

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 Goods"	mean: (a) goods which have been identified, marked and/or altered by a source other than the Goods' legally authorised source and which have been misrepresented to be an authorised item of the legally authorised source; and/or (b) previously used goods provided as new
"Customer"	means any Customer to Bofors.
"Customer furnished Material"	Means all Documents, information and materials provided by the Customer relating to the Contract Work, including computer programs, data, reports and specifications.
"Data"	means, regardless of its format, documentary characteristics or of its method of production, and includes, but is not limited to: specifications, drawings and drawing processes, inventions and discoveries regardless of them being patentable or able to be protected in other ways, patents, technical descriptions and other work of technical nature, technical data and production data, source code, processes, know-how, trade secrets, commercial documents and plans, handbooks, manuals, instructions, descriptions and similar information regarding the Contract Work.
"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 circumstance not within a Party's reasonable control, including without limitation: (a) acts of God, drought, flood, earthquake or other natural disaster; (b) epidemic or pandemic; (c) terrorist attack, civil war, civil commotion or riots, or war; (d) nuclear, chemical or biological contamination or sonic boom; and (e) any labour or trade dispute, national strikes, industrial action or lock-outs or other industrial disputes (but only where it involves the workforce of a third

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.



	party and does not involve a Party or a member of a Party's Group or any persons that the Contractor engages to deliver the Supplies).
"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.
"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.
"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.
"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.
"Receiving Party"	means a Party which receives any Confidential Information from the Disclosing Party.
"Reference Rate"	means, the rate determined by the Riksbank (Swedish Central Bank).
"Sanctioned Person"	means any person or government (or agency or instrumentality thereof) who is a target of any form of Sanctions.
"Sanctions"	means any financial sanctions, trade embargo or other restrictive measures which are imposed by the United Nations, the UK, the United States, the European Union or Member States thereof, Australia or Canada or which are imposed by another country and are applicable to Bofors or the Contractor in relation to the performance of this Contract or the known end use of the Product.
"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 17.1
"VAT"	means value added tax.
"Written" or "in writing"	means a document signed by both Parties or a letter, 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 referenced in a Purchase Order or 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 Purchase Order
- ii) the Special Conditions;
- iii) these Standard Conditions;
- iv) the Specification; and then
- v) 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 licenses 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 any applicable national and international export control, sanctions and customs law and regulations regarding 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.

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 Contractor solely for contract management activities in accordance with all applicable laws and regulations, the Contractor 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 Contractor 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 Contractor acknowledges and agrees that it shall advise such individuals of the provision of such Personal Data prior to it taking place. Further, the Contractor shall provide such individuals with the URL of BAE Systems' data privacy portal which can be found at: www.baesystems.com/en/privacy.

4 EXPORT CONTROL

- 4.1 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.
- 4.2 Upon request from Bofors, or at the latest when the Contractor has fulfilled the Contract Work, the Contractor shall either
- (i) return all technical specifications/Documents subject to export license or
 - (ii) certify that all technical specifications/Documents subject to export license are destructed in accordance with instructions from Bofors.
- 4.3 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.

4.4 The Contractor shall not disclose any export controlled documentation to a third party without contacting Bofors first.

5 CONTRACTOR'S PERSONNEL

- 5.1 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.
- 5.2 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 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.
- 5.3 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.

6 QUALITY AND ENVIRONMENTAL REQUIREMENTS

- 6.1 The Contractor shall provide the Contract Work in accordance with document purchasing quality requirements 03152565 see: www.baesystems.com/karlskogasupplier and subject to all reasonably applicable quality standards and to those set out as a Special Condition and/or in the Specification.
- 6.2 Upon Bofors providing reasonable notice, the Contractor shall (and procure that its agents and sub-contractors shall) at no additional cost to Bofors or the Customer
- i) allow Bofors and persons authorised by Bofors (which may include the 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.
- 6.3 Unless otherwise specifically agreed in writing, all Contract Work shall be new.
- 6.4 The following supplemental environmental conditions are hereby incorporated by reference, and shall also apply to this Contract: Environmental Requirements for Direct Suppliers 04223569 see: www.baesystems.com/karlskogasupplier
- 6.5 If the Contract Work contains any chemical substances listed in the REACH Candidate List of substances of very high concern (Regulation (EC) No 1907/2006 of the European Parliament and of the Council concerning Registration, Evaluation, Authorisation and Restriction of Chemicals), they must be report to the Buyer by the Contractor before the day of delivery of Contract Work.
- 7 OBSOLECENCE MANAGEMENT**
- 7.1 The Contractor shall have adequate obsolescence management. If, for any reason, any of the components or materials of the Contract Work under a specific Purchase Order 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 Contractor's expense.
- 7.2 The Contractor is further for a period of five years from the last delivery obliged to inform Bofors of obsolescence in regards of items previously procured under a Purchase Order.
- 8 DELIVERY**
- 8.1 The delivery term in respect of any Contract Work shall be FCA Contractor's place of business (Incoterms 2020).
- 8.2 Unless otherwise specified, all Work is to be packed in accordance with good commercial practice designed to protect the integrity of the shipped contents consistent with international shipping practices.
- 8.3 Wooden packaging from international suppliers: Wooden packaging from Contractor must conform to INTERNATIONAL STANDARDS FOR PHYTOSANITARY MEASURES ISPM 15 REGULATION OF WOOD PACKAGING MATERIAL IN INTERNATIONAL TRADE (2009) revised Aug 2011.
- 8.4 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)
- 8.5 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, permits, approvals, civil approved certificates and any other documents required to clear customs and obtain export control approvals needed for export and/or import, 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.
- 8.6 If the Contractor fails to comply with the provisions of this clause 8, Bofors shall be under no obligation to accept delivery of the relevant consignment.
- 9 ACCEPTANCE**
- 9.1 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.
- 9.2 Bofors shall accept the Contract Work or give Contractor notice of rejection on the latest of when they have been taken into final and beneficial use by Bofors or thirty (30) Days after delivery in accordance with clause 8, notwithstanding any payment or prior test or inspection. No inspection, test, delay, approval, or failure to inspect/test or failure to discover any defect or other nonconformance shall relieve the Contractor of any of its obligations under any order or impair any rights or remedies of Bofors or the Customer. Final acceptance by Bofors of any Contract Work shall not limit or affect any warranty or right of indemnity.
- 9.3 Bofors may revoke acceptance of Contract Work if the Contract Work is non-conforming and if Bofors' acceptance was reasonably induced either by the difficulty of discovery before acceptance or by the Contractor's assurances.

- 9.4 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.

10 RISK & TITLE

- 10.1 Risk in any Contract Work shall pass to Bofors upon delivery in accordance with clause 8. If the Contract Work is rejected the risk shall return to the Contractor upon notice of the rejection and return of the Contract Work in accordance with FCA INCOTERMS 2020.
- 10.2 Title to any Contract Work shall pass to Bofors upon delivery in accordance with clause 8.

11 PRICE & PAYMENT

- 11.1 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 29.
- 11.2 Prices shall be non-revisable and shall be exclusive of VAT and, in the case of non-EU Contract Work, exclusive of import taxes.
- 11.3 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.
- 11.4 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.
- 11.5 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.

- 11.6 The Contractor acknowledges and agrees that invoices shall only be passed for payment by Bofors if they comply with the provisions of this clause 11. 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.
- 11.7 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.
- 11.8 The Contractor reserves the right to charge interest on all valid overdue amounts with Swedish reference rate + 8 % in accordance with Räntelagen (1975:635).

12 DELAY

- 12.1 Time is of the essence. If the Contractor fails to deliver the Contract Work on the dates specified in the Purchase Order, Bofors is entitled to liquidate damages from the date on which delivery should have taken place.
- 12.2 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.
- 12.3 The liquidated damages shall not exceed ten (10) percent of the price of that part which is the basis of the calculation.
- 12.4 The liquidated damages become due at Bofors' written demand.
- 12.5 Claims or set-off by Bofors for liquidated damages shall not constitute a waiver of any other right under the Purchase Order or law.

13 WARRANTY

- 13.1 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.

13.2 The warranties in clause 13.1 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 Contract Work to the Customer, whichever occurs first.

13.3 If there is a defect in the Contract Work during the warranty period, the Contractor shall upon receipt of notice from Bofors but at the absolute discretion of Bofors:

- i) repair or replace the defective Contract Work at the Contractor's own expense and risk, and in either case the warranty shall continue for the time periods specified in 13.2 from the date of acceptance by Bofors of the repaired or replacement Contract Work.

If the Contractor fails to do so without undue delay, Bofors may:

- ii) require the Contractor to refund Bofors the price of the defective Contract Work; and/or 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).

13.4 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.

13.5 The provisions of this clause 13 shall survive termination of the Purchase Order, howsoever arising.

14 INDEMNITY

14.1 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 if caused by the Contractor's act or omission or by the Contract Work.

14.2 If a third party initiates legal proceedings, whether by court action or by arbitration, the indemnifying Party under this clause 14 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.

14.3 The provisions of this clause 14 shall survive termination of the Purchase Order, howsoever arising.

15 INSURANCE

15.1 The Contractor shall maintain primary insurance policies with reputable insurers authorized 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 16.

15.2 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.

16 LIMITATION OF LIABILITY

16.1 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.

16.2 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.

16.3 The limitations of liability in this clause 18 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 21 or any other confidentiality provisions in force between the Parties;
- iv) damages pursuant to the other Party's breach of any of the provisions in clause 19, 26 or 31; and
- v) damages pursuant to claims based on applicable mandatory environmental legislation regarding production and design of the Contract Work, which is in force in Sweden at the time of entering this Agreement.

17 TERMINATION, EVENTS OF DEFAULT & REMEDIES

17.1 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 11) for each Termination Sum and any outstanding sums due under the Purchase Order

17.2 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) the Contractor agrees to or a resolution is passed for any kind of winding-up, administration composition, as a result of financial difficulties
- iv) the Contractor is acquired by or merged with any third party or any change of control occurs;
- v) the Contractor commits a breach of clause 26 (Inducement & Ethics) or clause 31 (Sanctions Compliance) (which breach shall be deemed to be an irremediable breach)
- vi) the Contractor is or may be unable, in Bofors' reasonable opinion, to perform its obligations under the Purchase Order.

17.3 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.

17.4 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.

17.5 Upon receipt of notice of termination of the Purchase Order, the Contractor shall: cease provision of the Contract Work as directed by Bofors; and minimize all its costs associated with the termination of the Purchase Order.

17.6 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.

17.7 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.

18 FORCE MAJEURE

18.1 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.

- 18.2 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.
- 18.3 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.

19 INTELLECTUAL PROPERTY RIGHTS

- 19.1 Where applicable, the Contractor agrees that all foreground Data/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.
- 19.2 Any background Data/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.
- 19.3 Contractor hereby grants to Bofors an irrevocable, perpetual, non-exclusive, worldwide, royalty-free right to use (with the ability to sub-license to Bofors Customers) the background Intellectual Property Rights for the purposes: conducting assembly, installation, activation, operation and maintenance (including routine repairs) and procurement.
- 19.4 The right of use furthermore includes the right to, in whole or in part, copy, reproduce, compile and translate Data to the extent Bofors and its Customer finds necessary for the stated use.
- 19.5 Unless otherwise agreed by the Contractor and Bofors, the Contractor shall deliver Data to the Bofors in the format required by Bofors, on demand or no later than in connection with the final delivery date. At that time, the Contractor shall also deliver a detailed list and description of the program development environment, related to the above-mentioned Data, which was used when carrying out the contract.
- 19.6 The Contractor shall at the request of Bofors under a specific agreement, to a reasonable extent, provide assistance to Bofors, or to other contractors contracted by Bofors, when using Intellectual Property Rights or for activation of Contract Work as a result of an assignment or grant of the right of Bofors to the Intellectual property Rights.
- 19.7 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.
- 19.8 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.

20 RIGHT TO DEFENSE INVENTIONS

- 20.1 In order to enable the Customer to protect defense inventions and the Customer's statutory right according to the Defense Inventions Act (1971:1078), which is applicable on inventions that especially concerns military materiel, as defined in the Defense Inventions Act, the Contractor shall:
- inform Bofors, and allow Bofors to inform its Customer, of patent applications regarding inventions made by the Contractor or its sub-suppliers during the performance of the Purchase Order by sending a copy to Bofors of said patent application at the same time as the submission of the patent application to the Swedish Intellectual Property Office (PRV),
 - not apply for patents outside of Sweden for inventions made by the Contractor or its sub-suppliers during the performance of the Purchase Order, and which can be considered a defense invention which shall be kept secret, without Bofors' written approval, and
 - not apply to the Swedish Board of Review for Defense Inventions for the Swedish Government to assume the right to an invention which has

been declared secret, and which has been made by the Contractor or its sub-suppliers during the performance of the Purchase Order, and not demand compensation for damages pursuant to the defense invention being kept secret.

20.2 This clause is only applicable in cases where the Customer is the Swedish Defence Materiel Administration.

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 BAE Systems Group expects and encourages all its Contractors to only use parts for the goods which have been purchased from the original equipment manufacturer, the original component manufacturer or their authorised sources.
- 22.2 The Contractor shall ensure that goods are in line with the requirement for a conforming product and Counterfeit Goods are not delivered to Bofors.
- 22.3 If the Contractor becomes aware of or suspects that it has acquired Counterfeit Goods, the Contractor shall as soon as reasonably practicable notify the Purchaser using existing nonconforming / escapes / alerts notification processes. The Contractor shall provide documentation that authenticates the affected Goods and, where applicable, provide traceability of the sourcing route. The Contractor shall support the Purchaser in any investigation to support resolution of any such suspect or affected Goods.
- 22.4 In the event that goods delivered under the Agreement constitute or include Counterfeit Goods, subject to the other provisions of the Agreement, the Contractor shall, at its own expense, promptly replace such Counterfeit Goods with genuine Goods conforming to the requirements of the Agreement.
- 22.5 Notwithstanding any other provision in the Agreement, the Contractor shall be liable for all costs relating to the removal and replacement of Counterfeit Goods, including without limitation, the Purchaser's costs of removing Counterfeit Goods, of reinserting replacement Goods and of any testing necessitated by the reinstallation of goods after Counterfeit Goods have been exchanged.

23 SECURITY**Contractor agrees:**

- 23.1 To implement, maintain, monitor and update a reasonable, written security program incorporating administrative, technical, organizational and physical safeguards, security measures and security awareness, and install and implement security hardware and software, in each case, designed to protect the security, availability and integrity of Contractor's network, systems and operations, the Goods and Services and the Bofors Data from unauthorized access and use; and

- i) guard against security incidents.

- 23.2 to not transfer, store, manage, process or otherwise place any Bofors' Data in a Cloud service, or on any system external to Bofors' or Contractor's premise without advance written approval from Bofors. If Contractor is given access to Bofors' networks, Contractor shall only access such networks from Contractor's or Bofors' premises, no other remote access is authorized, without prior written approval from Bofors. Such approval(s) shall be at Bofors' sole discretion and Contractor shall:

- i) notify Bofors in advance of the intended use;
- ii) complete a Business Security screening questionnaire to be provided by Bofors, which shall be deemed a part of this Contract, and Contractor warrants and represents the accuracy and continued accuracy of such assertions; and
- iii) Ensure that Confidential Information is stored and handled as follows:
 - a. When disposing documents or digital media containing Confidential Information, or when purchaser data is no longer needed the contractor shall ensure secure disposal of data by shredding or destroying the media before disposal so it cannot be read. If the contractor wants to reuse the device, the contractor shall clean or purge the information.
 - b. The contractor shall within 72 hours report to Bofors any information security incident
 - c. The contractor shall install anti-virus software from an established provider and maintain protection by updating protection software whenever new releases are available.
 - d. The Contractor shall configure the system to apply security-relevant updates, patches, service packs, hot fixes, and anti-virus signatures.
 - e. The contractor shall protect contractor environment by implementing firewalls on network perimeter (firewall/router) and end user devices (endpoint protection/software firewall).
- iv) comply with any other agreed security protocols set by Bofors. The Security Protocol level, if any, shall be indicated on the Purchase Order. Information security requirements tier 2 and 3 is published on: www.baesystems.com/karlskogasupplier

24 CONFLICT MINERALS

24.1 If the Contract Work, or any items or materials forming part of the Contract Work, contain Tantalum, Tungsten, Tin or Gold, then the Contractor shall ensure that these have been purchased from legitimate and responsible sources which are in compliance with United Nations resolutions and which are not in any way involved in funding conflict. If requested by the Purchaser, the Contractor shall provide to the Purchaser all relevant information showing the source.

25 OFFSET

25.1 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.

25.2 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.

25.3 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.

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

25.5 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.

26 INDUCEMENTS & ETHICS

26.1 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.

26.2 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.

26.3 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, 105 and protocol of 2014 (PO29));
- 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).

26.4 The Contractor shall include the requirements of this clause 26 in all its subcontracts.

27 PUBLICITY

27.1 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.

28 NOTICES

28.1 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.

29 AMENDMENT

29.1 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).

30 ASSIGNMENT & SUB-CONTRACTING

30.1 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.

30.2 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.

31 SANCTIONS COMPLIANCE

31.1 The Contractor represents and warrants that it is not, nor is it directly or indirectly owned or controlled by or acting on behalf of, a Sanctioned Person or incorporated, domiciled or ordinarily resident in a country subject to Sanctions, and it shall immediately notify Bofors if this representation and warranty becomes untrue at any time during the term of the Contract.

31.2 The Contractor undertakes as a condition of the Contract that it shall comply with all applicable Sanctions, including but not limited to those administered and enforced by the UK Office of Financial Sanctions Implementation and the US Treasury Office of Foreign Assets Control, and it shall not take any action or make any omission that could cause Bofors and any member of the BAE Systems Group to be in violation of any Sanctions applicable to any of them, to be exposed to a risk of restrictive measures under Sanctions, or to be designated as a Sanctioned Person.

31.3 Bofors shall not be required by the Contract to do or not to do anything that would, in its reasonable opinion, constitute a violation of Sanctions, or expose it to a risk of restrictive measures under Sanctions, or to be designated as a Sanctioned Person.

31.4 The Contractor shall not engage, directly or indirectly, with any Sanctioned Person, or territory targeted by Sanctions, in the development, manufacture, supply, delivery, financing or any other action relating to any Product.

31.5 The Contractor shall maintain compliance measures designed to ensure its compliance with applicable Sanctions and to its Sanctions-related undertakings in the Agreement. The Contractor shall provide to Bofors policy and process documents describing the Contractor's compliance measures upon request of Bofors. The Contractor shall maintain records relating to any transaction related to the Contract, during the term of the Contract and for a period of five (5) years thereafter, or as required by law, whichever is longer.

31.6 The Contractor shall promptly inform Bofors if it or any third party it is engaging with in connection with the performance of the Contract becomes a Sanctioned Person, becomes subject to or otherwise involved in an investigation or enforcement action relating to Sanctions, or becomes aware of any apparent violation of Sanctions by any person with respect to any action taken in the course of performing an obligation under the Contract.

31.7 The Contractor shall upon request from Bofors certify its compliance with sanctions in connection with the Contract.

31.8 If the Contractor is in breach of any of clauses 31.1 to 31.8 (inclusive), it shall indemnify each Indemnified Party against all claims by any third party, including damages, losses, penalties, costs and/or expenses, arising from or related to the subject matter of any breach by the Contractor of such clause.

32 REQUIRED DOCUMENTS

- 32.1 Upon Bofors request, the Contractor shall, at its own cost and without undue delay, furnish and deliver all necessary certificates, approvals and supporting documentation in connection to the Contract, that, is reasonably required for Bofors to comply with its own obligations regarding sanctions compliance, reporting on human rights or environmental matters, or similar legal requirements imposed by governing authorities.
- 32.2 The Contractor shall procure and collect the information required according to 32.1 from its suppliers and business partners if it does not originate with the Contractor.

33 LAW & JURISDICTION

- 33.1 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.

- 33.2 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.
- 33.3 Until final resolution of any dispute hereunder, Contractor shall diligently proceed with the performance of this Contract.