

Leica Geosystems (LGS)

General Terms and Conditions of Purchase (GTCP)

1 Exclusive application

- 1.1 All Orders and purchases of LGS are expressly subject to the General Terms and Conditions of Purchase ("GTCP") set forth below. LGS does not accept any contradictory or additional terms and conditions, even if not explicitly referred to by LGS in future Supply Contracts and/or if Supplier uses different terms and conditions. Any such other terms and conditions of the Supplier shall not apply, unless expressly accepted by us in writing. These GTCP cannot be altered, modified, or amended by subsequent Order Confirmations or otherwise by terms and conditions received from the Supplier without the express written consent of LGS. Such other terms and conditions of business or terms and conditions of sale shall apply only if LGS expressly acknowledges them in writing.
- 1.2 The acceptance, without reservation, of deliveries and services or payment thereof shall not imply acceptance of the Supplier's general terms and conditions of business.
- 1.3 The delivery scope, specifications, objectives, delivery dates and prices shall be set out in separate Orders. Individual Supply Contracts shall be concluded through acceptance of such Orders. These GTCP shall form an integral part of such Supply Contracts.

2 Contract conclusion/contract amendment

- 2.1 Orders as well as any changes or additions thereto must be made in writing unless expressly agreed otherwise.
- 2.2 Verbal agreements of any kind, including subsequent changes and additions to our GTCPs, must be made in writing in order to have effect. Orders up to CHF 25,000 arising from an ongoing business relationship shall also be treated as binding without a signature. Orders, changes and additions made verbally or by telephone shall become binding only once confirmed in writing.
- 2.3 "In writing" shall also mean by email or fax.
- 2.4 Cost estimates and other offers made by the Supplier shall be binding and will not be reimbursed unless expressly agreed otherwise.
- 2.5 The Supplier shall confirm each Order in writing within 5 working days. Should no Order Confirmation be received by the deadline or at all, the Order shall be deemed to have been accepted and shall be binding. LGS also reserves the right to withdraw from the Order.
- 2.6 Should insolvency proceedings be instituted against the Supplier or should LGS become aware of circumstances leading to serious doubts concerning the solvency or credit worthiness of the Supplier or the Supplier's ability to perform, LGS may, without prejudice to any other rights or remedies, cancel all existing Supply Contracts with the Supplier of whatever kind, wholly or in part, or LGS may in its sole discretion defer performance under such Supply Contracts or make any payments subject to the Supplier's prior delivery or to the Supplier's provision of suitable collateral or else declare due with immediate effect, any receivables resulting from the existing business relationship.

3 Delivery

- 3.1 Deviations from our Orders shall be permitted only following our prior written consent.
- 3.2 Agreed dates and times for the deliveries and services shall be binding and shall be deemed to be fixed deals as time is of the essence. A delivery time or delivery date shall be deemed to have been met only once the goods have been received by LGS. Delays are automatically considered a default without the need for a reminder. If delays are expected or have occurred, the Supplier must immediately inform LGS in writing.
- 3.3 If the Supplier also does not deliver the goods or provide the services within a grace period set by LGS, LGS shall be entitled, without warning, to refuse acceptance and to withdraw from the Supply Contract or to claim damages for non-performance. LGS shall also be entitled to withdraw from the Supply Contract even if

the Supplier was not responsible for the delay. Any costs incurred by LGS as a result of the default, in particular for covering a purchase, shall be for the Supplier's account.

- 3.4 LGS shall also be entitled to demand compensation for the delay for every week commencing after the agreed delivery date, unless LGS is responsible for the delay. LGS shall be entitled to charge the Supplier a penalty for delivery delays which shall be calculated at 1% of the net purchasing price, with the maximum being set at no more than 10% of the net purchasing price. If the supplier is late in delivering a partial delivery, the compensation for the delay shall be calculated on the price of the entire product or service to be provided by the Supplier and the use of which is negatively affected by the delay in delivering the partial delivery. LGS reserves its right to claim for further damages or remedies. Payment of the penalty for the delay does not relieve the Supplier from their obligation to fulfill the delivery according to the terms of the Supply Contract.
- 3.5 The unconditional acceptance of a late delivery or service does not constitute a waiver of LGS' right to claim for damages or compensation due to the delayed delivery or service compensation.
- 3.6 Partial deliveries shall not be permitted in principle unless LGS has agreed thereto in writing.
- 3.7 LGS shall be entitled, to the extent permitted by law, to use software, which is part of the product scope of delivery, including its documentation. LGS may also make a back-up copy without express agreement.
- 3.8 The scope of delivery shall include everything that is required for the product to function flawlessly and be ready for operations, irrespective of whether that was mentioned or described in the Order specifications.
- 3.9 The Supplier must ensure that the current specifications listed in the Order are in its possession and that the goods delivered to LGS comply fully with such specifications.
- 3.10 Halts in production due to unavoidable events (force majeure) shall entitle LGS to withdraw from Orders and Supply Contracts. Otherwise the delivery and payment deadlines shall be extended in line with the duration of the delay in the case of all obstacles to the acceptance of deliveries where no blame can be apportioned.

4 Prices and delivery conditions

- 4.1 The prices listed in the Order are fixed prices. They shall include all expenses in connection with the delivery or service to be provided by the Supplier and shall be understood to be in the currency stated in the Order, DDP (Incoterms 2010) place of execution, unless the parties have expressly agreed otherwise.
- 4.2 The Supplier shall pay for any transport damages due to inadequate packaging.
- 4.3 Each consignment must be given a delivery note containing all information specific to the order. Partial shipments and shipments of outstanding goods must be described as such in all dispatch documents and invoices.
- 4.4 The Supplier shall enclose the necessary documentation with its deliveries at its own cost (e.g. EU declaration of conformity (so-called CE mark) or the EU manufacturer's declaration) provided that it is required by law. Any Supplier domiciled in a country which has preferential tariff arrangements with Switzerland undertakes to provide the declaration of origin in line with the corresponding free trade agreement and based on LGS's current guidelines for each delivery.
- 4.5 The Supplier shall bear the risk with regard to the goods up until acceptance of the goods by LGS or its authorized representative at the place where the goods are to be delivered as stipulated in the order.
- 4.6 Ownership of the delivered goods shall be transferred to LGS following delivery. Any simple, prolonged or extended retention of title shall be ruled out.

5 Invoicing and payment conditions

- 5.1 Order numbers, precise item descriptions and LGS item numbers must appear in all correspondence, confirmations, delivery notes and invoices, etc.
- 5.2 A separate invoice is to be issued for each order and each delivery.
- 5.3 Unless agreed otherwise, payment shall be made within 60 days of receipt of the invoice, provided that the delivery and invoice are free from any defects and errors.

6 Industrial property rights

- 6.1 The Supplier shall guarantee that no industrial property rights of third parties are infringed as part of its delivery. If a claim is made against LGS on account of such an infringement, the Supplier must hold LGS harmless of and indemnify from any and all such claims and bear all the costs and expenses incurred in regard to the claim. The Supplier shall be liable for all claims resulting from the infringement of industrial property rights and applications for industrial property rights on account of the use of the products delivered by the Supplier. The Supplier shall indemnify and hold LGS as well as its direct and indirect customers harmless of all such claims.
- 6.2 All surrendered documents, in particular data, software, materials, drawings or other samples or models (hereinafter "Material"), which LGS makes available to the Supplier for the fulfillment of an Order, shall remain the property of LGS and must be treated with care by the Supplier. LGS shall exclusively retain all rights relating thereto. The Material may not be used for any purposes other than those relating to the Order or copied or made available to third parties without the written consent of LGS. Products, which are manufactured using the Material according to our specifications or with considerable input in terms of the development, may be supplied to third parties only with our written consent.

7 Guarantees/warranty

- 7.1 The Supplier guarantees that the goods delivered shall meet the agreed specifications and requirements, that they are free from any defect and/or harmful, dangerous and poisonous substances or radiation and that they meet the environmental regulations, requirements and standards in each case. The Supplier must therefore ensure that the items delivered are free of any defects, such as material or title defects. The Supplier's guarantee shall, in particular, also refer to the choice of material, construction and manufacturing defects.
- 7.2 The deliveries must meet legal provisions, in particular safety and environmental protection regulations. The Supplier undertakes to ascertain and comply with the standards and laws as they currently stand regarding substance and material restrictions that affect its products. Prohibited substances and materials must not be used.
- 7.3 No incoming goods inspections shall be carried out. LGS reserves the right to carry out random checks. Obvious defects, in particular deviations in amounts and defective or wrong deliveries shall be deemed to have been raised if a claim is lodged with the Supplier within 14 days of arrival of the goods at the place of unloading or within 10 days of arrival of the goods at the processing plant. In the case of hidden defects, a complaint must be made within 10 days of discovery in a proper business manner within the warranty period. The Supplier shall waive its right to object to late complaints regarding defects. The Supplier accepts that LGS shall directly use the products for further assembly in LGS products.
- 7.4 The warranty period shall be 24 months, starting from delivery to LGS. For complaints made regarding defects during the warranty period, including the non-attainment of warranted data and the absence of guaranteed properties, following a request by LGS, the Supplier must either immediately and free of charge (including all additional costs) rectify such defaults or replace the defective products with full-value, flawless

products. LGS shall be the sole party entitled to choose the type of supplementary performance, i.e. rectification of the defect or replacement delivery. Furthermore, LGS shall be fully entitled to make statutory warranty claims. In any case, the Supplier shall have to bear all necessary expenses incurred in rectifying the defect or delivering a replacement, including in particular the material and labor costs for the removal and re-assembly in LGS end product along with all necessary tests and freight costs.

- 7.5 The warranty period shall last another 24 months for replacement deliveries and rectifications of defects from delivery of the replacement or rectified products to LGS.
- 7.6 The limitation period for LGS' right to claim for warranty expires 3 months following the lapse of the respective warranty period.
- 7.7 If it is not reasonable for LGS to have the defect rectified by the Supplier on account of urgent operational reasons, LGS shall be entitled to have the defect rectified by a third party at the Supplier's expense without setting a grace period.

8 Liability

- 8.1 The Supplier shall be liable for all damage of any kind incurred by LGS directly or indirectly as a result of a defective delivery or on account of any other legal grounds attributable to the Supplier.
- 8.2 If individuals are injured or property of third parties damaged as a result of the acts or omissions of the Supplier and for this reason a claim is brought against LGS, LGS shall have a right of recourse against the Supplier.
- 8.3 The Supplier shall be liable for sub-contractors as well as for its own performance.
- 8.4 LGS (including its bodies, management and other employees) shall, irrespective of the reason, not be liable for indirect or collateral damage, consequential harm caused by a defect or any loss of profit. The restrictions mentioned above shall also apply for non-contractual claims, however not for damages resulting from personal injury or death, wilful misconduct or gross negligence.

9 Product liability, exemption and insurance protection

- 9.1 Where the Supplier is liable for product damage, it must indemnify LGS, at first request, from compensation claims of third parties if the cause of the damage is judged to lie within the domain and organizational area of the Supplier.
- 9.2 As part of this obligation, the Supplier must refund all expenses to LGS incurred as part of a product recall carried out by LGS. LGS shall inform the Supplier of recall measures to be taken.
- 9.3 In order to cover the aforementioned claims and all other claims arising in relation to the product, the Supplier undertakes to take out general public and product liability insurance with cover of at least CHF 1,000,000 per damaging event and maintain that insurance cover, in full scope, for a minimum of 5 years after delivery of the products to LGS or expiry of the corresponding Supply Contracts (whichever is longer). If requested to do so by LGS, the Supplier must ensure that the insurance company in question informs LGS of the existence of the cover.

10 Import and export regulations, customs and country-specific permits

- 10.1 The Supplier must acquire all official or other authorizations or licenses required or appropriate for the export or other contractual obligations of the Supplier in good time before the delivery and maintain such licenses and authorizations and provide evidence of them if requested by LGS to do so.
- 10.2 The Supplier must inform LGS of any authorization requirements for the (re-)export of its goods in accordance with Swiss, European and US export and customs regulations - as well as the export and customs regulations of the country of origin of its goods - in its business documents, including but not limited to the ECCN according to US Export Administration Regulations, and the trade-related origin of its goods and their components, including technology and software.
- 10.3 Upon LGS' request, the Supplier must disclose all foreign trade data on its goods and their components in

writing, in the form of a Supplier's declaration, movement certificate, invoices or a certificate of origin and immediately inform LGS in writing of all changes to the data.

- 10.4 The Supplier must safeguard any country-specific permits that may be required for international operations at its own costs and indicate any restrictions.
- 10.5 All items delivered to LGS (in particular merchandise) must meet the international principles of marks of origin. Unless otherwise instructed by LGS, the item or direct packaging must be marked with the words "made in + country of origin".
- 10.6 The Supplier must issue all documents required for correct consignment and import and must send prior notification of any import to customs_transport.reg@leica-geosystems.com or by fax to +41 (0)71 726 6860 so that LGS can ensure smooth import and customs clearance processing.

11 Service and repairs

- 11.1 The Supplier must provide a repair and maintenance service with qualified experts for a period of at least 5 years following delivery of the product in question.
- 11.2 The Supplier shall guarantee the availability of original replacement parts for a period of at least 5 years following delivery of the product in question. Should the Supplier no longer be able to guarantee the availability of original replacement parts, the Supplier must supply LGS with corresponding replacement parts that comply with the original replacement parts in terms of form, fit and function. In such cases, the Supplier must inform LGS in writing at least 6 months in advance.

12 Changes to or discontinuations of products

- 12.1 Should the Supplier wish to make changes to the contractual product which may affect its form, appearance, function, reliability or the origin of goods, in particular changes to the structural design, materials, processes, sub-contractors and production plants, it must inform LGS in detail in writing in good time but at least 3 months prior to carrying out the planned change in order to enable LGS to review and approve the planned change. The Supplier may implement and make the desired change only following written approval from LGS, unless otherwise agreed in writing.
- 12.2 Should the Supplier discontinue production of the products under one of the Supply Contracts or close or sell the delivery plant, it must inform LGS at least 6 months in advance. In such a case, LGS shall be entitled to place a final Order for an amount to be decided by LGS at the prices in place at that time.
- 12.3 In such cases, the Supplier must make all necessary and current documents, rights (such as licenses, etc.) and know-how available to LGS free of charge and for an indefinite period at LGS's first request, so that LGS may be in a position to manufacture the corresponding products itself or through third parties or have them manufactured without restrictions.

13 Inspection right

- 13.1 LGS shall be entitled to check the progress of the work. The Supplier shall grant LGS and/or third parties employed by LGS access at any time to all production plants relevant for the production of the products, provided that the corresponding prior notice is given. The Supplier's obligation to fulfil its contractual obligations or its liability shall not be changed or restricted in any way whatsoever either on account of LGS exercising the inspection rights or on account of other possible actions (initial sample tests, etc.) by LGS.

14 Confidentiality and product-related exclusivity agreement

- 14.1 The Supplier must not use trade or industrial secrets or LGS customer data or LGS drawings communicated to it by LGS or any technical supply specifications (TSS) or functional drawings (FKZ) made known to it as part of the execution of Supply Contracts for purposes other than those set out in the Supply Contracts or the Orders or make them accessible to third parties in any way whatsoever. Through suitable contractual agreements, the Supplier must ensure that this confidentiality obligation is also imposed on its employees and sub-contractors.
- 14.2 This provision shall not be subject to any time restrictions.

15 Applicable law, jurisdiction and place of execution

- 15.1 Unless expressly agreed otherwise, all legal relationships between the Supplier and LGS shall be subject to Swiss substantive law (to the exclusion of Switzerland's Federal Code on Private International Law and the United Nations Convention on Contracts for the International Sale of Goods).
- 15.2 Disputes, differences of opinion and claims arising out of or in connection with the cooperation between the parties shall be fundamentally decided upon through arbitration in accordance with the International Rules of Arbitration of the Swiss Chamber of Commerce. The version of the rules of arbitration that shall apply shall be the version in force at the time that the [arbitration] initiation notice is served. The court of arbitration should consist of one arbitrator, unless otherwise agreed. The seat of the arbitration proceedings shall be Zürich, Switzerland. The language of the arbitration proceedings shall be English, unless otherwise agreed.

LGS reserves the right to take legal action in an ordinary court. The jurisdiction in such a case shall be the competent court at the headquarters of LGS in Switzerland.

- 15.3 Subject to other written agreements, the place of execution for all claims arising from the Supply Contracts shall be the production site of LGS in Heerbrugg SG in the municipality of Balgach, Switzerland.

16 Miscellaneous provisions

- 16.1 Changes and additions to the GTCP to all Supply Contracts concluded on their basis and to corresponding annexes must be in writing. These rules replace all previous verbal agreements or subsidiary arrangements.
- 16.2 Without the mutual written agreement of the parties, rights and obligations under these GTCP and Supply Contracts concluded on their basis and corresponding annexes cannot be transferred to third parties.
- 16.3 Should individual provisions of these GTCP be ineffective, the effectiveness of the other provisions shall not be affected thereby. In such a case, the parties undertake to agree on an analogous replacement provision that comes as close as possible to the ineffective provision and is legally permissible.

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