

1. DEFINITIONS & INTERPRETATION

1.1 The definitions and rules of interpretation in this clause 1 apply to the Purchase Order.

"BAE Systems Group"	means BAE Systems plc and any of its wholly-owned subsidiaries.
"Bofors"	Means BAE Systems Bofors AB identified on the Purchase Order having a place of business at the address for correspondence shown on the Purchase Order.
"Business Day"	means a day other than a Saturday or Sunday or other than a day on which Bofors relevant site is closed due to a public holiday.
"Confidential Information"	means any and all confidential information, including without limitation any and all technical, financial, commercial or other information or trade secrets, (howsoever recorded, preserved or disclosed) disclosed by the Disclosing Party to the Receiving Party and either identified by a suitable legend or other marking as being confidential (or similar designation) in a prominent position or described as being confidential at the time of disclosure or which would reasonably be considered to be confidential having regard to all the circumstances of the disclosure; any information obtained by examination, testing or analysis in any way from such confidential information; and any derivative of any such confidential information provided that Confidential Information shall not include any information which the Receiving Party can show through documentary evidence: i) is or becomes publicly available otherwise than as a result of a breach of the Order or the fault of the Receiving Party; ii) has been lawfully received from a third party without restriction as to its use or disclosure; iii) was already in its possession free of any such restriction as to its use or disclosure prior to receipt from the Disclosing Party; iv) was independently developed by or for the Receiving Party without making use of any Confidential Information; or v) has been approved for release or use (in either case without restriction) by written authorisation of the Disclosing Party, and, for the avoidance of doubt and without prejudice to the generality of the above, Confidential Information shall not be deemed to be publicly available merely because it may be derived from one or more items that are publicly available.
"Contractor"	means the Contractor on which the Purchase Order is placed.
"Contractor's Team"	the Contractor's manager and all employees, consultants, agents and subcontractors which it engages in relation to the Contract Work.
"Contract work"	means all goods and services to be provided by the Contractor to Bofors under the Purchase Order.
"Counterfeit Supplies"	means i) supplies which have been identified, marked and/or altered by a source other than the supplies' legally authorised source and which have been misrepresented to be an authorised item of the legally authorised source and/or ii) previously used supplies provided as new.
"Customer"	means any Bofors Customer.
"Day"	means calendar day unless explicitly stated otherwise.
"Disclosing Party"	means a Party which discloses any Confidential Information to the Receiving Party.
"Document"	Includes, in addition to any document in writing, any drawing, map, plan, diagram, design, picture or other image, tape, disk or other device or record embodying information in any form.
"EAR"	means US Department of Commerce Export Administration Regulations.
"Event of Default"	means an event specified as such in clause 18.2.

“Force Majeure Event”	means any strikes, lock-outs or other industrial disputes (but only where it involves the workforce of a third party and does not involve a Party or a member of a Party's group of companies or those of the Contractor's agents or sub-contractors), natural catastrophic event, war (declared or undeclared), riot, civil commotion, compliance with any law or governmental order, rule, regulation or direction, fire or flood.
“Indemnified Party”	means Bofors and any member of the BAE Systems Group.
“Independent Distributors”	means those persons or businesses which are not part of the OCM or OEM's authorised distribution chain.
In-put Material	Means all Documents, information and materials provided by the Customer relating to the Contract Work, including computer programs, data, reports and specifications.
“Intellectual Property Rights”	mean i) patents, inventions, designs, copyright and related rights, database rights, trade marks and related goodwill, trade names (whether registered or unregistered), and rights to apply for registration; ii) proprietary rights in domain names; iii) applications, extensions and renewals in relation to any of these rights; and iv) all other rights of a similar nature or having an equivalent effect anywhere in the world.
“ITAR”	means the US Department of State International Traffic in Arms Regulations.
“ITAR Defense Articles”	means any item or technical data designated in the ITAR United States Munitions List (USML). This term includes technical data recorded or stored in any physical form, models, mockups or other items that reveal technical data directly related to items designated in the USML. It does not include basic marketing information on function or purpose or general system descriptions.
“ITAR Technical Data”	means information, other than software as defined in ITAR § 120.10(a)(4), which is required for the design, development, production, manufacture, assembly, operation, repair, testing, maintenance or modification of defense articles. This includes information in the form of blueprints, drawings, photographs, plans, instructions or documentation. Classified information relating to defense articles and defense services; Information covered by an invention secrecy order; Software as defined in § 121.8(f) of the ITAR directly related to defense articles. This definition does not include information concerning general scientific, mathematical or engineering principles commonly taught in schools, colleges and universities or information in the public domain as defined in § 120.11 of the ITAR. It also does not include basic marketing information on function or purpose or general system descriptions of defense articles.
“Key Personnel”	means any member of the Contractor's Team who is reasonably identified as being key in the performance of the Contract Work.
“Obsolescence Management”	means the management of components and/or sub-systems that become obsolete, to assure continuous sustainment of the delivered capability.
“OCM”	means the organisation that is the originating source for the production of legitimate components.
“OEM”	means the organisation that is the originating source for the production of legitimate equipment.
“Order Acknowledgement”	means Bofors acceptance document issued with the Purchase Order or Purchase Order amendment for completion by the Contractor.
“Party”	means each of Bofors and the Contractor and includes their successors in title, permitted assignees and permitted transferees.

“Purchase Order”	means the purchase order placed by Bofors on the Contractor in respect of the Contract Work. These Standard Conditions, the Special Conditions, the Specification and any other relevant documents shall be referenced in, apply to and be incorporated into it.
“Receiving Party”	means a Party which receives any Confidential Information from the Disclosing Party.
“Reference Rate”	means, the rate determined by the Riksbank.
“Special Conditions”	mean the conditions set out or referenced on the Purchase Order (whether marked as Special Conditions or not).
“Specification”	means the document (if any) which sets out the agreed design, performance, functionality of and procedures for the Contract Work and any training to be provided.
“Standard Conditions”	mean these Bofors Standard Conditions of Purchase.
“Termination Sum”	has the meaning given to it in clause 18.1.
“VAT”	means value added tax.
“Written” or “in writing”	means a document signed by both parties or a letter, fax, electronic mail or other means of communications agreed by the parties.

1.2 Clause headings are for convenience only and shall not affect the interpretation of the Purchase Order.

1.3 Words in the singular shall include the plural and vice versa.

2. ORDERING PROCEDURE

2.1 These Standard Conditions shall apply when the parties agree in writing or otherwise thereto. Deviations from these Standard Conditions shall not apply unless agreed in writing.

2.2 Bofors orders the Contract Work by submitting a Purchase Order in writing by posted mail, email or other portal solutions. The Contractor shall send an order acknowledgement to Bofors within fourteen (14) Days after receipt of the Purchase Order.

2.3 It is expressly agreed that any other terms and conditions of business contained in any acknowledgements, standard forms or other documents issued by either Party or in the quotation, letter of offer, technical proposal or other similar documents issued by the Contractor to Bofors in respect of the Contract Work or implied by trade custom, practice or course of dealing shall not apply.

In the event of any conflict, the following order of precedence shall apply:

- i) the Special Conditions;
- ii) these Standard Conditions;
- iii) the Specification; and then
- iv) any other relevant documents referenced in the Order.

3. CONTRACTOR'S RESPONSIBILITIES

- 3.1 The Contractor shall provide the Contract Work to Bofors in accordance with the Purchase Order.
- 3.2 The Contractor shall
- i) ensure that the Contractor's Team use reasonable skill and care in the performance of the Contract Work;
 - ii) at all times obtain and maintain all necessary licences and consents and comply with all legislation, standards and regulations, including but not limited to, those relating to health, safety and environment, import and export which are relevant to any of the Contract Work (and upon request provide appropriate evidence of such to Bofors);
 - iii) notify Bofors as soon as it becomes aware of any health, safety and environmental hazards or issues which arise in relation to any Contract Work;
 - iv) notify Bofors of any restrictions that apply in respect of EU customs legislation preventing the export, re-export or transfer of the Contract Work by Bofors or, if requested by Bofors, confirm in writing that no such restrictions apply; and
 - v) not make any changes to the Contractor's Key Personnel without the prior written approval of Bofors (such approval not to be unreasonably withheld or delayed).
- 3.3 For the purposes of checking the Contractor's compliance with its obligations under the Purchase Order and upon reasonable notice, the Contractor shall provide Bofors and/or its representatives with access at any time during normal working hours to the Contractor's and its agents' and sub-contractor's premises and permit the inspection of any document, system and/or information which is being used or made for the purposes of the Purchase Order.
- 3.4 The Contractor shall immediately notify Bofors of the occurrence of any event or conditions that might delay or prevent completion of any of its obligations under the Purchase Order, the reason for such delay and the measures being taken by it to rectify the situation.
- 3.5 If the Contractor considers that Bofors is not, or may not, be complying with any of Bofors obligations, it shall only be entitled to rely on this as relieving the Contractor's performance under this agreement to the extent that it restricts or precludes performance of the Contract Work by the Contractor and if the Contractor promptly after the actual or potential non compliance has come to its attention, has notified details to Bofors in writing.
- 3.6 Any drawings, information or documentation to be provided by the Contractor to Bofors shall be in one machine-readable copy in reproducible format or one hard copy unless otherwise agreed. Bofors may make copies of the same at no charge.
- 3.7 Other than limited business contact information in respect of Bofors' employees and sub-contractors, which may be used by the Supplier solely for contract management activities in accordance with all applicable laws and regulations, the Supplier shall not Process any Personal Data in relation to the Agreement and shall not appoint any sub-processors unless and until Bofors has authorised such Processing by way of a Special Condition which shall, amongst other things, set out the precise nature of the information to be Processed, the scope of Processing and the additional terms and conditions that will apply to any such Processing. If the Supplier provides Bofors with any Personal

Data of its employees and sub-contractors in connection with the Agreement (including without limitation, the identities of the relevant individuals, their contact information, and their role and their responsibilities), the Supplier acknowledges and agrees that it shall advise such individuals of the provision of such Personal Data prior to it taking place. Further, the Supplier shall provide such individuals with the URL of BAE Systems' data privacy portal which can be found at: www.baesystems.com/en/privacy.

4. BOFORS RESPONSIBILITIES

4.1 Bofors shall:

- (i) provide such access to Bofors premises and data, and such office accommodation and other facilities as may reasonably be requested by the Contractor and agreed with Bofors in advance, for the purposes of the Contract Work;
- (ii) provide the In-put Material as the Contractor may reasonably request and Bofors considers reasonably necessary, in order to carry out the Contract Work in a timely manner, and ensure that it is accurate in all material respects;
- (iii) inform the Contractor of all health and safety rules and regulations and any other reasonable security requirements that apply at any of Bofors' premises.

5. EXPORT CONTROL

5.1 The Contractor represents and warrants that it will comply with all applicable import and export control laws and regulations (including, if applicable, the US export control laws and regulations) in fulfilling the Purchase Order and will provide all information about the Contract Work, including where relevant information regarding constituent parts thereof, that may be necessary for Bofors' compliance with all applicable import and export control laws and regulations.

5.2 Upon request from Bofors, or at the latest when the Contractor has fulfilled the Contract Work, the Contractor shall either (a) return all technical specifications/documents subject to export license or (b) certify that all technical specifications/documents subject to export license are destructed in accordance with instructions from Bofors.

5.3 The Contractor shall indemnify each Indemnified Party against any and all liability, loss, claims, costs, expenses or damages of any kind whatsoever incurred by an Indemnified Party as a result of or in connection with any breach by the Contractor, its employees, agents or sub-contractors of any applicable import and export control laws and regulations.

5.4 The Contractor shall not disclose any export controlled documentation to Third Party without contacting Bofors first.

6. CONTRACTOR'S PERSONNEL

6.1 The Contractor shall ensure that its employees, agents and sub-contractors have appropriate qualifications, training and expertise and that they are made aware of and comply with the security classification of any information relating to the and comply with any security requirements imposed by Bofors.

6.2 The Contractor shall at all times be responsible for its employees, agents and sub-contractors and shall ensure that they, when within the boundaries of Bofors' site (or

Bofors' customer's site) are made aware of and comply with rules, regulations and requirements of that site as may be in force for the time being (including any national security requirements). Copies of these will be provided upon request by the relevant site security manager or in the case of export controlled material or information, by the relevant Senior Counsel.

- 6.3 Bofors shall have the right to refuse access to its site to any of the Contractor's employees, agents and sub-contractors who in the opinion of Bofors is not a fit and proper person to have access to the site. Bofors shall notify the Contractor as soon as reasonably practicable if it does refuse access to its site, specifying the reasons for such refusal.

7. QUALITY AND ENVIRONMENTAL REQUIREMENTS

- 7.1 The Contractor shall provide the Contract Work subject to all reasonably applicable quality standards and to those set out as a Special Condition and/or in the Specification and/or in Bofors' quality approval/authority issued to the Contractor.

- 7.2 Upon Bofors providing reasonable notice, the Contractor shall (and procure that its agents and sub-contractors shall) at no additional cost to Bofors or Bofors' customer

- i) allow Bofors and persons authorised by Bofors (which may include Bofors' customer) access to the Contractor's premises (and those of its agents and sub-contractors) that are being used to carry out work on the Contract Work in order to inspect and audit the facilities, processes and procedures used in manufacturing and providing the Contract Work;
- ii) provide adequate data to Bofors relating to progress of work on the Contract Work and their quality; and
- iii) provide all necessary assistance (including, where appropriate, access to office accommodation, telephone and fax facilities and high speed internet connection) to enable the above-referenced rights to be fully exercisable.

- 7.3 Unless otherwise specifically agreed in writing, all Contract Work shall be new.

- 7.4 The following environmental requirements are applicable to direct suppliers, i.e. suppliers that are providing products and services to BAE Systems that will be used in BAE Systems products or system. The supplier shall deliver a Material Declaration.

- 7.5 The Supplier shall upon Buyer's request provide an Environmental Product Declaration of the Products.

8. OBSOLETE MANAGEMENT

- 8.1 The Contractor shall have adequate obsolescence management. If, for any reason, any of the components or materials of the Contract Work should be in danger of becoming obsolete, the Contractor shall offer a form, fit and functionally interchangeable alternative at no additional cost to Bofors. Any non-recurring cost will be at the Seller's expense.

9. DELIVERY

- 9.1 The delivery term in respect of any Contract Work shall be FCA Contractor's place of business (Incoterms 2010).
- 9.2 All Contract Work must be properly and securely packed in accordance with Bofors' instructions (see www.baesystems.com/karlskogasupplier).
- 9.3 The Contractor shall quote the Purchase Order number and item number on all documents and packages sent by it to Bofors in respect of the Purchase Order (see www.baesystems.com/karlskogasupplier).
- 9.4 On delivery of each consignment of the Contract Work, the Contractor shall deliver to Bofors such documents as are required by the Purchase Order, including without limitation, customs export documents, advice notes, certificates of conformity and civil approved certificates and, if the Contractor is not the original manufacturer of the Contract Work, copies of the original manufacturer's certificate of conformity or civil approved certificate together with test figures etc, where applicable.
- 9.5 If the Contractor fails to comply with the provisions of this clause 9, Bofors shall be under no obligation to accept delivery of the relevant consignment.

10. ACCEPTANCE

- 10.1 Where acceptance tests are set out as a Special Condition and/or in the Specification, acceptance of Contract Work delivered shall be subject to completion of the acceptance tests to the satisfaction of Bofors.
- 10.2 Where no acceptance tests are set out as a Special Condition or in the Specification, Bofors shall have the right to inspect the Contract Work after delivery and acceptance shall take place if the Contract Work are satisfactory to Bofors on inspection or, if no inspection is made, the Contract Work shall be accepted on the earlier of i) when they have been taken into final and beneficial use by Bofors or ii) fourteen (14) Days after delivery in accordance with clause 9.
- 10.3 If Bofors is not satisfied that the Contract Work are delivered in accordance with the Purchase Order, Bofors may in its absolute discretion
- i) reject them in whole or in part; and/or
 - ii) give notice to the Contractor to repair or replace them without delay at the Contractor's expense and risk.

11. RISK & TITLE

- 11.1 Risk in any Contract Work shall pass to Bofors upon delivery in accordance with clause 9.
- 11.2 Title to any Contract Work shall pass to Bofors upon acceptance in accordance with clause 10.

12. PRICE & PAYMENT

- 12.1 Where the prices are agreed at the time of the Purchase Order, they are set out in the Special Condition. Where prices are not agreed at the time of the Purchase Order, they shall be agreed prior to commencement of work on the Purchase Order by the Contractor (or as soon as possible thereafter) and they shall then be incorporated in the Purchase Order by amendment in accordance with clause 27.
- 12.2 Prices shall be non-revisable and shall be exclusive of VAT and, in the case of non-EU Contract Work, exclusive of import taxes.
- 12.3 No additional charges shall be payable by Bofors for packaging, insurance or delivery unless otherwise agreed and set out as a Special Condition and any such charge shall be separately identified on the invoice.
- 12.4 The Contractor shall submit to Bofors on or after the provision of the Contract Work an invoice in respect of the Contract Work properly provided. Each correctly submitted and, where applicable, valid VAT invoice shall become due for payment sixty (60) Days after the date of receipt by Bofors provided that the Contract Work have been delivered by the Contractor and accepted by Bofors in accordance with clauses 9 and 10 respectively.
- 12.5 Each invoice must be clearly addressed to Bofors and sent to (separately from any Contract Work) as specified on the Purchase Order, referencing the Purchase Order number with respect to the Contract Work together with the delivery advice note number and date.
- 12.6 The Contractor acknowledges and agrees that invoices shall only be passed for payment by Bofors if they comply with the provisions of this clause 12. Should any invoice contain incomplete information or an incorrect or invalid charge, Bofors will be entitled to reject such invoice and return it to the Contractor or ask the Contractor to have it rectified and resubmitted (any such rectified invoice to become due for payment sixty (60) Days after the date of receipt by Bofors of the resubmitted invoice) or request the Contractor to issue a credit note to correct the error.
- 12.7 Without prejudice to any other right or remedy Bofors may have, Bofors shall be entitled to set-off any payment owed by it to the Contractor under the Purchase Order against any sums that are due and payable by the Contractor to Bofors under the Purchase Order and/or any other agreement.
- 12.8 The Contractor reserves the right to charge interest on all valid overdue amounts at the rate of three per cent (3%) per annum above the Reference Rate, such interest accruing from the first day on which the payment is overdue until payment has been received by the Contractor.

13. DELAY

- 13.1 Time is of the essence. If the Contractor fails to deliver the Contract Work on time, Bofors is entitled to liquidate damages from the date on which delivery should have taken place.
- 13.2 The liquidated damages shall be payable at a rate of one-(1) per cent of the agreed price each commenced Week of delay. If the delay concerns only a part of the Contract Work the liquidated damages shall be calculated on the part of the price which is

properly attributable to the part of the Contract Work which cannot be taken in use due to the delay.

- 13.3 The liquidated damages shall not exceed ten (10) percent of the price of that part which is the basis of the calculation.
- 13.4 The liquidated damages become due at Bofors' written demand.
- 13.5 Claims or set-off by Bofors for liquidated damages shall not constitute a waiver of any other right under these Standard Conditions or law.

14. WARRANTY

- 14.1 The Contractor warrants to Bofors that the Contract Work shall be provided
- i) in accordance with the terms of the Purchase Order;
 - ii) fit for the purpose for which they are intended;
 - iii) free from defects (whether actual or latent) in design, materials and workmanship;
 - iv) with reasonable care and skill;
 - v) in accordance with generally recognised commercial practices and standards in the industry; and
 - vi) in compliance with all applicable laws and regulations as well as all of Bofors' site (or, if applicable, Bofors' customer's site) policies and rules.
- 14.2 The warranties in clause 14.1 shall, in respect of each of the Contract Work, continue for twenty-four (24) calendar months from the date of acceptance of the relevant Contract Work in accordance with clause 10 or within eighteen (18) calendar months from the date of delivery of the Contracted Object to the End-Customer, whichever occurs first.
- 14.3 If there is a defect in the Contract Work during the warranty period, the Contractor shall without delay, upon receipt of notice from Bofors but at the absolute discretion of Bofors
- i) refund Bofors the price of the defective Contract Work; and/or
 - ii) repair or replace the defective Contract Work at the Contractor's own expense and risk. If the Contractor fails to do so without undue delay, Bofors may arrange for them to be repaired or replaced (and all such costs incurred by Bofors shall be refunded by the Contractor within fourteen (14) Days of the date Bofors' invoice is issued), and in either case the warranty shall continue for twelve (12) calendar months from the date of acceptance by Bofors of the repaired or replacement Contract Work.
- 14.4 Bofors must take such measures as are reasonable in the circumstances to mitigate any loss resulting from the Contractor's breach of the Purchase Order. Notwithstanding any other provision in these Standard Conditions, all costs incurred to mitigate loss shall be refunded by the Contractor within thirty (30) Business Days of the date Bofors' invoice is issued.
- 14.5 The provisions of this clause 14 shall survive termination of the Purchase Order, howsoever arising.

15. INDEMNITY

Denna handling och dess innehåll är BAE Systems egendom och får inte utan skriftligt medgivande kopieras, delges tredje man eller användas för annat än avsett ändamål.

This document and its contents is the property of BAE Systems and must not be reproduced, disclosed to any third party or used in any unauthorized manner without written consent.

- 15.1 The Contractor shall indemnify each Indemnified Party against any and all liability, loss, claims, costs, expenses or damages of any kind whatsoever incurred by an Indemnified Party as a result of or in connection with
- i) loss or damage to property of an Indemnified Party;
 - ii) injury or death and loss of or damage to property of any third party if caused by the Contractor's negligence or by the Contract Work as a result of the Contractor's or the Contractor's subcontractor's faulty design, inherent defects or faulty manufacture or faulty or insufficient instructions for the operation and maintenance of the Contract Work.
- 15.2 Bofors shall indemnify and hold harmless the Contractor against any and all liability, loss claims, costs, expenses or damages of any kind whatsoever incurred by the Contractor as a result of or in connection with
- i) injury or death of any employee of the Contractor;
 - ii) loss of or damage to property of the Contractor; and Injury or death and loss of damage to property of any third party if caused by Bofors' negligence.
- 15.3 If a third party initiates legal proceedings, whether by court action or by arbitration, the indemnifying party under this clause 15 hereby consents to be added to such proceedings as an additional party and hereby waives any objection to the jurisdiction of such court or tribunal.
- 15.4 The provisions of this clause 15 shall survive termination of the Purchase Order, howsoever arising.

16. INSURANCE

- 16.1 The Contractor shall maintain primary insurance policies with reputable insurers authorised to conduct business in the jurisdictions in which the Purchase Order is performed against all risks usually insured against by Contractors carrying on the same or a similar business as the Contractor which shall include protection for claims for third party legal liability for injury or damage and for negligent acts or omissions which result in a claim for any form of financial loss against Bofors as a result of the provision to it of the Contract Work, including without limitation and without derogating from or limiting the provisions of clause 15.
- 16.2 The Contractor shall procure that such insurance is arranged on a continuing basis and evidence of such insurance protection shall upon request be provided to Bofors.

17. LIMITATION OF LIABILITY

- 17.1 Neither Party shall be liable to the other for any loss of profit, loss of use, loss of production, loss of contracts or for any other indirect loss that may be suffered by the other Party.
- 17.2 The total liability of either Party on any claim under the Purchase Order shall not exceed the higher of
- i) the total price on all Purchase Orders submitted by Bofors to the Contractor for the last 12 months;

- ii) any applicable insurance coverage.

17.3 The limitations of liability in this clause 17 shall not apply in case of

- i) gross negligence;
- ii) injury or death and loss of or damage to property of any third party;
- iii) indemnification pursuant to clause 20;
- iv) damages pursuant to the other Party's breach of any of the provisions in clause 21.

18. TERMINATION, EVENTS OF DEFAULT & REMEDIES

18.1 Bofors may at any time terminate the Purchase Order for convenience upon giving the Contractor written notice provided that in such case Bofors agrees that it will reimburse the Contractor for any costs which the Contractor can prove it has reasonably and properly incurred as a direct consequence of such an early termination which shall represent full and final settlement of such early termination (the "Termination Sum"). The Contractor shall submit invoices to Bofors (which shall comply with the provisions of clause 12 for each Termination Sum and any outstanding sums due under the Purchase Order

18.2 Each of the following events is an Event of Default

- i) the Contractor fails to comply with a substantial obligation under the Purchase Order and, if that default is capable of remedy, the Contractor fails to cure that substantial default within thirty (30) Days of Bofors giving written notice to it requiring remedy;
- ii) the Contractor is unable to pay its debts generally as they fall due;
- iii) a resolution is passed at a meeting of the Contractor for (or to petition for) its winding-up or administration, or the Contractor presents any petition for its winding-up or administration, or an order for the winding-up or administration of the Contractor is made, (unless in each case it is a voluntary solvent winding-up, reconstruction, amalgamation or reorganisation or part of a solvent scheme of arrangement);
- iv) the Contractor agrees to any kind of composition, rescheduling, scheme, compromise or arrangement involving it and its creditors generally (or any class of them) as a result of financial difficulties; or
- v) any administrative or other receiver or any manager of all or substantially all of the assets of the Contractor is appointed or an encumbrancer takes possession of, or any execution or distress is levied against, all or substantially all of the assets of the Contractor and which is not paid out or discharged within thirty (30) Days after such appointment, taking possession or levy;
- vi) there occurs, in relation to the Contractor, in any country or territory in which it carries on business or to the jurisdiction of whose courts it or any of its assets are subject, any event which corresponds in that country or territory with any of those mentioned in clauses 18.2 i) to 18.2 v) inclusive (subject to the same thresholds, grace periods and exceptions);
- vii) the Contractor is acquired by or merged with any third party or any change of control occurs;
- viii) the Contractor is or may be unable, in Bofors' reasonable opinion, to perform its obligations under the Purchase Order.

- 18.3 On or at any time after the occurrence of an Event of Default, Bofors shall be entitled (without prejudice to any other right or remedy) on giving written notice to the Contractor to exercise any one or more of the following rights or remedies
- i) to reduce, reschedule or cancel any of the Contract Work or to refuse to accept the provision of any further Contract Work and in each case without having any liability to the Contractor;
 - ii) to recover such damages as it may have sustained in connection with or as a result of such Event of Default; and/or
 - iii) to terminate the Purchase Order in whole or in part.
- 18.4 Upon termination, howsoever arising, the Contractor shall return all of Bofors' information, tooling and data forthwith to Bofors and shall, if requested, provide Bofors with all such documentation and information as may be necessary to enable either Bofors or a third party to complete the Contract Work ordered.
- 18.5 Upon receipt of notice of termination of the Purchase Order, the Contractor shall: cease provision of the Contract Work as directed by Bofors; and minimise all its costs associated with the termination of the Purchase Order.
- 18.6 Termination of the Purchase Order shall not affect or prejudice the accrued rights of the Parties as at termination or the continuation of any provision expressly stated to survive or which implicitly survives termination.
- 18.7 The terms and conditions of the Purchase Order do not derogate from any of Bofors' statutory law rights and are in addition to those rights and not in substitution for them.

19. FORCE MAJEURE

- 19.1 Neither Party shall be deemed in breach of the Purchase Order or liable to the other for delay in performing its obligations, or failure to perform any such obligations, under the Purchase Order, if the delay or failure results from Force Majeure provided that the affected Party
- i) promptly notifies the other Party, in writing, of the known or anticipated event which causes or may cause it;
 - ii) produces reasonable evidence of its occurrence;
 - iii) uses all reasonable endeavours to eliminate or minimise the delay and continues to fulfil its obligations to the extent that they are not affected by the Force Majeure;
 - iv) recommences its full performance as soon as is reasonably possible following its cessation; and
 - v) gives notice of the cessation of any event previously notified to the other Party as likely to result in prevention or delay in execution of the Purchase Order.
- 19.2 If a Party is affected by Force Majeure, it will use its reasonable endeavours to mitigate its effect. Neither Party will be entitled to any payment from the other for any costs or expenses incurred as a result of it.
- 19.3 If a Force Majeure exceeds a continuous period of thirty (30) Days, then Bofors shall have the right by written notice to the Contractor to terminate the Purchase Order immediately without having any liability to the Contractor except in respect of that part of the Contract Work already delivered to and accepted by Bofors prior to such termination.

20. INTELLECTUAL PROPERTY RIGHTS

- 20.1 Where applicable, the Contractor agrees that all foreground Intellectual Property Rights created as a result of the work undertaken by the Contractor, its agents or sub-contractors for the Purchase Order shall vest in and be the absolute property of Bofors. Consequently, the Contractor assigns or shall procure the assignment to Bofors, with full title guarantee and free from all third party rights, the foreground Intellectual Property Rights and all other rights created as a result of the Purchase Order and the Contractor shall (at its own cost) do all necessary acts to vest such foreground Intellectual Property Rights in the name of Bofors or its nominee, such acts to include (without limitation) the execution of documents.
- 20.2 Any background Intellectual Property Rights created by a Party prior to the commencement of the Purchase Order and/or outside of the Contract Work provided under the Purchase Order shall remain vested in and be the absolute property of the providing Party.
- 20.3 Contractor hereby grants to Bofors an irrevocable, perpetual, non-exclusive, worldwide, royalty-free right to use (with the ability to sub-licence to Bofors Customers) the background Intellectual Property Rights.
- 20.4 The Contractor represents and warrants to Bofors that the Contract Work and anything done by and any use by Bofors in relation to the Contract Work will not infringe any Intellectual Property Rights of a third party.
- 20.5 The Contractor shall indemnify each Indemnified Party against any and all liability, loss, claims, costs, expenses or damages, payments and royalties of any kind whatsoever incurred by an Indemnified Party as a result of or in connection with the infringement or alleged infringement of any Intellectual Property Rights, whether or not under Swedish law, owned or controlled by a third party in respect of the Contract Work.

21. CONFIDENTIALITY

- 21.1 The Receiving Party undertakes
- i) only to use, or allow to be used, any Confidential Information to the extent reasonably necessary for the purpose of the Purchase Order and not to use any Confidential Information, or allow it to be used, for any other purpose except with the prior written consent of the Disclosing Party;
 - ii) to keep any Confidential Information confidential and not copy or disclose it to any person or party except as permitted under the Purchase Order, save that the Receiving Party may disclose Confidential Information where required by law, court order or any government or regulatory body provided that the Receiving Party will, where possible without breaching any legal or regulatory requirements, give the Disclosing Party advance notice of the disclosure requirement and will co-operate with the Disclosing Party in seeking to oppose, minimise or obtain confidential treatment of the requested disclosure to the extent reasonably practicable;
 - iii) only to disclose any Confidential Information to its directors, persons employed in or by its business, its professional advisers or (in the case of Bofors) any member of the BAE Systems Group and the Customer, in each case, which need-to-know such Confidential Information for the purpose of the Purchase Order

- provided that the Receiving Party shall make each such person or party agree to observe terms no less stringent than those contained in this clause 21 and the Receiving Party shall be responsible for such person or party's compliance;
- iv) not to disclose any Confidential Information to any third party (other than as permitted under the Purchase Order) except as required for the purpose of the Purchase Order and with the prior written consent of the Disclosing Party provided that the Receiving Party procures such third party's written undertaking to the Disclosing Party to observe terms no less stringent than those contained in this clause 21;
 - v) not to copy, reproduce or reduce to writing any Confidential Information, or any part thereof, or allow any person or party receiving such Confidential Information from the Receiving Party to do so, except as is reasonably necessary for the purpose of the Purchase Order;
 - vi) to establish and maintain adequate security measures to safeguard the Confidential Information from unauthorised use, reproduction, disclosure or access (such measures being at least equivalent to those it applies for the protection of its own Confidential Information); and
 - vii) to notify the Disclosing Party as soon as reasonably practicable if it becomes aware of, or reasonably suspects, any loss or actual compromise of any Confidential Information or the possession, use or knowledge of any Confidential Information by a third party other than in accordance with the terms of this clause 21.

21.2 On expiry or termination of the Purchase Order

- i) the Receiving Party shall on written demand by the Disclosing Party: (a) return to the Disclosing Party any Confidential Information (and any copies thereof) reduced to any permanent form disclosed by the Disclosing Party under the Purchase Order; (b) take all reasonable steps to permanently delete all electronic copies of Confidential Information from any computer systems, save that the Receiving Party shall not be obliged to erase Confidential Information held in any archived computer system in accordance with its security and/or disaster recovery procedures; and (c) provide to the Disclosing Party a certificate, signed by an officer of the Receiving Party, confirming that the obligations in this clause 21.2 i) have been complied with;
- ii) if the Disclosing Party has not made a demand under clause 21.2 i) within three (3) calendar months of expiry or termination, the Receiving Party may destroy, erase or procure the destruction or erasure of, such Confidential Information (and any copies thereof) in accordance with its usual business practices; and
- iii) the Receiving Party shall make no further use of the Confidential Information, save that the Receiving Party may retain one (1) copy of any Confidential Information solely for the purpose of enabling it to comply with the provisions of the Purchase Order or for legal or regulatory purposes.

21.3 The provisions of this clause 21 shall survive termination of the Purchase Order, howsoever arising.

22. COUNTERFEIT SUPPLIES

22.1 The Contractor shall ensure that Counterfeit Supplies are not delivered to Bofors. In fulfilling its obligations under the Purchase Order, the Contractor shall only purchase products to be delivered or incorporated as Contract Work to Bofors directly from the

OCM or OEM. Contract Work shall not be acquired from an Independent Distributor without written consent from Bofors.

22.2 The Contractor shall as soon as practicable notify Bofors if the Contractor becomes aware or suspects that it has acquired Counterfeit Supplies. When requested by Bofors, the Contractor shall provide documentation that authenticates traceability of the affected Contract Work to the OCM or OEM.

22.3 In the event that Contract Work delivered under the Purchase Order constitute or include Counterfeit Supplies, the Contractor shall, at its expense promptly replace such Counterfeit Supplies with genuine Contract Work conforming to the requirements of the Purchase Order. Notwithstanding any other provision in the Purchase Order, the Contractor shall be liable for all costs relating to the removal and replacement of Counterfeit Supplies, including without limitation.

Bofors' costs of removing Counterfeit Supplies, of reinserting replacement Contract Work and of any testing necessitated by the reinstallation of Contract Work after Counterfeit Supplies have been exchanged.

23. OFFSET

23.1 The Contractor understands that Bofors and other companies within the BAE Systems Group and associated companies of BAE Systems plc accrue significant offset obligations resulting from international sales. To assist in satisfying these obligations, Bofors may wish to take advantage of the Contractor's offshore supply chain and investment activity, in order that potential offset credits can be claimed in identified target markets.

23.2 The Contractor acknowledges that companies within the BAE Systems Group and associated companies thereof may be entitled to utilise through Bofors the total value of the Purchase Order and any sub-contracts placed by the Contractor arising from the Purchase Order, as fulfilment in whole or in part of any offset obligation placed, or to be placed, upon a company in the BAE Systems Group or an associated company thereof by an overseas customer.

23.3 The Contractor shall first seek and obtain Bofors' written permission prior to using the Purchase Order and/or any sub-contracts arising from the Purchase Order in satisfaction of the Contractor's own or any of the Contractor's other customers' offset obligations.

23.4 On request by Bofors, the Contractor shall assist the relevant company in registering the Purchase Order with the appropriate bodies as a satisfactory offset.

23.5 If the offset involves US defense articles or defense services, the Contractor and Bofors shall consult on the applicability of any ITAR brokering requirements and each, as may be appropriate given the nature of the offset transaction, shall timely seek any necessary authorisation.

24. INDUCEMENTS & ETHICS

24.1 Whether acting alone or with others, the Contractor undertakes that it will not do, and warrants that prior to accepting the Purchase Order it has not done, any of the following

- i) induce an employee, agent or sub-contractors of Bofors to make any concession to or confer any benefit on the Contractor, refrain or withhold from doing any act or alter any of the requirements of the Purchase Order in return for any gift, money, benefit or other inducement; nor
- ii) without the prior written consent of Bofors, pay money or give any other benefit to any third party (either directly or indirectly) in connection with the negotiation and/or issue of the Purchase Order or any transaction related thereto; nor
- iii) encourage or facilitate an employee, agent or sub-contractors of Bofors to acts of dishonesty against Bofors which may benefit the employee, agent or sub-contractors or be a detriment to Bofors.

24.2 Bofors maintains an ethics program that includes a written code of conduct, training and awareness for all employees, detailed of which can be found at (www.baesystems.com/Karlskogasupplier) It is expected and encouraged that all Contractors embrace ethical values of a comparable standard including a method for reporting possible violations if such method is permissible under the national jurisdiction.

24.3 The Contractor shall in performing work for delivery under this the Purchase Order comply with its national legalisation concerning his employees' work and employment conditions. Such work and employment conditions shall, as a minimum, be compatible with the following International Labour Organisation's (ILO) conventions:

- i) Minimum Age for Admission to Employment (No 138);
- ii) Abolition of the Worst Forms of Child Labour (No 182);
- iii) Abolition of Forced or Compulsory Labour (No 29 and 105);
- iv) Equal remuneration for Men and Woman Workers for Work of Equal Value (No 100);
- v) Freedom of Association and Protection of the Right to Organize and Collective Bargaining (No 87 and 98).

24.4 The Contractor shall use reasonable efforts to include the requirements of this clause 24 in all its subcontracts.

25. PUBLICITY

Subject to publication requirements under any applicable stock exchange regulation, the Contractor shall not publicise in any media or public announcement information regarding the terms of the Purchase Order or the Contract Work provided without the written consent of Bofors.

26. NOTICES

Any notice under the Purchase Order sent by one Party to the other shall be in writing (including e-mails) and shall be sent by e-mail or first class post using special delivery or recorded delivery to its address set out in the Purchase Order or to such other address as may from time to time be notified by the one to the other.

27. AMENDMENT

No amendment to the Purchase Order shall be valid unless it is contained in an Purchase Order amendment issued by Bofors which the Contractor shall accept by signing and returning the Purchase Order Acknowledgement or, if trading through an e-

commerce platform, by accepting the Purchase Order Acknowledgement through the relevant process (or, if the Contractor fails to sign and return the Order Acknowledgement, it shall be deemed to have been accepted by carrying out the work which reflects the amendment).

28. ASSIGNMENT & SUB-CONTRACTING

- 28.1 Neither Party may assign or transfer all or any of its rights and/or obligations under the Purchase Order without the prior written consent of the other Party provided that Bofors may do so to another member of the BAE Systems Group.
- 28.2 The Contractor may not sub-contract any of its obligations under the Purchase Order without the prior written consent of Bofors except as is customary in the trade.

29. LAW & JURISDICTION

- 29.1 The Purchase Order, and any non-contractual obligations arising out of or in connection with it, shall be governed by and construed in accordance with Swedish law, excluding the UN Convention on Contracts for the International Sale of Goods.
- 29.2 Any dispute arising out of or in connection with the Purchase Order, including any question regarding its existence, validity or termination, and any dispute relating to any non-contractual obligations arising out of or in connection with the Purchase Order, shall be referred to and finally resolved by arbitration under the Stockholm Chamber of Commerce ("SCC"), which Expedited Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be one. The seat or legal place of arbitration shall be Stockholm. The language to be used in the arbitration shall be English.