

General Terms and Conditions for the Procurement of Goods and Services by RUAG, Inc. ("GTC-P USA")

1. Scope and validity

- 1.1 These GTC-P govern all contracts for the procurement of Goods and/or Services by RUAG, Inc ("RUAG").
- 1.2 These GTC-P are deemed accepted if the supplier of such Goods and/or Services ("Supplier") submits an offer to RUAG or confirms an order by RUAG. General terms and conditions of the Supplier are explicitly excluded.
- 1.3 These GTC-P, together with the purchase order ("Order") placed by RUAG for Supplier's Goods and/or Services constitute the contract ("Contract") between RUAG and the Supplier (collectively, the "Parties"). These GTC-P may only be modified in writing between the Parties.
- 1.4 The Contract contains the entire agreement between the Parties with respect to the procurement of Goods and Services and supersedes all prior agreements and understandings between the Parties for those Goods and Services.
- 1.5 Should any provision of the Contract be deemed invalid or unenforceable, such provision may be severed from the Contract and be replaced by a provision with as near as possible effect. The remaining terms of the Contract shall remain in full force and effect.

2. Offer and Order

- 2.1 The offer by the Supplier ("Offer") is free of charge to RUAG unless specifically provided otherwise in the request for proposal ("RFP").
- 2.2 The Offer is binding during the period mentioned in the RFP or in the Offer. If there is no respective information, Supplier shall be bound for four (4) months from the date of the Offer.
- 2.3 If the Offer deviates from the RFP, Supplier shall explicitly point this out to RUAG.
- 2.4 Orders by RUAG are binding only if they are placed in writing or subsequently confirmed in writing. Electronic orders and order confirmations are considered equivalent.

3. Delivery of Goods and performance of Services

- 3.1 Supplier shall deliver the Goods in the quantities and on the date(s) specified in the Order or as otherwise agreed in writing by the Parties ("Delivery Date"). If Supplier fails to deliver the Goods in full within thirty (30) days of the Delivery Date, RUAG may terminate the Contract immediately by providing written notice to the Supplier and purchase equivalent goods from another supplier. In such case, RUAG may recover any difference in cost and price from Supplier. RUAG has the right to return any Goods delivered prior to the Delivery Date at Supplier's expense and Supplier shall redeliver such Goods on the Delivery Date.
- 3.2 Supplier shall pack all Goods for shipment according to RUAG's instructions or, if there are no instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition. Supplier shall provide RUAG prior written notice if it requires RUAG to return any packaging material. Any return of such packaging material shall be at Supplier's risk of loss and expense.
- 3.3 Supplier shall provide the Services to RUAG as described and in accordance with the schedule set forth in the Contract and in accordance with the terms and conditions set forth in these GTC-P.
- 3.4 Supplier shall maintain complete records relating to the Services under the Contract, including records of the time spent and materials used by Supplier in such form as RUAG shall approve. During the term of the Contract and for a period of two (2) years thereafter, upon RUAG's written request, Supplier shall allow RUAG to inspect and make copies of relevant non-proprietary records in connection with the provision of the Services.
- 3.5 Supplier shall verify that all persons acting for or on behalf of the Supplier, are properly licensed, certified or accredited as required by applicable law and are suitably skilled, experienced and qualified to perform the Services.
- 3.6 Supplier shall ensure that all of its equipment used for the Services is in good working order and suitable for the purposes for which it is used, in compliance with all relevant standards and that it meets or exceeds the standards specified by RUAG.
- 3.7 Supplier acknowledges that time is of the essence with respect to Supplier's obligations hereunder and the timely delivery of the Goods and Services, including all per-

formance dates, timetables, project milestones and other requirements in the Contract.

4. Execution

- 4.1 Supplier shall inform RUAG regularly about the work progress and in particular shall obtain all required licenses and permits. Supplier shall inform RUAG immediately regarding any circumstances which may delay or jeopardize Supplier's performance, including any change of production sites, sub-contractors and sub-suppliers.
- 4.2 If Supplier must enter or access RUAG's premises to provide the Services, Supplier shall comply with RUAG's rules, regulations and policies, including security procedures concerning systems, data and remote access thereto; building security procedures, including areas or systems with restricted access for security reasons; and general health and safety practices and procedures.

5. Sub-contractors and Sub-suppliers

RUAG may direct Supplier to hire a specific sub-contractor (a "Required Sub-Contractor"). In such case, Supplier shall be relieved of liability for any inadequate performance by such Required Sub-contractor, if Supplier can reasonably demonstrate that it properly supervised and oversaw the Required Sub-contractor.

6. Compensation

- 6.1 The price of the Goods and Services is the price stated in the Order ("Price"). If no Price is included in the Order, the Price shall be the price set out in Supplier's published price list in force as of the date of the Order.
- 6.2 The Compensation paid to Supplier is intended to fully compensate Supplier for its complete performance as required by the Contract. Unless otherwise specified in the Order, the Price includes all packaging applicable taxes (excluding any federal, state, local, or foreign sales taxes, use taxes, excise taxes, value added taxes (VAT), goods and services taxes (GST) or equivalent type charges levied upon, or measured by, the sale, the sale price, or use of Goods purchased hereunder), documentation costs, costs for any potential initial instruction, its expenses (particularly for travel and accommodation), any license fees or permits (excluding fees associated with any export license, which shall be RUAG's responsibility), and any costs for equipment, gauges or tools which must be specially manufactured. With respect to accepted Orders, no increase in the Price is effective, whether due to increased material, labor or transportation costs or otherwise, without the prior written consent of RUAG.
- 6.3 Supplier agrees to perform the Services at fixed prices or on a time and material basis, as the case may be, with a maximum limit of the compensation (cost ceiling). In its Offer, Supplier shall disclose the cost types, quantity structures and cost rates.

7. Terms of payment

- 7.1 Unless otherwise agreed between the Parties, all payments are due net 30 days from RUAG's acceptance of the Goods or Services. Supplier shall issue an invoice to RUAG on or any time after delivery, pursuant to these GTC-P.
- 7.2 Upon approved credit, RUAG shall pay all properly invoiced amounts due to the Supplier within thirty (30) calendar days after RUAG's receipt of such invoice, except for any amounts disputed by RUAG in good faith.
- 7.3 RUAG reserves the right to return incorrect or unverifiable invoices for correction. The 30-day period for payment begins to run upon RUAG's receipt of the corrected invoice.
- 7.4 If partial payments (down payments and installments) are agreed upon, RUAG may request a performance guaranty from Supplier, at Supplier's expense.

8. Change Orders

- 8.1 Supplier shall immediately inform RUAG regarding any technical or economic reasons which may necessitate the modification of the relevant specifications for the Goods or Services.
- 8.2 RUAG may at any time, by written instructions or drawings issued to Supplier, order changes to the Goods or Services (each a "Change Order"). Supplier shall, within twenty (20) calendar days of receipt of a Change Order, submit to RUAG a firm cost proposal for the Change Order. If RUAG accepts such cost proposal, Supplier shall proceed with the changed services subject to the cost proposal and the terms and conditions of the Contract. Supplier acknowledges that a Change Order may or may not entitle Supplier to an adjustment in Supplier's compensation or the performance deadlines under the Contract.

- 8.3 Supplier shall not deny the approval of a Change Order by RUAG if the change is objectively possible and the overall character of the performance is preserved.
- 8.4 Prior to carrying out any Change Order, RUAG and Supplier shall agree on any adjustments to compensation, deadlines or other provisions of the Contract in a written amendment to the Contract. Any adjustment in the Compensation shall be calculated based on the original cost basis of the Contract.
- 8.5 Absent agreement otherwise, Supplier shall continue its work as planned during the examination of the proposed changes.

9. Ownership of Material Furnished by RUAG

- 9.1 Materials, samples, drawings, utilities such as test equipment, gauges and tools furnished by RUAG ("Furnished Material") to Supplier necessary for its performance hereunder remain the property of RUAG and (until a possible installation or use/consumption) shall be designated as such and separated by the Supplier.
- 9.2 Upon receipt, Furnished Material shall be thoroughly inspected by the Supplier. It shall be deemed free from defects unless RUAG is notified in writing within five (5) calendar days of any damages, defects and missing components.
- 9.3 As long as the Furnished Material is with the Supplier, Supplier shall inventory it, keep it in safe custody and maintain it at no additional cost to RUAG, and insure it at Supplier's own expense. At the request of RUAG, Supplier shall hand over a written proof of insurance and an updated inventory stating the condition of the Furnished Material. Supplier shall be deemed to be a bailee of the Furnished Materials at all times.
- 9.4 The Furnished Material may only be used as agreed. Unless otherwise foreseen, after termination of the Contract, Supplier shall promptly return all Furnished Material to RUAG free of charge and without being specifically requested.

10. Default

- 10.1 If the Parties have agreed upon an exact deadline for the delivery of Goods or performance of Services, the Supplier, if it fails to meet such deadline, shall be deemed to be in default as of such date; provided, however, that RUAG gives Supplier notice of default and the right to cure such default within thirty (30) days thereafter, unless the Parties otherwise agree to a longer cure period.
- 10.2 Without the written approval of RUAG, neither partial deliveries nor advance deliveries are permitted.

11. Right of Cancellation

- 11.1 RUAG is entitled to cancel an Order, in whole or in part, at any time. RUAG shall notify Supplier of such cancellation in writing as soon as reasonably possible.
- 11.2 In case of RUAG's cancellation of an Order, Supplier is only entitled to be paid for work demonstrably performed or accrued expenditure and a reasonable margin of profit thereon, unless such cancellation was due to Supplier's default, breach or non-performance.

12. Delivery Location and Shipping Terms

- 12.1 Supplier shall deliver all Goods to the address specified in the Order during RUAG's normal business hours or as otherwise instructed by RUAG.
- 12.2 Unless otherwise specified in the Order, delivery shall be EXW, Supplier's facility, Incoterms© 2010. Supplier shall give written notice of shipment to RUAG when the Goods are ready for transportation. Supplier shall provide RUAG all shipping documents, including the commercial invoice, packing list, air waybill/bill of lading and any other documents necessary to release the Goods to RUAG within five (5) business days after Supplier delivers the Goods to the carrier for transportation. The Order number must appear on all shipping documents, shipping labels, bills of lading, air waybills, invoices, correspondence and any other documents pertaining to the Order.

13. Inspection and Rejection of Non-conforming Goods

- 13.1 RUAG has the right to inspect the Goods within five (5) days of delivery; otherwise the Goods shall be deemed accepted. RUAG, at its sole option, may reject any portion of the Goods if it determines the Goods to be non-conforming or defective. If RUAG

rejects any portion of the Goods, RUAG has the right, effective upon written notice to the Supplier, to:

- a) Reserved.
- b) accept the Goods at a reasonably reduced price; or
- c) reject the Goods and require replacement of the rejected Goods.

13.2 If RUAG requires replacement of the Goods, Supplier shall, at its expense, promptly replace the non-conforming or defective Goods and pay for all related transportation charges for the return of the defective goods and the delivery of replacement Goods. If Supplier fails to timely deliver replacement Goods within the Good's lead time, RUAG may replace them by covering with goods from a third party, charge Supplier for the cost thereof, and terminate the Contract. Any inspection or other action by RUAG under this Section 13 shall not reduce or otherwise affect Supplier's obligations under the Contract, and RUAG shall have the right to conduct further inspections after Supplier has carried out its remedial actions.

13.3 In case of purchase or service contracts where Supplier has supplied and installed Goods, RUAG shall be allowed thirty (30) calendar days upon completion to inspect the Goods and Services. If RUAG discovers defects or non-conforming Goods or Services, RUAG may elect to:

- a) Reserved.
- b) Accept the Goods or Services at a reasonably reduced price (to be mutually agreed upon by the Parties); or
- c) Reject the Goods or Services and require replacement of the rejected Goods or require Supplier to repeat its performance of the Services.

13.4 RUAG shall immediately notify Supplier of non-conforming Goods or Services.

14. Warranty

14.1 Supplier warrants to RUAG that all Goods will:

- a) be free from any defects in workmanship, and material for a period of twelve (12) months from the Delivery Date, or for such longer period as Supplier may offer;
- b) conform to applicable specifications, drawings, designs, samples and other requirements specified by RUAG;
- c) reserved;
- d) be merchantable;
- e) be free and clear of all liens, security interests or other encumbrances; and
- f) not infringe or misappropriate any third party's patent, trademark, copyright or other intellectual property rights.

These warranties survive any delivery, inspection, acceptance or payment of or for the Goods by RUAG.

14.2 Supplier warrants to RUAG that it shall perform the Services using personnel of required skill, experience and qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and shall devote adequate resources to meet its obligations under the Contract.

14.3 The warranties set forth in this Section 14 are not exclusive and in addition to any other warranty provided by law or equity. Upon Supplier's receipt of the non-conforming Goods or Services from RUAG pursuant to this Section 14, Supplier shall, at its own cost and expense, promptly:

- a) replace or repair the defective or non-conforming Goods or reperform the non-conforming Services and pay for transportation charges for the return of the defective or non-conforming Goods to Supplier and the delivery of repaired or replacement Goods to RUAG, and, if applicable,
- b) repair or reperform the applicable Services.

15. General Indemnification

Supplier shall defend, indemnify and hold harmless RUAG and its subsidiaries, affiliates, successors or assigns and its respective directors, officers, shareholders and employees (collectively, "Indemnitees") against any and all loss, injury, death,

damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost or expense, including reasonable attorney and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with the Goods and Services purchased from Supplier or Supplier's negligence, willful misconduct or breach of these GTC-P. Supplier shall not enter into any settlement without RUAG's prior written consent, which shall not be unreasonably withheld.

16. Investment protection

16.1 Supplier warrants to RUAG for at least eight (8) years after expiry of the warranty period the compatibility of the Goods and Services with Supplier's developments. Supplier warrants to RUAG for at least ten (10) years from acceptance the supply of spare- and detachable parts. In addition Supplier enables RUAG to cover the all-time requirement. Deviating deadlines are to be specified in the Contract.

16.2 If Supplier (due to garnishment, impending bankruptcy, voluntary or involuntary proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditor) can no longer perform its services or directs them to be performed by third parties on the same conditions or offers an economically equivalent alter, RUAG shall be entitled to perform the Services itself or contract with third parties for performance thereof. In such case, RUAG is entitled, without further delay or request, to access the source code or other documents of the Supplier and use them, in- so-much required for the maintenance and support of the software and hardware.

16.3 To ensure Supplier's obligation to provide relevant documentation to RUAG related to warranty or software maintenance, RUAG may request at any time that Supplier's relevant business-critical documents be deposited with a third party, subject to RUAG's approval thereof, or if protected by technical measures, be deposited in a system designated by RUAG and kept up-to-date. This provision does not release Supplier from its obligation to otherwise perform the Services. The foregoing also applies to hardware.

16.4 Supplier agrees that if it continues to supply spare parts to RUAG after expiration of the warranty period; it shall offer such spare parts at either the original pricing offered to RUAG or in no event at price levels greater than the then current market price for such spare parts.

17. Licenses and export regulations

17.1 The sale, resale or other disposition of the Goods and any related technology or documentation may be subject to export control laws, regulations and orders of the United States of America and may be subject to the export and/or import control laws and regulations of other countries. The Supplier represents and warrants that it will comply with all applicable export control laws, including, without limitation, the requirements of the Arms Export Control Act (22 U.S.C. §§ 2751-2794), the International Traffic in Arms Regulation (22 C.F.R. § 120 et seq.) (the "ITAR"), the Export Administration Act (50 U.S.C. app. § 2401-2420), the Export Administration Regulations (15 C.F.R. §§ 730-774), the Office of Foreign Asset Control regulations (31 C.F.R. § 500 et seq.), and their successor and supplemental laws (collectively, "Export Laws") and any licenses issued under the Export Laws.

17.2 Insofar as the Supplier provides goods for the performance by RUAG, it shall remain informed at all times regarding national and international export regulations (e.g. ITAR) and notify RUAG immediately in writing, if the goods provided are subject to these provisions in whole or in part. Supplier shall comply with all applicable export regulations and disclose to RUAG on request all relevant information for this purpose. This obligation applies beyond the term of the contract.

17.3 Unless expressly otherwise agreed in writing, Supplier shall take all measures required to obtain the official license needed for the provision of the Services. In particular, they include national and international export regulations. RUAG shall give sufficient support to Supplier.

17.4 Where applicable for goods provided by the Supplier for the performance, Supplier 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 of 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.

17.5 The Supplier acknowledges that it shall not directly or indirectly export any Goods to any country to which such export is restricted or prohibited. The Supplier further acknowledges its responsibility to obtain, at RUAG's expense, any license to export, re-export or import and to disclose to RUAG on request all relevant information as may be required for the performance of the Contract.

17.6 Insofar as RUAG provides goods for the performance by the Supplier, RUAG shall be responsible for its compliance with national and international export control laws and regulations, and will notify the Supplier in writing if it is aware of any such controls to which the goods provided are subject, whether in whole or in part.

17.7 RUAG shall not be liable for any loss or damage arising from controls referred to in Section 17.1 of these GTC-P or any other restrictions imposed by other legislation on the resale or use of the Goods.

17.8 If the manufacture or use, sale of the Goods is forbidden or restricted by any competent government authority, any costs or expenses incurred by RUAG in connection with the Contract shall be paid by the Supplier.

18. Emerging intellectual property rights

18.1 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, which Supplier has developed for and at the expense of RUAG, shall be deemed to be "works for hire" and belong to RUAG, unless otherwise expressly agreed in the Contract.

18.2 Intellectual property rights (patents, software, trademarks, designs, copyrights, etc.) that are created during the performance of the Contract, but are not part of the subject-matter of Contract, belong to

- a) RUAG, if they were created by its employees;
- b) Supplier, if they were created by its employees or by sub-contractors enlisted by it;
- c) RUAG and the Supplier, if they were created jointly by employees of RUAG and the Supplier, or by third parties contracted by them. The Parties shall refrain from imposing or increasing any license fees and shall be entitled to transfer their rights to third parties or grant rights of use to third parties without the approval of the other Party.

18.3 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.

19. Pre-Existing intellectual property rights

19.1 The Supplier and any third party engaged by Supplier, shall retain any pre-existing intellectual property rights (Copyrights, patent rights etc.). Where third-party rights are involved, the Supplier warrants that it owns the relevant distribution rights and rights of use.

19.2 existing intellectual property rights, RUAG shall be given a temporary unlimited, non-exclusive, transferable right to the extent necessary for the use and sale of the Goods purchased hereunder.

19.3 In case of standard software, this right includes the use of the hardware and its successor systems as provided in the Contract. In case of modifications to the operating system or higher performance class, such modification and extension of the rights of use must be approved by the Supplier, which approval shall not be unreasonably withheld. The modifications and extensions of the rights of use are calculated according to the original cost rate.

19.4 For data backup and storage purposes RUAG shall be entitled to make copies of the standard software. In case of failure of the contractually specified hardware RUAG is entitled to use the standard software on replacement hardware without any additional compensation.

19.5 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.

20. Infringement of Intellectual Property Rights

20.1 Supplier shall defend 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 Supplier, it shall inform RUAG immediately in writing. If the third party raises direct claims against RUAG, and RUAG Supplier shall indemnify and hold RUAG harmless for any such claims. RUAG may elect to require Supplier to defend RUAG, at Supplier's expense, or RUAG may elect to direct its own defense, the costs of which Supplier shall be responsible for, including attorney's fees, court costs, judicial orders, damage awards or settlement amounts.

20.2 If due to third party claims of infringement of intellectual property rights it becomes impossible for RUAG to use the Goods and Services in whole or in part, Supplier shall either change its performances such that it does not infringe any third party rights and maintains its ability to perform the contractually-owed Goods and Services, or obtain at its own expense a license from the third party. If Supplier does not take action to carry out one of these possibilities in due course, RUAG shall be entitled to immediately terminate the Contract and return the respective Goods and Services to the Supplier for full refund by Supplier.

21. Confidentiality

21.1 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 Contract. The Parties shall ensure the confidential treatment of all information relating to the Contract by their personnel, agents and consultants. In case of doubt, all information shall be treated as confidential.

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

- a) was already known to the other party, before it was made accessible by the disclosing party;
- b) is or becomes generally known without the other party's disclosure;
- c) was disclosed to the other party by a third party without any transfer restriction;
- d) was developed by the other party itself without using or referring to the confidential information of the protected party; and/or
- e) must be disclosed by order or legally binding decision of a court, administrative or other authority. In this case the Party under the obligation to disclose shall inform the other Party immediately of the decision and consider protective measures the other Party may desire to implement.

21.3 This obligation of confidentiality shall exist prior to the conclusion of the Contract and remain valid for a period of three (3) years after termination of the Contract.

21.4 A Party may not disclose any confidential information to a third party without the prior written approval of the other Party. If approval is granted, the obligations of confidentiality are to be transferred to the receiving third party.

21.5 Notwithstanding Section 21.4 of these GTC-P, RUAG may disclose confidential information to affiliated companies of the RUAG, its subsidiaries, and contracted advisors (lawyers, auditors, experts etc.).

21.6 Advertising and publications about specific services in connection with the Contract require the written approval of the other Party. Without the written approval of RUAG, the Supplier shall not advertise the fact that a collaboration between the Parties exists or existed, and shall not give RUAG as a reference.

22. 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. The parties agree that they act as independent controllers in relation with such Personnel Data unless otherwise agreed 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).

23. Compliance

23.1 Supplier 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 provision against counterfeits or the protection of the environment and of health (e.g. guidelines such as REACH and RoHS). Supplier complies with the current code of conduct for business partners of RUAG, which he will be handed out upon request.

23.2 The Parties commit themselves not to directly or indirectly make any payment, gift or other commitment to any person in a manner contrary to applicable law, or accept financial or other favors, if in return the giving party expects an unjustified advantage or is rewarded. The Parties also commit themselves to comply with the U.S. Foreign Corrupt Practices Act and 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.

23.3 The Parties shall require their personnel, sub-contractors, suppliers and other third parties contracted for the fulfillment of the Contract to comply with this Section 23.

24. Termination

In addition to any remedies available under these GTC-P, RUAG may terminate the Contract with immediate effect upon written notice to the Supplier, either before or after the acceptance of the Goods or the Supplier's delivery of the Services, if Supplier has not performed or complied with any of the provisions of the Contract, in whole or in part; provided, however, that RUAG gives Supplier notice of default and the right to cure such default within thirty (30) days thereafter, unless the Parties otherwise agree to a longer cure period. If the Supplier becomes insolvent, files a petition for bankruptcy or is the subject of proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors, then RUAG may terminate the Contract upon written notice to the Supplier. If RUAG terminates the Contract for any reason, Supplier's sole and exclusive remedy is payment for the Goods received and accepted and Services accepted by RUAG prior to the termination.

25. Limitation of Liability

Nothing in the Contract shall exclude or limit:

- a) Supplier's liability under Sections 14 (Warranty), 15 (General Indemnification), 20 (Infringement of Intellectual Property Rights), 21 (Confidentiality) and 23 (Compliance) hereof;
- b) Supplier's liability for fraud, personal injury or death caused by its negligence or willful misconduct; or
- c) Supplier's liability for consequential, indirect or special damages arising from the foregoing.

26. Assignment

26.1 The Contract and the Parties' rights and duties arising therefrom shall not be assignable without the express prior written approval of both Parties to the Contract, which approval shall not be unreasonably withheld.

26.2 Notwithstanding Section 26.1 hereunder, RUAG shall be entitled to assign rights and obligations from the Contract to another company of the RUAG Group at any time.

26.3 Supplier shall not assign any claims arising from this Contract without the express prior written approval of RUAG.

27. Verification

27.1 After written advance notification of at least fifteen (15) calendar days by RUAG and during normal working hours at Supplier's place of business, Supplier shall make available for RUAG or for an auditing company commissioned by RUAG, all documents needed to verify Supplier's compliance with the provisions of the Contract, particularly of the development and production of the Goods.

27.2 All costs and expenses in connection with the audit shall be borne by RUAG. If an audit shows that Supplier has failed to comply with any provisions of the Contract, Supplier shall bear all costs and expenses of the audit, in addition to any other penalties which RUAG may otherwise impose.

27.3 To perform inspections and audits, authorized representatives of RUAG, after due identification, shall have free access to all premises in which the Goods are

manufactured, tested or stored. This also applies to representatives and quality inspectors of RUAG's customers or official quality inspectors commissioned by them.

27.4 Upon request any desired information shall be given by the Supplier to such personnel and the requested documents shall be presented.

28. Waiver

No waiver by RUAG of any of the provisions of the Contract is effective unless explicitly set forth in writing and signed by RUAG. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from the Contract operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege thereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

29. Applicable law and jurisdiction

29.1 All matters arising out of or relating to the Contract are governed by and construed in accordance with the internal laws of the State of Connecticut without giving effect to any choice or conflict of law provision or rule (whether of the State of Connecticut or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Connecticut.

29.2 Any legal suit, action or proceeding arising out of or relating to the Contract shall be instituted in the competent courts of Hartford County, Connecticut, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.