- 13.1 Insofar as the contractual partner provides goods for the performance by RUAG, they must stay informed at all times about national and international export regulations (e.g. ITAR) and notify RUAG without undue delay in writing if the goods provided are in whole or in part subject to these regulations. The contractual partner must comply with all applicable export regulations and disclose all relevant information to RUAG upon request. This obligation continues to apply beyond the term of the contract.
- 13.2 Unless expressly otherwise agreed in writing, the contractual partner shall take all measures required to obtain the official license needed for the provision of the services. This includes in particular national and international export regulations. RUAG provides the contractual partner with appropriate support.
- 13.3 Where applicable for goods provided by the contractual partner, the contractual partner shall provide, no later than at the time of conclusion of the contract, the following information:
- the customs tariff numbers of the country of consignment, and the countries of origin of all goods;
 - the relevant national export control numbers for controlled goods or services;
 - 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.
- 13.4 Proofs of preferential origin as well as conformity declarations and marks of the country of consignment or destination must be submitted without being requested; non-preferential certificates of origin must be provided upon request.
- 13.5 RUAG shall have a right of revocation if the responsible German authorities do not issue the required export licence.

14 Emerging intellectual property rights

- 14.1 Intellectual property rights (copyrights, patent rights etc.) that are created during the performance of the contract, particularly in works, concepts, hardware and individual software including source code, program description in written or machine-readable form specially developed by RUAG are exclusively assigned to RUAG.
- 14.2 The contractual partner has a non-transferable and non-exclusive right to use the contract subject within the agreed purpose of the contract. In case of software this right includes the use on the hardware as agreed and their successor systems. For a modified operating system or higher performance class, the modification and extension of the right of use requires the approval of RUAG.
- 14.3 Both Parties are entitled to use and dispose of ideas, procedures and methods that are not protected by law, but are not required to disclose them.

15 Pre-existing intellectual property rights

- 15.1 Pre-existing intellectual property rights (copyright, patent rights etc.) remain with RUAG or third parties. Insofar as the contractual partner provides RUAG with intellectual property rights, they warrant that such provision does not infringe any intellectual property rights of third parties. RUAG is not under any obligation to perform a prior check.
- 15.2 The contractual partner obtains a non-exclusive and non-transferable right to use the pre-existing intellectual property rights for the intended purpose if so agreed in writing.

16 Infringement of intellectual property rights

RUAG shall contest at their own cost and risk any third party claims arising from infringement of intellectual property rights directly linked to RUAG's services under this contract. The contractual partner shall inform RUAG without undue delay in writing about claims of third parties due to an infringement of intellectual property rights. The contractual partner shall let RUAG conduct any ensuing litigation and take care of the measures and instructions for a settlement in court or out of court of the lawsuit. In case of litigation, the contractual partner shall consult RUAG without undue delay. If necessary, the contractual partner shall take initial damage-mitigating measures.

17 Confidentiality

17.1 Confidentiality obligations

- 17.1.1 The parties undertake, as mutual recipients of confidential information:
- a) to treat the confidential information as strictly confidential and not to use it any further,
 - b) to disclose the confidential information only to those representatives who have to rely on the knowledge of the information to fulfil the purpose, provided the recipient has ensured that their representatives will comply with this agreement as if they were themselves bound by it,
 - c) to secure the confidential information also by appropriate secrecy measures within the meaning of section 2 para. 1 (b) of the German Trade Secret Act [Geschäftsgeheimnisgesetz - GeschGehG] against unauthorised access by third parties and to comply with the legal and contractual provisions on data protection when processing the confidential information (in particular the General Data Protection Regulation (GDPR) and the Federal Data Protection Act [Bundesdatenschutzgesetz - BDSG] as amended). This also includes technical and organisational measures for data security adapted to the current state of the art (art. 32 GDPR) and the obligation of employees to comply with the data protection requirements of the GDPR and compliance with data protection.

17.1.2 Companies of the RUAG Group, in particular RUAG MRO Holding AG as well as their subsidiaries and enlisted specialists (lawyers, auditors, experts) are not deemed to be third parties for the purposes of clause 17.1.1 (c).

17.1.3 To the extent that the recipient is obliged to disclose some or all of the confidential information by virtue of applicable stipulations of court or administrative orders, they shall inform the owner thereof without undue delay in writing and make all reasonable efforts to limit the scope of the disclosure to a minimum and, where appropriate, provide the owner with any reasonable support that aims at a protection order against the disclosure of all or parts of said confidential information.

17.2 Confidential information

17.2.1 Confidential information for the purposes of this clause 17 refers to all information (in writing, in electronic format, oral, digitally/electronically embodied, or in any other form) that is disclosed directly or indirectly (e.g. through the possibility of remote access) by the respective owner to the recipient or a company affiliated with the recipient pursuant to section 15 et seq. of the German Stock Corporation Act [Aktiengesetz - AktG].

17.2.2 Confidential information means in particular:

- trade secrets, order data, products, drawings, instructions, manufacturing processes, know-how, inventions, business relationships, business strategies, business plans, financial planning, creditworthiness, data of the contractual partner, suppliers, data relating to marketing and sales, access data in particular for IT infrastructure, personnel matters and digitally embodied information;
- any documents and information belonging to the owner, which are the subject of technical and organisational measures to maintain confidentiality and are marked as confidential, or which must be deemed to be confidential in line with the type of information or the circumstances of transmission;
- information, which is, by its very nature, clearly identifiable, when due care is exercised, as sensitive to competition;
- information, which is to be treated as confidential in accordance with the surrounding or other circumstances.

Not deemed to be confidential is information,

- which was known or generally accessible to the public prior to notification or handover by the owner, or which becomes so at a later date without breach of any obligation of confidentiality;
- which was demonstrably known to the recipient before disclosure by the owner and without breach of a duty of confidentiality;
- which was obtained by the recipient themselves without use or reference to confidential information provided by the owner;
- which is handed over or made accessible to the recipient by an authorised third party without breach of a duty of confidentiality;
- which must be made available to authorities or courts based on mandatory legal provisions, or
- which has been expressly released in written form by one of the Parties for disclosure to third parties or for general publication.

17.2.3 If confidential information in accordance with clause 17.2 does not meet the requirements of a trade secret within the meaning of the GeschGehG, this information shall nevertheless be subject to the confidentiality obligations under clause 17.

17.3 Contractual penalty

If a party, one of their employees or any other person for whom this party is responsible in accordance with sections 31, 278 and 831 of the BGB violates the obligations arising from these GTC GER Sales, the parties agree on the payment of a no-fault contractual penalty by the recipient to the owner of the confidential information in an appropriate amount, with the owner being entitled to determine the amount at their reasonable discretion within the meaning of section 315 of the BGB; in the event of a dispute, the appropriateness of the contractual penalty may be reviewed by the competent court. The right to claim further damages remains reserved. The contractual penalty shall be offset against the damages to be paid.

17.4 Term

This confidentiality obligation applies before the conclusion and shall continue to apply for 5 years after the expiration of the contract.

18 References

Advertisements and publications of specific services related to the contract require the written permission of RUAG. Without the written permission of RUAG, the contractual partner may not use the current or previous collaboration between the parties in advertisement and may not cite RUAG as a reference. The same applies to the logo and trade mark rights of RUAG.

19 Data protection

19.1 Both parties will comply with the GDPR and require their employees, representatives, advisors, agents, contractors and other persons to comply with the GDPR and the GeschGehG.

19.2 Personal data shall only be processed in compliance with the GDPR and, in accordance with art. 6 para. 1 (b) GDPR, for the performance of the contracts concluded under clause 1.1. Data will only be transmitted to third parties outside of the European Union or European Economic Area if the special requirements of art. 44 et seq. GDPR are satisfied. Processing will only be performed on behalf of another controller in accordance with art. 28 GDPR.

19.3 If the data processing controller is not established in the European Union or European Economic Area, the GDPR will, under art. 3 para. 2 (a) GDPR, apply likewise when processing personal data of a data subject in the European Union or European Economic Area if the processing is related to the offer of goods or services within the European Union or European Economic Area.

20 Compliance

20.1 The parties must comply with applicable laws, especially competition and anti-trust laws, employment and youth protection laws, Regulation (EU) 2017/821 concerning conflict resources, human trafficking prohibitions, International Labour Organisation Conventions and regulations against forgery and concerning environmental protection and health (e.g. the REACH Regulation and RoHS Directive). The contractual partner must comply with the current code of conduct (retrievable at: www.ruag.ch) for business partners of RUAG which shall be provided if requested.

20.2 The parties agree not to accept financial or other gifts if the giver expects or will provide unreasonable benefits in return. The parties also agree to comply with the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions signed on 17 December 1997.

20.3 The parties must contractually require employees, subcontractors, sub-suppliers and other third parties involved in contract performance to comply with this provision.

20.4 If either of the parties violates the above compliance obligations, they must pay a penalty, unless they can prove not to have been at fault. This penalty will amount to 10% of the total fee per violation or, in case of recurring fees, 10% of the annual fee, though no more than EUR 50,000.00. This payment will not exempt the respective party from their contractual obligations, but shall be deducted from any damages. Consequences under criminal law remain reserved.

21 Assignment and pledge

21.1 The contractual relationship or resulting rights and duties can only be assigned or pledged subject to the prior written approval of the other party. Except for the above, RUAG may assign right and duties from the contract to another company from the RUAG Group at any time. Section 354a of the German Commercial Code [Handelsgesetzbuch - HGB] shall remain unaffected.

21.2 The claims arising to the contractual partner from the contractual relationship may be neither assigned nor pledged without the prior written consent of RUAG.

22 Right of retention

The contractual partner may only assert a right of retention to the extent that the claims are based on the contract at issue.

23 Offsetting

Offsetting is not permitted to the contractual partner.

24 Further provisions

24.1 Any amendments or supplements to the offer/contract shall only be valid if agreed to by the parties in writing. The same shall apply to the revocation of this written form requirement. If written form is required, any comparable signature services of trust service providers recognised by RUAG shall be deemed to suffice.

24.2 Should any provision of these GTC GER Sales be or become invalid or if the contract contains an inadmissible deadline or an unintended gap, the validity of the remaining provisions shall remain unaffected. The invalid provision shall be replaced by whichever valid provision that comes closest in commercial terms to the intended purpose of the parties. The same applies to any unintended gap in the agreement. In the event of an inadmissible deadline, the legally admissible duration shall apply.

25 Applicable law and place of jurisdiction

25.1 The contract and any resulting claims and rights are governed by the law of the Federal Republic of Germany, under exclusion of its conflict of law provisions and of the United Nations Convention on Contracts for the International Sale of Goods.

25.2 The competent courts for any disputes under or in relation to the contractual relationship are the courts of law of the registered office of RUAG.