

General Conditions of Purchase

1. Applicability

1.1. Saab Bofors Dynamics Switzerland Ltd. is a Swiss company subject to Swiss Law, domiciled in Thun. The majority of the shares are owned by the Swedish Saab Bofors Dynamics AB which is a part of the Saab Group domiciled in Stockholm.

1.2. The present General Conditions of Purchase apply to all our purchases unless something to the contrary has been agreed upon expressly and in writing.

2. Quotation

2.1. The quotation free of charge must be valid for minimum 60 days from the date of receipt by Saab Bofors Dynamics Switzerland Ltd..

2.2. Under the price information it must be stated expressly whether a deduction (discount, special rebate, quantity bonus) is granted or the prices are strictly net. The costs of jigs, gauges, tools, etc. which need to be manufactured especially must be shown separately in the quotation.

3. Prices

The prices are deemed to be fixed and must be defined in accordance with Incoterms 2010. For materials: exclusive of packaging costs as well as possible rental, usage and exchange fees for transport devices. Inland supplies exclusive of VAT, supplies from outside Switzerland without foreign VAT, but including all other foreign fees and levies.

4. Samples, drawings, gauges, tools

4.1. The samples, drawings, operating equipment such as inspection and testing devices, gauges and tools made available by Saab Bofors Dynamics Switzerland Ltd. remain the property of Saab Bofors Dynamics Switzerland Ltd. and may only be used to establish the quotation and to fulfil the order. As a rule they shall be returned to Saab Bofors Dynamics Switzerland Ltd. upon completion of the order. To the extent that they remain with the supplier, the operating equipment shall be taken up in an inventory and stored as well as maintained in an appropriate manner.

5. Maintaining confidentiality / secrecy

5.1. All information, data, drawings and documents of any kind which are neither public domain nor generally accessible shall be treated by the contractual parties as confidential. Confidentiality shall already be observed before conclusion of the order commences and shall remain intact also after termination of the contractual relationship. Explanation duties specified by the law remain reserved. The said information, data, drawings and documents may not be used for any own or external purposes after expiry of the agreement, either.

5.2. If the supplier intends to advertise or publish anything in the context of this contractual relationship, the prior written consent of Saab Bofors Dynamics Switzerland Ltd. is required for this.

5.3. A separate confidentiality agreement shall be entered into in particular cases.

6. Order

6.1. Orders shall only be binding if they have been placed or confirmed in writing, by fax, e-mail or internet. Agreements made verbally or by telephone shall be confirmed in writing. This applies also to all amendments, supplements, specifications, etc.

6.2. All orders shall be confirmed by means of an acknowledgment of order. Order acknowledgments serve to avoid misunderstandings, to detect and notify deviations. Deviations from the order represent a new quotation. Silence.

shall mean consent to the deviation, except in cases where clear technical nonconformities are concerned.

7. Materials supplied by the ordering party

The materials delivered without charge by Saab Bofors Dynamics Switzerland Ltd. to the supplier for the execution of the order remain (until their installation or consumption) the property of Saab Bofors Dynamics Switzerland Ltd. and shall be identified as such and kept separately to the extent necessary. The supplier shall subject these materials to an inspection upon receipt. Any damages shall be reported to Saab Bofors Dynamics Switzerland Ltd. immediately in writing.

8. Right of cancellation / withdrawal by the ordering party

8.1. Saab Bofors Dynamics Switzerland Ltd. shall be entitled to completely or partly withdraw from the order at any time. Such a withdrawal shall be brought to the supplier's notice in writing.

8.2. In such a case the supplier shall be entitled to a reimbursement for work carried out or expenses incurred, including a reasonable profit margin, provided that such a withdrawal is not due to non- or inadequate performance on the part of the supplier.

8.3. The supplier shall completely explain and document the withdrawal costs to be borne by Saab Bofors Dynamics Switzerland Ltd. The payments to be made shall not exceed the amount to which the supplier would have been entitled in case of fulfilment of the entire order.

8.4. No claim shall exist for loss of profits on that part of the order which is not to be executed any more.

8.5. Saab Bofors Dynamics Switzerland Ltd. shall only be liable to meet claims as per item 8.2 above to the extent to which the supplier transfers title to Saab Bofors Dynamics Switzerland Ltd. in the commenced work free of any rights or claims of thirds.

8.6. If supplies are not in conformity with the order or if delivery times are not adhered to, Saab Bofors Dynamics Switzerland Ltd. shall be entitled, after granting an additional period of time, to completely or partly withdraw from the order. Saab Bofors Dynamics Switzerland Ltd. shall also be entitled, in the place of a withdrawal, to demand replacement supplies or subsequent correction from the supplier. Transport costs for return consignments or replacement supplies shall be borne by the supplier. Claims for damages remain reserved.

8.7. Government measures in the export, transit or import countries such as import prohibitions, embargoes, increases of customs duties or any export, transit or import restrictions shall also entitle Saab Bofors Dynamics Switzerland Ltd. to withdraw from the agreement.

9. Despatch instructions

9.1. The despatch instructions shall be given by Saab Bofors Dynamics Switzerland Ltd. Every consignment shall contain a delivery docket stating the corresponding order number, the article number, the article designation, the delivered quantity and the weight. If the goods are not sent to Saab Bofors Dynamics Switzerland Ltd. directly, a separate copy of the delivery docket shall be sent to Saab Bofors Dynamics Switzerland Ltd. Apart from this the supplier shall issue all necessary despatch / transport documents.

9.2. Unless freight prepaid was agreed upon, the freight costs shall be shown and invoiced separately in each case.

9.3. Consignments sent by courier service at the charge of Saab Bofors Dynamics Switzerland Ltd. are only permitted subject to prior agreement.

9.4. No transport insurance coverage at the charge of Saab Bofors Dynamics Switzerland Ltd. shall be arranged without the prior written agreement of Saab Bofors Dynamics Switzerland Ltd.

10. Hazardous goods / protection of the environment

10.1. Saab Bofors Dynamics Switzerland Ltd. shall be provided with current safety data sheets including the UN identification number for all hazardous goods to be delivered.

10.2. The supplier shall ensure that its goods are in conformity with all safety and environmental regulations which apply at the point in time of sale. Saab Bofors Dynamics Switzerland Ltd. shall be entitled at any time to demand corresponding documents and proofs without charge.

10.3. This provision applies also to work performances (e.g. installations on the spot) by the supplier or by thirds acting on his instructions.

10.4. The applicable packaging and transport regulations must be complied with strictly. The supplier is liable if applicable regulations are violated and shall hold Saab Bofors Dynamics Switzerland Ltd. harmless of all claims of thirds, authorities included.

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11. Delivery times

11.1. The delivery dates determined by Saab Bofors Dynamics Switzerland Ltd. are binding, also for partdeliveries. They shall be deemed to be complied with if the goods have arrived at Saab Bofors Dynamics Switzerland Ltd. by the specified date(s) and can subsequently be formally accepted.

11.2. If delivery is effected earlier than agreed upon, Saab Bofors Dynamics Switzerland Ltd. reserves the right to pay the corresponding invoice only by the date which would have applied according to the originally agreed delivery date, and to invoice any arising costs of storage.

11.3. If goods are delivered after the agreed fixed date without an additional period of time having been granted, Saab Bofors Dynamics Switzerland Ltd. shall be entitled, but not obliged, to accept them. In both cases Saab Bofors Dynamics Switzerland Ltd. shall be entitled to impose on the supplier a penalty of 3% per week, however, in the maximum 15% of the value of the goods subject to the delay, apart from claiming further damages.

11.4. If delayed despatch of the goods calls for accelerated transport (express deliveries, courier services), the additional freight costs shall be borne by the supplier. Extra costs for express deliveries not requested by Saab Bofors Dynamics Switzerland Ltd. shall also be borne by the supplier.

12. Place of fulfilment and transfer of risk

12.1. Place of fulfilment for every consignment is the location stated in the order, where the goods are accepted by Saab Bofors Dynamics Switzerland Ltd. or its agent.

12.2. Until reception by Saab Bofors Dynamics Switzerland Ltd. the goods are under way at the supplier's cost and risk. Unless agreed otherwise, it is the supplier's responsibility to arrange for the necessary insurance coverage at his costs. The costs of any damages due to inadequate or inappropriate packaging, or higher costs of freight and inconveniences due to incorrect or insufficient addressing shall be borne by the supplier.

13. Inspection and acceptance

13.1. The supplier shall supply Saab Bofors Dynamics Switzerland Ltd with inspected and tested materials exclusively, in conformity with the order. Inspecting and testing of the goods can be effected by Saab Bofors Dynamics Switzerland Ltd. on the basis of supplied certificates or by a corresponding inspection on reception of the goods. Suppliers certified according to ISO 9000ff shall, without being requested to do so, submit the corresponding certificates and confirmations or those specifically demanded by Saab Bofors Dynamics Switzerland Ltd. with each delivery. The costs of these documents are included in the agreed price. The delivery is deemed to be accepted after approval of the delivered and inspected materials.

13.2. If the supplier is sent an inspection and test report with complaints this shall be deemed to be a notification of defects.

After correctly establishing their identity and for the purpose of carrying out inspections and audits, the authorized agents of Saab Bofors Dynamics Switzerland Ltd. shall have free access to all rooms in which the subjectmatter of the order is produced, inspected and tested or stored. This personnel shall on request be provided with all desired information and the requested documents shall be submitted in respect of the subjectmatter of the order.

13.3. This shall equally apply to agents / quality inspectors of our customers and official quality inspectors appointed by our customers (in accordance with standard AQAP 2110).

14. Damages

The supplier shall be liable for damages in consequence of non- or inadequate fulfilment on the part of Saab Bofors Dynamics Switzerland Ltd. This also in case Saab Bofors Dynamics Switzerland Ltd. cancels the order.

15. Invoicing

The invoice shall bear the order number and the reference information and shall be sent to the address of Saab Bofors Dynamics Switzerland Ltd.

16. Payment

16.1. Unless agreed otherwise, payment shall be due 30 days from receipt of a correctly issued invoice. At the earliest, however, 30 days after the goods / services have been delivered / provided free of nonconformities to the agreed delivery / performance address.

16.2. In case of delayed delivery / performance, Saab Bofors Dynamics Switzerland Ltd. reserves the right to extend the agreed payment date by the duration of the arisen delay.

16.3. In case of advance payment the supplier shall on request provide reasonable security (in the form of e.g. a bank guarantee).

17. Assignment and pledging

Without the prior written approval of Saab Bofors Dynamics Switzerland Ltd. the claims arising to the supplier from the order shall be neither assigned nor pledged.

18. Warranty

18.1. The supplier as a specialist warrants that the material displays the promised properties and that it doesn't suffer from any bodily or legal deficiencies which impair its suitability for the intended use.

18.2. The material warranty extends as a rule for a period of 12 months from acceptance of the material. Saab Bofors Dynamics Switzerland Ltd. shall report any detected deficiencies within 30 days from detection in writing.

18.3. For deficiencies detected during the warranty period and reported within 30 days of its expiry the supplier is also liable after expiry of the material warranty.

19. Product liability

The supplier expressly and entirely relieves Saab Bofors Dynamics Switzerland Ltd. of any claims of thirds and shall reimburse Saab Bofors Dynamics Switzerland Ltd. for any and all damages suffered by Saab Bofors Dynamics Switzerland Ltd. or lodged against Saab Bofors Dynamics Switzerland Ltd. as a result of its product liability in the context of its supplies.

20. Supplementary clause

Should one or several provisions of the present General Conditions of Purchase be or become invalid, the remaining provisions shall remain unaffected and the invalid provision shall be replaced by an analogically valid provision.

21. Applicable law / place of jurisdiction

21.1. Swiss Law shall apply subsidiary to the General Conditions of Purchase. The Sales Law of Vienna is expressly excluded.

21.2. Place of jurisdiction is the current domicile of Saab Bofors Dynamics Switzerland Ltd. at the time. At present the domicile is in Thun.

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