

1. Scope

These general conditions of purchase shall apply exclusively between the Buyer and the Supplier unless otherwise expressly agreed in writing. Any terms other than these conditions will be null and void.

2. Definitions

2.1 "Agreement" means these general conditions of purchase and any other document the parties have agreed to form part of the Buyer's purchase of the Products.

2.2 "Buyer" means the MilDef Company purchasing Products from the Supplier under the Agreement.

2.3 "Export Control License" means any public or governmental license, authorization, approval, permit or similar (whether temporary or permanent) pertaining to the export, import, marketing, development, license manufacturing, distribution or re-export of the Products.

2.4 "Gross Negligence" means an act or omission of a party in violation of elementary rules of diligence which a conscientious contracting party in a similar position would have followed.

2.5 "Intellectual Property" means all work of authorship, designs, inventions and discoveries, software, samples, models, tools, know-how and trade secrets, in each case, in all forms, formats, languages and versions.

2.6 "Intellectual Property Right" means all right, title and interest in and to any Intellectual Property, whether registered or unregistered, in all territories, whether by operation of law (including, without limitation, by operation of laws of copyright, patent, trademark, trade usage and trade secrets) or contract, license or otherwise, and applications, registrations, renewals, extensions and restorations relating to any of the foregoing.

2.7 "Product" means a product and any associated services made subject to these general conditions of purchase.

2.8 "Proprietary Information" means all technological, financial, commercial or other information or data of a proprietary or confidential nature and identified as such by an appropriate legend or marking.

2.9 "Purchase Order" means an order in writing by posted mail, fax or other portal solutions for purchase of Products by the Buyer, submitted by the Buyer to the Supplier, subject to these general conditions of purchase.

2.10 "MilDef Company" means a company in the MilDef Group.

2.11 "MilDef Group" means MilDef Group AB and all other companies in which MilDef Group AB directly or indirectly controls more than 50% of the votes.

2.12 "Supplier" means the seller of the Products.

3. Ordering procedures

3.1 The Supplier shall within three (3) calendar days from receipt of the Purchase Order either confirm the Purchase Order, and thus accept these general conditions of purchase, or reject it. If the Supplier has neither confirmed nor rejected the Purchase Order within the said time period, the Supplier is deemed to

have accepted the Purchase Order, and thereby these general conditions of purchase.

3.2 Terms that diverge from these general conditions of purchase shall have no applicability unless the Buyer has expressly accepted the relevant term in writing.

4. Prices

4.1 The prices are firm and fixed unless otherwise expressly agreed in writing.

4.2 All prices shall be inclusive of all taxes, fees or other charges and shall include all costs associated with suitable packaging and preparation for shipment.

5. Terms of delivery and packaging

5.1 Delivery shall take place on the dates agreed.

5.2 The terms of delivery shall be as stated in the Purchase Order.

5.3 Title and risk to the Products shall pass to the Buyer upon delivery in accordance with INCOTERMS 2020.

5.4 Partial deliveries are not accepted unless expressly agreed in writing.

5.5 The Supplier shall pack each Product to a standard which shall ensure the safe transportation and delivery of the Product without damage. The Supplier shall be responsible for all loss or damages arising out of the failure to meet such packaging requirements.

5.6 The delivery documentation shall reference the number of the Purchase Order.

6. Terms of payment

6.1 Undisputed invoices shall be paid within sixty (60) calendar days from the later of (i) the receipt of the correct invoice, (ii) the delivery date set forth in the Purchase Order, or (iii) the actual delivery in accordance with the requirements as specified in the relevant Purchase Order.

6.2 Invoices shall refer to the number of the relevant Purchase Order and item/position/line in the Purchase Order. Invoices not referring to a Purchase Order will not be accepted and consequently not paid.

7. Delay in delivery

Timely delivery in accordance with the Purchase Order is a material condition of the Agreement. If the delivery times as set out in the Purchase Order cannot be met or at any time at Buyer's request, the Supplier will provide prompt information as to the causes and the mitigation action it proposes to take.

7.1 A delay in delivery has occurred if the date of delivery of the Product is later than the delivery date agreed upon and such delay is not due to the Buyer.

7.2 If the Supplier anticipates or has reasonable cause to believe that a delay in delivery may occur, the Supplier shall immediately notify the Buyer in writing stating the cause of the delay, mitigation actions taken and the Supplier's best estimate of when delivery can be made. Such notice shall not limit the Supplier's liability for the delay.

7.3 Upon a delay in delivery, the Buyer shall be entitled to liquidated damages to be payable at a weekly rate of two percent (2 %) of the price of the delayed Products

and the price of the Products that cannot, because of the delay, be used as intended by the Buyer.

7.4 The liquidated damages shall become due at the Buyer's demand in writing. The Supplier's payment of liquidated damages shall not relieve the Supplier from the obligation to deliver the Products.

7.5 In case the delay exceeds four (4) weeks the Buyer may by notice in writing to the Supplier terminate the Agreement or any part thereof with immediate effect.

7.6 Liquidated damages under this clause 7 and the right to termination of the Agreement shall be the exclusive remedies available to the Buyer in case of delay on the part of the Supplier. All other claims against the Supplier based on such delay shall be excluded, except where the Supplier has been guilty of Gross Negligence.

8. Quality and environmental requirements

8.1 The Products shall meet Buyer's Quality and Environmental Requirements, latest version available at <https://mildef.com/supplier-portal/>, as well as all requirements imposed by any law or regulation applicable to the production, use, repair, maintenance, transport, disposal and/or sale of the Products. The Products shall also meet any other requirements agreed upon in writing.

9. Business ethics

9.1 The Buyer considers ethical behaviour as a key parameter in its business. In furtherance of this, the Buyer has adopted a Code of Conduct for suppliers which sets out the standards and principles, including a policy of zero tolerance of any form of corruption, available at <https://mildef.com/supplier-portal/>.

9.2 The Supplier acknowledges that it is aware of the content of the Supplier Code of Conduct and the Supplier undertakes to comply in all material aspects with the standards and principles laid down in it and to ensure such compliance by all of its directors, employees, agents or sub-contractors who are involved in performing the Supplier's obligations under this Agreement.

9.3 The Supplier understands and accepts that any non-compliance with this undertaking may be deemed to constitute a material breach of this Agreement and result in the Buyer's immediate termination of this Agreement or any other agreement between the parties.

10. Audits

10.1 Buyer reserves the right to conduct audits and inspections at the Supplier's premises with respect to the manufacture, sale and delivery of products, environmental capability, and all other Supplier activities stated in this document, or other requirements according to law or agreement. Audits may also be performed by Buyer's customers such as business partners, companies within the defense sector and/or governmental organizations. If governmental, the audit may be the subject of Government Quality Assurance (GQA) activity. Supplier will be notified before any audit is conducted.

10.2 The Supplier shall upon reasonable written notice give Buyer or Buyer's customers access to its premises to enable verification of production processes and quality systems and sampling and conducting other necessary investigations of quality and delivery performance (including Government Quality Assurance (GQA)).

10.3 The Supplier shall use its best endeavours to provide for similar audits by the Buyer and its customers on the premises of the Supplier's subcontractors.

11. Warranty

11.1 The Supplier shall remedy any defect in the Product resulting from faulty design, material or workmanship or any nonconformity of the Product to any agreed specification (hereinafter together "Defect") during a warranty period of two (2) years starting from the delivery of the respective Product.

11.2 The Supplier shall as soon as possible remedy any Defect in the Products at its own cost through repair or replacement. If the Supplier does not remedy the Products within a reasonable time, the Buyer may itself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the Supplier and/or terminate the Agreement or any part thereof with immediate effect by notice in writing to the Supplier.

11.3 Products that have been replaced by the Supplier under this clause 11 shall be subject to a new warranty period in accordance with clause 11.1 and 11.2. The warranty period for Products that have been repaired by the Supplier shall be extended for a period equal to the time the Products have been out of use.

11.4 All transports of Products to and from the Supplier in connection with the remedying of Defects for which the Supplier is responsible shall be at the risk and expense of the Supplier.

11.5 The Buyer shall notify the Supplier in writing of any Defect including a description of the Defect without undue delay after its appearance and under no circumstances later than four (4) weeks after the expiry of the warranty period.

11.6 The Supplier is not liable for Defects that are caused by (i) misuse or neglect by the Buyer or by someone for which the Buyer is responsible, (ii) faulty maintenance, incorrect assembly or installation or by alterations carried out without the Supplier's consent in writing, or (iii), normal wear and tear.

11.8 Except for the remedies in clause 13 (Liability and indemnity) and for Counterfeit Parts (as defined in Buyer's Quality and Environmental Requirements), the remedies in this clause 11 shall be the exclusive remedies available to the Buyer for Defects. This limitation of the Supplier's liability shall not apply if it has been guilty of Gross Negligence.

12. Infringement of Intellectual Property Rights

12.1 The Supplier shall indemnify and hold harmless the Buyer from and against any and all claims, damages, losses and expenses (including reasonable attorneys' fees) incurred as a result of any claim, suit or proceeding brought against the Buyer based on the allegation that

the use, sale, distribution or other disposal of the Products constitutes an infringement of any Intellectual Property Rights. The Buyer shall without undue delay notify the Supplier in writing of any such claim and the parties shall consult each other in the defense or settlement thereof.

12.2 In the event that the Products or any part thereof are in such suit or proceeding held to constitute an infringement or their further use, sale, distribution or other disposal is enjoined, the Supplier shall promptly, at its own expense and option, either: (i) procure for the Buyer the right to continue the use, sale, distribution or other disposal of such Products; or (ii) replace or modify the same with non-infringing products without detracting from the function and performance of the Products.

13. Liability and indemnity

13.1 The Supplier shall indemnify and hold harmless the Buyer from and against all claims, damages, losses and expenses in respect of (i) injury or death of any employee of the Buyer (ii) loss of or damage to property of the Buyer and (iii) injury or death and loss of or damage to property of any third party if caused by the Supplier's negligence, or by anyone for which the Supplier is responsible, or by the relevant Product as a result of faulty design, inherent defects or faulty manufacture or faulty or insufficient instructions for the operation and maintenance of the Product.

13.2 The Buyer shall indemnify and hold harmless the Supplier from and against all claims, damages, losses and expenses in respect of (i) injury or death of any employee of the Supplier, (ii) loss of or damage to property of the Supplier, and (iii) injury or death and loss of or damage to property of any third party if caused by the Buyer's negligence.

13.3 If a third party initiates legal proceedings, whether by court action or by arbitration, the indemnifying party under this clause 13 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. Limitation of liability

14.1 Neither the Supplier nor the Buyer shall be liable to the other party 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.

14.2 The total liability of either party on any claim under the Agreement shall not exceed the higher of (i) the relevant contract price or (ii) any applicable insurance coverage.

14.3 The limitations of liability in this clause 14 shall not apply in case of (i) Gross Negligence, (ii) breach of confidentiality, (iii) Counterfeit Parts (as defined in Buyer's Quality and Environmental Requirements) or (v) in relation to any indemnification pursuant to clause 12 or 13.

15. Force Majeure

15.1 Either Party shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded by any of the following circumstances ("Force Majeure Events"): fire, natural disaster, war, embargo, and any other events, all when beyond the control of the affected Party and which consequences cannot be avoided or overcome. A Force Majeure Event is also such event of sub-contractors when arising from the above causes and without the fault or negligence of both the Supplier and such sub-contractor and only when the Supplier could not have obtained the supplies or services from other sources in sufficient time to meet the delivery dates as set forth in a Purchase Order.

15.2 The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of the Force Majeure.

16. Export and import licenses

16.1 The Supplier is responsible to timely apply for, obtain, and secure any Export Control License, in the territory of the Supplier and its sub-contractors, required to enable the timely delivery and discharging of all its obligations under this Agreement. The Supplier shall also support the Buyer in connection with any future retransfer of the Product or part thereof.

16.2 If any Export Control License requires signed end user certificates the parties agree to assist each other in completing the end user certificates.

16.3 The Supplier shall, in due time prior to delivery of the Product, or upon the Buyer's request, provide to the Buyer information on the export control classification (civil, military or dual use list) of all Products or parts thereof.

16.4 If any necessary Export Control License are delayed, denied or revoked, the Supplier shall notify the Buyer thereof in writing without delay, and the Supplier shall be entitled to suspend performance of its obligations under the Agreement, except where such delay, denial or revocation is due to circumstances within the control of the Supplier.

17. Industrial cooperation (Offset)

17.1 The Buyer may use all or any part of the value of this purchase for offset purposes, including but not limited to: (i) fulfilling the offset or industrial participation obligations of the MilDef Group; (ii) transferring to third parties offset credits granted as a result of Purchase Orders, or (iii) retaining granted offset credits for use in satisfying future offset obligations.

17.2 The Supplier undertakes to assist the MilDef Group in its dialogue with government agencies and/or other authorities and organizations involved, by inter alia verifying Purchase Orders received by filling out an offset declaration statement, where information regarding level of local content should have relevance for the calculation of offset credits.

18. Confidentiality

18.1 This clause 18 shall apply if and to the extent it does not contradict the provisions of any applicable confidentiality agreement or similar agreement.

18.2 Each party shall protect Proprietary Information received from the other party with the same degree of care that it exercises with respect to its own Proprietary Information.

18.3 The receiving party undertakes to keep Proprietary Information confidential and not to disclose such in whole or in part to a third party without written permission from the disclosing party and to restrict access to Proprietary Information to those of its employees who have a need to know the same when executing the Agreement.

18.4 The duty of confidentiality does not apply to Proprietary Information which the receiving Party can prove: (i) is generally known to the public at the time of disclosure by the disclosing party or later becomes so generally known without the fault of the receiving party, (ii) was already known to the receiving party prior to disclosure by the disclosing party, (iii) is disclosed to the receiving party by a third party who did not obtain such information from the disclosing party subject to any confidentiality obligation, (iv) is independently developed by the receiving party, or (v) is approved for release or use by the other party's prior authorization in writing.

18.5 The Buyer may disclose Proprietary Information received from the Supplier under the Agreement to the customer provided that such information exhibits the proprietary marking of the Supplier. The Buyer may also disclose Proprietary Information to any other MilDef Company. The Buyer shall ensure that any such MilDef Company complies with this clause 18.

19. Termination

19.1 The Buyer may terminate the Agreement or any part thereof with immediate effect by notice in writing to the Supplier in case the Supplier (i) exercises its right in clause 7.5, (ii) is in breach of any of its obligations under the Agreement and fails to remedy the breach within thirty (30) calendar days after receiving notice in writing specifying the breach, or (iii) becomes the subject of bankruptcy, insolvency, liquidation, winding-up, receivership or any similar institute or event.

19.2 The Supplier may terminate the Agreement or any part thereof with immediate effect by notice in writing to Buyer in case Buyer: (i) is in breach of any of its obligations under the Agreement and fails to remedy the breach within thirty (30) calendar days after receiving notice in writing specifying the breach, or (ii) becomes the subject of bankruptcy, insolvency, liquidation, winding-up, receivership or any similar institute or event.

19.3 In case of rightful termination by either party according to clause 19.1 or 19.2, the terminating party shall, subject to the limitations of liability set out in clause 14, be entitled to compensation for the loss it has suffered as a result of the termination.

19.4 If performance of the Agreement has been suspended under clause 15 or 16 for more than ninety (90) calendar days, either party may by notice in writing to the other party terminate the Agreement without incurring any liability towards the other party.

19.5 Provisions contained in these general conditions of purchase that are expressed or by their sense and context are intended to survive the expiration or termination of the Agreement, shall so survive the expiration or termination.

20. Notices

All correspondence and notifications shall be in writing in the English language and shall be deemed to have been duly received (i) on the day of delivery, if delivered personally, (ii) on the next working day in the place to which it is sent, if sent by e-mail or by fax (with confirmation by the transmitting fax machine of complete transmission obtained), (iii) on the seventh calendar day after sending, if sent by registered or certified mail, to the agreed address of the recipient.

21. No waiver

A party's waiver of any of its rights under the Agreement must be in writing and duly executed by it. No single or partial waiver of any such right or remedy shall preclude any other or further exercise of that or any other such right or remedy.

22. No announcements

The Supplier shall not make, deny or confirm any news release, advertisement or public announcements concerning this Agreement, or any Purchase Order hereunder, without the prior written approval of Buyer. Furthermore, the Supplier shall not use the Buyer's or any MilDef Customer's name or brands, without the prior written approval of the Buyer.)

23. Disputes and applicable law

23.1 Any dispute controversy or claim arising out of, or in connection with, the Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The seat of arbitration shall be Helsingborg, Sweden. The language to be used in the arbitration proceedings shall be English. The parties undertake and agree that all arbitral proceedings will be kept strictly confidential.

23.2 The Agreement (including clause 23.1) shall be governed by and construed in accordance with the laws of Sweden, excluding its conflict of law principles providing for the application of the laws of any other jurisdiction.
