

## General conditions of business governing the sale of military goods by RUAG Switzerland Ltd ("GCBs governing military goods")

### 1. Scope of application and validity

- 1.1 The General conditions of business governing the sale of military goods by RUAG ("GCBs governing military goods") regulate the conclusion, content and settlement of sales of goods from the inventories of the Swiss Armed Forces by RUAG Switzerland Ltd.
- 1.2 These GCBs are deemed to have been accepted when a contractual partner places an order online (ArmyLiqOnlineShop), makes a purchase in a shop (ArmyLiqShop or ArmyTechShop) or participates in an auction.

### 2. Quality and condition of military goods

- 2.1 The military goods offered for sale may be in used condition, have been in storage for a substantial period of time, be technically outdated or no longer comply with current safety standards.
- 2.2 The military goods may not comply with civil construction and equipment standards; this also applies with respect to vehicles. Any legally required changes, upgrades, maintenance or repairs necessary to meet the civil requirements for operation and use are the sole responsibility of the contractual partner.
- 2.3 Every vehicle is accompanied by a condition report that includes information about its roadworthiness. The contractual partner is responsible for obtaining any vehicle documentation that is missing.
- 2.4 It is not possible to conduct test drives.

### 3. Sale offerings and orders

- 3.1 RUAG Switzerland Ltd offers the military goods for sale through various channels. These goods include vehicles, equipment, clothing, technical devices etc.
- 3.2 Sales and orders are only effected once RUAG Switzerland Ltd has confirmed them in writing to the contractual partner, which may be done by e-mail or through other means. Upon confirmation, the sale or order is binding.

### 4. Auctions

- 4.1 Auctions are conducted publicly or online.
- 4.2 Auction lots are sold to the highest bidder.
- 4.3 In public auctions, every new bid must exceed the previous bid by the following amount:
  - CHF 50.00, where the anticipated sale price is < CHF 1,000.00
  - CHF 100.00, where the anticipated sale price is > CHF 1,000.00
- 4.4 The sale becomes binding when the auction lot is knocked down.
- 4.5 If the winning bidder in an online auction fails to meet the payment obligations on time, the sale contract becomes null and void with immediate effect. In this case, the lot is awarded to the next highest bidder.

### 5. Sale price and other charges

- 5.1 The sale price includes the applicable value-added tax (VAT).
- 5.2 If military goods are to be packed and shipped, RUAG Switzerland Ltd will bill the related costs separately. The contractual partner is responsible for disposing of the packaging materials; they may not be returned to RUAG Switzerland Ltd.

### 6. Payment terms

- 6.1 As a rule, the contractual partner shall pay the sale price and applicable charges in cash.
- 6.2 In the case of public auctions, the contractual partner may apply to have the cash payment rule waived. The waiver application must be submitted in writing to the head of liquidation at RUAG Switzerland Ltd at least 14 calendar days in advance of the auction date.

- 6.3 Invoices for online orders and online auctions are sent to the contractual partner by e-mail and are due for payment within ten calendar days of receipt. The amount stated in the invoice shall be payable strictly net to RUAG Switzerland Ltd; any fees, charges, deductions etc. for the payment transfer shall be borne exclusively by the contractual partner.

### 7. Delivery

- 7.1 The military goods purchased are delivered immediately upon direct payment (in cash) or upon presentation of proof of payment.
- 7.2 Goods won at public auction are, as a rule, to be collected and removed immediately after the auction. Exceptions to this rule may be made by the auction's head of sales, with whose consent collection and removal may be postponed for up to 20 calendar days.

### 8. Benefits and risk

- 8.1 The benefits and risks associated with the auctioned item shall pass to the contractual partner upon conclusion of the sale.

### 9. Warranty

- 9.1 RUAG Switzerland Ltd grants no warranty on the military goods sold.
- 9.2 Purchases of military goods may neither be returned nor exchanged.

### 10. Liability

The liability of RUAG Switzerland Ltd shall be limited exclusively to grossly negligent or deliberate contract violations.

### 11. Licences and export restrictions

The items offered for sale are from the inventories of the Swiss Armed Forces and in some cases may be subject to export control regulations. In Switzerland, the State Secretariat for Economic Affairs (SECO) is responsible for export controls and is the authorising body.

If a contractual partner who has purchased military goods that are subject to export controls intends to export the goods, RUAG Switzerland Ltd will work with the contractual partner to settle the export formalities, insofar as the goods are exported within two months of their purchase. RUAG Switzerland Ltd assumes no responsibility in the event an export licence should be denied or revoked.

If a contractual partner who purchases military goods that are subject to export controls exports the goods more than two months after the sale, the contractual partner shall be solely responsible for obtaining the required export licences.

The contractual partner undertakes to comply with all applicable export regulations and shall disclose all relevant information to RUAG Switzerland Ltd upon request. This obligation applies both before and after the sale is completed.

### 12. Data protection

- 12.1 The parties to the contract shall ensure adequate data protection commensurate with the protection provided under Swiss law. In particular, the parties shall take precautionary measures that are economically, technically and organisationally feasible to ensure that data related to the execution of the contract are protected against disclosure to unauthorised third parties.
- 12.2 Personal data shall be processed for the sole purpose of completing the sale and only insofar as necessary. To this extent and for this purpose, personal data may also be passed on to other companies in the RUAG Group in Switzerland or abroad, insofar as legally permissible.

### 13. Compliance

- 13.1 The parties to the contract pledge to refrain from accepting favours or incentives of a financial nature or otherwise if the giver expects to receive an unfair advantage or to be rewarded in return. Furthermore, the parties undertake to observe the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of 17 De-

ember 1997 and apply its provisions likewise to private commercial business transactions.

13.2 The parties shall require their employees and other third parties involved for the purpose of fulfilling the contract to comply with this article.

**13.3 In the event one of the parties violates these compliance duties, the party in question shall owe a contractual penalty unless that party can prove they were not at fault. For each instance of violation, the contractual penalty shall be 10% of the overall remuneration, not exceeding a total of CHF 50,000. Payment of the contractual penalty shall not release the party from their contractual obligations.**

#### **14. Assignment, transfer and pledge**

14.1 The contractual relationship and the rights and obligations ensuing from it may not be transferred or assigned without the prior written consent of the other party. Notwithstanding the above, RUAG Switzerland Ltd may at any time assign rights and obligations from the sale to another company of the RUAG Group.

14.2 Claims of the contractual partner arising from the contractual relationship may not be assigned, transferred or pledged without the prior written consent of RUAG Switzerland Ltd.

#### **15. Offsetting**

The contractual partner shall have no right of offset.

#### **16. Applicable law and jurisdiction**

16.1 In all other respects, substantive **Swiss law** shall apply, with the exclusion of its rules on conflicts of law (in particular, the Swiss Federal Act on Private International Law of 18 December 1987). The provisions of the Vienna Convention are expressly excluded.

16.2 All disputes arising from the contractual relationship shall be subject to the **exclusive jurisdiction of the ordinary courts in Emmen, Switzerland.**