

HENSOLDT GROUP

OFFSET PROVISIONS



HENSOLDT GROUP OFFSET PROVISIONS

to be acknowledged and observed by all suppliers of HENSOLDT Group companies in connection with all orders issued under general purchasing conditions of HENSOLDT Group companies.

PREAMBLE

HENSOLDT Group has implemented a global strategy, whereby offset and sales Support are key elements. HENSOLDT Group customers all over the world, in particular public customers, are increasingly demanding offset from HENSOLDT Group or reciprocal trade to compensate their (national) outflows generated due to procurement of HENSOLDT Group products and services. It is the understanding of HENSOLDT Group that the entire supply chain benefits from the sale of products and the performance of services by HENSOLDT Group to its end customers and that its Suppliers thus should support HENSOLDT Group in fulfilling the offset obligations towards their end customers.

Article 1 — DEFINITIONS

“HENSOLDT Group” means HENSOLDT Holding Germany GmbH and its associated or affiliated companies in the meaning of section 15 German Stock Corporation Act (§ 15 AktG). “**Offset**” means the reciprocal trade in connection with the sale of goods and provision of services. “**Offset transaction**” means transaction to be carried out in Offset countries by HENSOLDT Group or Supplier to obtain Offset credits including but not limited to Placement of orders or conclude contracts or the purchase or procurement of goods or services, or to make investments, or transfer of technology or any business transaction accepted by the Offset authorities. “**Offset Credits**” means the value of an Offset transaction carried out by HENSOLDT Group or Supplier in Offset Countries and officially recognized by the relevant offset authorities in respect of HENSOLDT Group Offset Obligations.

“**Offset Countries**” means those countries to which HENSOLDT Group’s Offset Obligations are related or in which HENSOLDT Group has to fulfill its Offset Obligations. “**Offset Obligations**” means the obligations of HENSOLDT Group Business Units to carry out Offset transactions in Offset Countries in order to fulfill the corresponding requirements resulting from contracts with customers in Offset Countries.

Article 2 — OFFSET SUPPORT OF THE SUPPLIER

The Supplier is willing and prepared to support HENSOLDT Group in fulfilling its present and future Offset Obligations requested by HENSOLDT Group customers. Such support from the Supplier may include but shall not be limited to following activities:

- Identification of the purchase of goods or the provision of services from Offset Countries which should be notified and offered to HENSOLDT Group for the fulfillment of its Offset Obligations.
- Identification of any works including Research & Development work to be performed in Offset Countries and being eligible for Offset Credits.
- Information of HENSOLDT Group about any plans of investment or other offset transaction in Offset Countries, which could be of interest for any present or future Offset Obligations of HENSOLDT Group.
- Inclusion of offset clauses in favor of HENSOLDT Group in e. g. Supplier procurement contracts, Supplier investment contracts, etc.

Article 3 — COLLABORATION BETWEEN THE PARTIES

3.1 The Supplier shall respond to an HENSOLDT Group request of information relating to the support mentioned in Article 2 and notify its point of contact.

3.2 The Supplier shall support HENSOLDT Group in its attempt to obtain the offset credits recognition by the offset authorities in respect of the Supplier's business activities in Offset Countries.

3.3 Upon request, the Supplier shall provide HENSOLDT Group in due time with the documentation necessary for the acknowledgement of its activities by the competent national authorities as Offset Credits.

3.4 The Supplier shall bear its own costs with regard to its support.

Article 4 — OFFSET CLAUSE

The Supplier is willing and prepared to accept the implementation of dedicated Offset Clauses for specific contract/purchase orders with HENSOLDT Group. Such Offset Clauses are set to further specify the individual terms and conditions as applicable for Offset Obligations and/or the specific customer countries concerned and cover the offset support related to an adequate portion of the value of the contract/purchase order. The eligibility of a third Party on Supplier's side to fulfill such off-set obligations requires the prior written compliance clearance of such Party by HENSOLDT.

Article 5 — CONFIDENTIALITY

HENSOLDT Group will treat and keep any information received by the Supplier in connection with the above mentioned support activities strictly confidential, not disclose it to any third party except the competent Offset

authorities or its designated Offset agent in Offset Countries, and use it solely for the fulfillment of its Offset Obligations unless otherwise agreed between the Supplier and HENSOLDT Group.

Article 6 — HENSOLDT GROUP OFFSET MANAGER

The Supplier is requested to contact the below mentioned Offset Manager in case of any questions concerning the provisions stipulated herein and/or the HENSOLDT Group Offset Policy:

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Article 7 — HENSOLDT GROUP OFFSET COUNTRIES

HENSOLDT Group Offset Countries are regularly updated by HENSOLDT Group and are made available to the Supplier upon request or in connection with a specific HENSOLDT Group request for offset support.

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