

## ERICSSON'S GENERAL CONDITIONS FOR SERVICES

These general conditions apply for any services procured by an Ericsson Company from the Service Provider at any stage of a procurement process (including in a request for quotation, a purchase order, or in a contract), except if the parties expressly agree otherwise in writing.

The following words and expressions have the meaning assigned to them below.

**"Agreement"** means these general conditions, Ericsson's purchase order for Services and any other document that forms part of such purchase order.

**"Background"** means any IPR that either party owns or otherwise possesses before the date of executing the Agreement (or with respect to which either party may grant licenses to the other party hereunder) as well as IPR developed by a party independently of and without relation to the ordered Services.

**"Completion Report"** means the detailed report regarding the Services and Deliverables as finally performed and delivered that Service Provider shall provide to Ericsson upon completion of the Service or as otherwise agreed.

**"Deliverables"** means the work, result, output or other deliverables which are developed, acquired or produced for Ericsson, and all IPR created or arising in it (including the Completion Report, any inventions, drawings, software code, data, document or other information in any form) .

**"Ericsson"** means the Ericsson Company that procures Services.

**"Ericsson Company"** means Telefonaktiebolaget LM Ericsson (publ), or any company in which Telefonaktiebolaget LM Ericsson (publ) directly or indirectly controls 50% or more of the votes or capital.

**"Ericsson Property"** means any tool, equipment, object code, source code, drawing, specification or other documentation, data, information or asset of any kind in any form that is owned or controlled by Ericsson.

**"Force Majeure"** means an unforeseeable event beyond a party's control, including any act of God, industrial action, riot, terrorist act, war or requisition by act of government.

**"IPR"** means any registered or unregistered intellectual property right, or application of it, such as patents (including patentable inventions), copyright (including software code, creators rights, industrial designs and similar), utility models, mask work protections, rights to patterns, trademarks, domain name, trade and company names, know-how, methods, trade secrets and any right or protection of similar nature or having similar effect.

**"Service(s)"** means any service(s), including Deliverables, that Service Provider is contracted to provide to Ericsson under the Agreement.

**"Service Failures"** means any and all wrongful acts, defects, deficiencies, shortcomings or other non-conformities in the Service, including any failure to meet the agreed criteria, specifications or what otherwise has been agreed to be provided as Deliverables.

**"Service Provider"** means the company receiving a purchase order from Ericsson.

**"Service Provider Personnel"** means any employees, consultants, agents, subcontractors and others that Service Provider engages to provide Services.

### 1 ORDERING AND SCOPE OF SERVICE

Ericsson shall issue a purchase order specifying the Services to be performed, price, time schedule, working place and any other special terms. Service Provider shall within three (3) working days after receiving the purchase order either accept or reject it in writing. If Service Provider does not respond in time, Service Provider is deemed to have accepted the purchase order.

### 2 TIME SCHEDULE

Service Provider shall complete all parts of the Services in accordance with the Agreement with greatest professional care, quality and diligence, within the time for completion specified in the purchase order, or according to an agreed time schedule. Any change to any completion date, or time schedule shall be agreed in writing between the parties.

### 3 DOCUMENTATION AND ERICSSON PROPERTY

3.1 Documents and material forming part of Deliverables shall be prepared and marked in accordance with Ericsson's standards. If Service Provider has not been notified of such standards, it may apply its own standards

in accordance with internationally accepted technical and industry practice.

- 3.2 If Ericsson is to provide any Ericsson Property for the Service, the parties shall specify this in a separate agreement or in the purchase order. Service Provider shall promptly return all Ericsson Property provided by Ericsson (a) when the relevant Service is completed, or (b) upon Ericsson's request. If Ericsson Property is provided to Service Provider or any Service Provider Personnel, Service Provider shall ensure that the Ericsson Property is properly safeguarded and stored. Ericsson retains title to the Ericsson Property at all times, and Service Provider may only use it to perform the particular Service for which it has been provided.

#### **4 SERVICE PROVIDER PERSONNEL**

- 4.1 Service Provider shall find and utilize the most professionally skilled, competent, experienced and suitable Service Provider Personnel in sufficient number for the relevant Service assignment concerned. Service Provider shall promptly, without causing delay in performance and at no additional cost for Ericsson, replace Service Provider Personnel who Ericsson considers lack sufficient experience or competence, or with whom Ericsson considers it difficult to co-operate.
- 4.2 To the extent the Service is carried out at Ericsson's premises, Service Provider Personnel shall observe the normal business hours at the Ericsson premises where such work is performed.
- 4.3 Both parties undertake not to actively recruit any of the personnel employed or engaged by the other party that participate in the Service during the time the Service is performed, without the other party's prior consent.
- 4.4 Service Provider undertakes to not transfer any of Service Provider Personnel assigned to an ongoing Service to another assignment, without the prior written consent of Ericsson. If Ericsson is to allocate its own personnel for the Service, the parties shall specify this in a separate agreement or in the purchase order, including details of the role of such personnel.
- 4.5 Service Provider shall not during the time the Services are performed and for twelve (12) months after its completion, assign any Service Provider Personnel engaged for the Services to any identical or similar projects for companies that compete with or are customers of an Ericsson Company.

#### **5 SUBCONTRACTORS**

Service Provider may not engage any subcontractor to perform Services, without Ericsson's prior written consent. Service Provider is responsible and liable for the performance of each subcontractor it engages.

#### **6 CODE OF CONDUCT – SECURITY AND DATA PROTECTION - QUALITY - COMPLIANCE**

- 6.1 Service Provider undertakes to comply with Ericsson group's Code of Conduct for its suppliers as updated from time to time (the "**Code of Conduct**"), or such equivalent code of conduct that is jointly agreed. If Service Provider does not comply with the Code of Conduct or such equivalent code of conduct, Service Provider shall provide Ericsson with a plan for implementation of the Code of Conduct. Service Provider shall also comply with (i) Ericsson group's "*Baseline Information Security and Privacy Requirements for Suppliers*", (ii) Ericsson group's "*Data Processing Clauses*" in the event of access to or processing of personal data, and (iii) other Ericsson requirements and regulations that are relevant for Services ordered by Ericsson. Documents of relevance are linked to at: <https://www.ericsson.com/en/about-us/sourcing/supplier-and-partner-resources/conditions-and-guidelines> . Upon request, Ericsson will provide Service Provider with a copy of these documents.
- 6.2 Service Provider shall comply with the requirements of the ISO 9000 quality management systems standards, the ISO 14000 environmental system standards and the ISO 27000 information security standards.
- 6.3 While performing Services, Service Provider shall comply with any applicable laws, regulations and other legal requirements that apply to it and the Services.

#### **7 REPORTING AND APPROVAL**

- 7.1 Service Provider shall continuously document work in progress and regularly report it to Ericsson's contact as Ericsson requires. Service provider shall also make available upon Ericsson's request any raw collected data, working document or image created in connection with the Service.
- 7.2 When the Services are completed, Service Provider shall provide (and upon request demonstrate) the Deliverables, including the Completion Report, to Ericsson for approval. Service Provider shall prepare the Completion Report in accordance with Ericsson's reasonable instructions, and it shall contain relevant working time reports for a Service performed on time and materials basis.
- 7.3 Ericsson shall approve or reject the performed Services and any Deliverable by sending a written approval or rejection notification to Service Provider within twenty five (25) working days after Service Provider has completed the Service and provided the agreed Deliverables to Ericsson. If Ericsson rejects some or all of the

Service or the Deliverables, Ericsson shall notify Service Provider of the reasons. When Ericsson notifies Service Provider of such rejection, Service Provider shall undertake the necessary corrective measures immediately at its own risk and expense and provide a report on the corrective measures taken, a revised Completion Report and (if relevant) corrected Deliverables to Ericsson for a new approval in accordance with this Section 7.

## **8 PRICES, RATES AND FEES**

### **8.1 Services performed on fixed price**

Fixed price agreed for Services shall represent the total price specified in the purchase order, which shall include all Service Provider Personnel related costs and all other Service Provider's costs (including taxes, idle time, overtime or similar, traveling expenses, allowances and disbursements). It is the Service Providers responsibility to use whatever resources required for the Services. No additional cost shall be incurred or payable by Ericsson.

### **8.2 Services performed on time and materials basis**

8.2.1 Fees or prices for Services performed on time and materials basis shall be specified as fixed monthly, daily or hourly rates or fees. The rates or fees shall include all Service Provider Personnel related costs and all other Service Provider's costs (including taxes, traveling expenses, allowances and disbursements). Service Provider shall verify reported working hours and delivered Deliverables by providing working time reports (including particulars of work performed and Deliverables supplied) that Ericsson approves in writing before invoicing. Service Provider may only invoice productive working hours, i.e. not for travelling time, idle time, any training time or other time during which Service work is not performed.

8.2.2 Ericsson may pay additional Service Provider Personnel costs (traveling expense, disbursement or allowance), but only for travel to any place other than where Service Provider usually performs the Service and if Ericsson requests and approves in writing such travel and cost in advance. Ericsson will only pay such additional costs to the extent verified and in accordance with applicable Ericsson traveling regulations.

## **9 INVOICING AND TERMS OF PAYMENT - TAXES**

9.1 Ericsson shall pay for the Service either for a fixed price or on a time and materials basis. The purchase order shall specify if the Service is executed at a fixed price or on a time and materials basis. If this is not specified, the Service is considered to be executed at a fixed price.

### **9.2 Fixed Price Invoices**

Invoices for fixed price Services shall comply with what is agreed in the purchase order, payment plan or similar document, and invoices may only be submitted after Ericsson's approval of the Services under Section 7.3. An invoice shall comply with the first sentence and contain the following in order to be correct: reference to purchase order; Service Provider's name/company and address; and specification of the Services performed.

### **9.3 Time and materials basis Invoicing**

Unless otherwise is agreed in the Agreement, Services on a time and materials basis shall be invoiced quarterly in arrears for the accumulated agreed rates, fees and charges of the Services performed during the latest quarter.

An invoice shall comply with the first sentence and contain the following in order to be correct: reference to purchase order; Service Provider's name/company and address; specification of the Services performed as per working time reports approved by Ericsson according to Section 8.2 above.

### **9.4 Payment Terms**

With deviation from what otherwise may be provided for under applicable law, it is expressly agreed that Ericsson shall pay an undisputed and correct invoice within one hundred twenty (120) days after Ericsson's receipt of it. Further guidelines and requirements for invoicing, including support for e-invoicing and supplier self-service, can be found at: <http://www.ericsson.com/thecompany/sourcing/supplier-partner-resources/invoicing-payments>.

### **9.5 Taxes**

Service Provider is responsible and liable for any taxes (including withholding tax applicable for Ericsson), duties, levies, social charges, and other fiscal charges imposed on it or Service Provider Personnel in connection with the Agreement or any Services, and shall indemnify and hold Ericsson harmless from any duties, taxes, levies, social charges and other fiscal charges imposed on Ericsson as a result thereof.

## **10 DELAY**

If the agreed completion date for Services cannot be met, Service Provider will immediately notify Ericsson in writing, stating the delay cause, the mitigation measures taken and the new estimated completion date. If Service Provider fails to give a delay notice in time, Service Provider shall compensate Ericsson for additional cost Ericsson could have avoided if notice had been given in time. For a delay caused by any other reason than Ericsson's default or Force Majeure, Service Provider shall pay liquidated damages of one (1) % percent of the total price of the Services ordered for each commenced day of delay. Such liquidated damages shall not exceed

a total of forty (40%) percent of the said price. If any delay has a material negative impact on Ericsson's purpose with the Service, or if a delay has continued for ten (10) days, Ericsson may terminate all or part of the Service and be compensated for damage incurred.

## **11 WARRANTY**

Service Provider warrants that the Service and Deliverable are and will remain free from Service Failures during a warranty period of twenty four (24) months from the date of Ericsson's approval of the Services as per Section 7.3 above. Service Provider shall promptly upon demand and at its own cost and expense, rectify any Service Failures detected or occurring the said warranty period. Service Provider shall compensate Ericsson for any damage (including any cost for notification, additional work, defects or failure tracing, mitigation, correction, testing, transport, travel costs, labor or similar) that Ericsson incurs that are caused by Service Failures that are detected or occurring during the warranty period set out in this Section 11.

## **12 IPR OWNERSHIP AND USE RIGHTS**

- 12.1 As soon as the Deliverables (or any part thereof) is created, appear or come into existence, Ericsson shall be entitled to the full and unrestricted right of ownership thereto (or the relevant part thereof). However, no ownership with regard to either party's Background is transferred to the other party as a result of the Agreement.
- 12.2 Service Provider undertakes at no additional charge to do all things necessary to enable Ericsson or other Ericsson Company to be registered as owner of any IPR forming part of the Deliverables. Service Provider shall be responsible for ensuring that Ericsson is notified of any such IPR, including any inventions that may result in such IPR.
- 12.3 As regards IPR forming part of the Deliverables, Service Provider undertakes to enter into such agreement with Service Provider Personnel or other persons that are necessary to allow the rights to such IPR to be assigned on demand to Ericsson or to any other Ericsson Company advised by Ericsson, at no extra cost to Ericsson than the remuneration already agreed and payable to Service Provider under the Agreement.
- 12.4 To the extent the Deliverables contain, is built or dependent on, or require the use of Service Provider's Background, Ericsson shall be informed about it and any Ericsson Company is hereby granted the perpetual, world-wide royalty free right to use such Service Provider's Background for any purpose whatsoever (including but not limited to, a right to sublicense, develop modify and create derivative works) in relation to exploitation, internal use or any other use of the Deliverables.
- 12.5 Service Provider may only use Ericsson's Background as per Ericsson's written instructions and only to the extent necessary to perform the particular Service for which Ericsson has made any such Background (if any) available to Service Provider under the Agreement. If Service Provider engages subcontractors in the performance of the Service, such subcontractor may – subject to Ericsson's prior written approval - use Ericsson's Background to the same extent as the Service Provider under this Section 12.5. Service Provider and any subcontractor do not have any other right to use, alter or modify Ericsson's Background in any way for any reason.
- 12.6 Service Provider and any subcontractor do not have any right to sell, license, market, use, alter or modify any Deliverable for any purposes.
- 12.7 Service Provider shall always obtain Ericsson's written approval before including in or making the Deliverables dependent on any third party IPR, including any software being subject to any license for software that can be identified as "open source" or "copyleft" as those terms are commonly understood in the software industry (below an "Open Source License"). If Service Provider has included any third party IPR (including software subject to an Open Source License) in the Deliverables or otherwise based or made the Deliverables dependent on such IPR, Service Provider undertakes and warrants that (i) Ericsson and each Ericsson Company at all times are granted a worldwide, perpetual, royalty free license to use such third party IPR for any purpose whatsoever (including but not limited to, a right to sublicense, develop, modify or create derivative works) for any exploitation, internal use, or any other use of the Deliverables, and (ii) that such license and use rights are not and will not be hindered or otherwise affected by any third party licensing terms or restrictions (including Open Source License terms) that have an adverse effect on Ericsson or any Ericsson Company's software (such as making it public or otherwise freely available) or ability to exploit or use the Deliverables as intended.
- 12.8 Service Provider shall not use any Ericsson's or any Ericsson Company's name, logotype, corporate identity, trade name or trademarks in Service Provider's informational, promotional, or any other material, without first having obtained Ericsson's or such Ericsson Company's prior written consent.

## **13 INFRINGEMENTS**

- 13.1 Service Provider warrants that the creation or use of Deliverables does not constitute an infringement of any IPR, and Service Provider shall indemnify and hold harmless Ericsson and Ericsson Company from any claim from any third party in respect of alleged infringements of any such IPR. Ericsson shall notify Service Provider without delay if such claim is received.
- 13.2 If an infringement as is referred to in Section 13.1 is alleged, Service Provider shall at its own risk and expense either (a) ensure that Ericsson is entitled to continue use the Deliverables, or (b) promptly replace the Deliverables with a corresponding solution, the use of which does not cause an infringement, or (c) alter the Deliverables (without detracting from agreed function) so that it does not constitute an infringement.
- 14 LIABILITY – LIMITATION OF LIABILITY**
- 14.1 Service Provider is liable for any damage or loss caused to Ericsson and third parties due to Service Provider's breach, negligence or willful misconduct. While any Ericsson Property or other material or equipment is in Service Provider's or its subcontractors' control or possession, Service Provider bears the risk of any loss, delay of, or damage to, such Ericsson Property, material or equipment, until Ericsson takes delivery.
- 14.2 No party is liable to the other for any indirect, incidental, special or punitive damages of any kind that arise out of the Agreement, except for the Service Provider's: (a) liability under Section 13 (Infringements), (b) breach of Section 15 (Confidentiality), (c) liability for damage arising from breach by Service Provider or Service Provider Personnel of data protection and privacy requirements, (d) liability for death or injury to persons, (e) liability for damage to property caused by negligence, (f) liability for costs, damage or loss caused by gross negligence or willful misconduct, or (g) liability for a damage to the extent it cannot reasonably be limited under applicable laws or regulations.
- 15 CONFIDENTIALITY**
- 15.1 Each party shall treat as confidential and not disclose to any third party any documentation (including the Agreement) or any information of any kind, that a party provides to the other under the Agreement for five years after the date the Service is approved by Ericsson or the Agreement terminates (whichever is later). The receiving party shall only use such documentation or information for the purposes of the Agreement. However, Ericsson may disclose such documentation and information to (a) any other Ericsson Company; and (b) to any customer of the Ericsson group, if such customer is bound by confidentiality obligations that are as restrictive as in the Agreement. For the avoidance of doubt, nothing herein shall restrict Ericsson and any Ericsson Company from disclosing or otherwise use Deliverables internally or for any customer or other third party for any purpose.
- 15.2 Neither party is liable for disclosing any confidential information if it was: (a) public knowledge at the time of disclosure or thereafter becomes generally known, other than through an act of negligence by the receiving party; (b) already known to the other party before the disclosing party receives it; (c) demonstrably developed at any time by the receiving party without any connection to the information received under the Agreement; (d) rightfully obtained by a party from other unrestricted sources; or (e) disclosed with the prior written permission of the disclosing party.
- 16 FORCE MAJEURE**
- A party's performance under the Agreement shall be extended by a reasonable period of time if such performance is prevented by Force Majeure. If a Force Majeure event occurs, the affected party shall, in order to be allowed to extend time for performance, promptly notify the other party in writing about the Force Majeure and all relevant related information, including its likely duration. If an event of Force Majeure continues for a consecutive period of more than three (3) months, Ericsson may terminate the Agreement. On Ericsson's termination, Service Provider shall deliver any Deliverables to the extent prepared, created or otherwise performed, and Ericsson shall pay Service Provider for such Deliverables pro rata to its level of completion.
- 17 AUDITING AND INSPECTIONS**
- Upon reasonable notice to Service Provider, Ericsson may (itself or through any designated third party consultant), at no additional charge to Ericsson, conduct audits or otherwise inspect Service Provider's premises during normal business hours in order to verify processes and quality systems, Code of Conduct compliance, and quality control of the Services as well as other compliance with the Agreement. Service Provider shall for such audits make all relevant data, records, information and documents of relevance for the Services available for inspection, as well to make relevant Service Provider Personnel available to answer questions. Service Provider shall for such audits or inspections also use its best efforts to allow Ericsson to inspect the premises of Service Provider's subcontractor or supplier. If an audit or inspection shows that Ericsson's reasonable requirements are not met, Service Provider shall without delay act in order to correct the situation at no cost to Ericsson.
- 18 EXPORT AND IMPORT**

To the extent the Services involves or requires the delivery of export controlled material (including hardware, software and technology) to Ericsson, Service Provider shall obtain and maintain any export licenses required for delivery of the export controlled material. Service Provider shall continuously promptly inform, update and issue any documentation about the export controlled material that may be required by law, regulation or as reasonably requested by Ericsson. Service Provider warrants that the information and documentation is and will be correct at all times. If Service Provider is unable to obtain or maintain any necessary export license, Ericsson may terminate the Agreement that may be affected by such inability.

## **19 TERMINATION**

- 19.1 Either party may terminate all or part of the Agreement, if the other party commits a material breach of the Agreement and does not remedy the breach within thirty (30) days of receipt of a written demand to that effect. If Ericsson terminates the Agreement due to Service Provider's default, Service Provider shall be obliged, immediately and without compensation, to report on the Service to which the termination relates and to deliver to Ericsson any Deliverables and all Ericsson Property attributable to the Service.
- 19.2 Ericsson may terminate the Agreement upon written notice if: (a) material changes take place in the conditions of ownership of Service Provider, or that part of Service Provider's business which is engaged in the Service, or (b) if any agreement is concluded under which Service Provider's business is transferred to a company which competes with Ericsson or with a company closely connected with Ericsson, or (c) Service Provider becomes (or is likely to become) insolvent, enters into bankruptcy or a deed or arrangement with its creditors, or has encountered suspension of payments, composition proceedings or liquidation.
- 19.3 Ericsson may terminate the Agreement for convenience with immediate effect at any time before the completion of Services.
- 19.4 If Ericsson terminates the Agreement under Section 19.2 or 19.3, Service Provider shall as soon as possible but not later than within ten (10) days after receipt of the termination notice, report on the Service and deliver to Ericsson any Deliverables and all Ericsson Property attributable to the Service. If Ericsson terminates for convenience under Section 19.3, Service Provider is entitled to payment for Services performed up to the effective date of termination.

## **20 INSURANCE**

Service Provider will maintain the following minimum insurance coverage and any insurance required by applicable law; (i) General Liability with minimum limits of US\$ 1,000,000 per occurrence, (ii) Work Injury and Employer's Liability with minimum local market standard limits and in compliance with legislation of the hiring and working jurisdictions, and (iii) Professional Liability/Errors and Omissions including privacy breach with minimum limits of US\$ 1,000,000 per claim. In respect of insurance (i) Ericsson will be granted "indemnity to principal status" and provided waiver of subrogation. At Ericsson's request, Service Provider will furnish Ericsson with certificates of insurance acceptable to Ericsson.

## **21 MISCELLANEOUS**

- 21.1 A party shall not be entitled without the prior written permission of the other party to assign, transfer, mortgage, provide as collateral or otherwise encumber any of its rights or obligations under the Agreement or a Service. Ericsson shall, however, always be entitled to assign its rights and obligations to another Ericsson Company.
- 21.2 Changes or additions to the Service or the Agreement shall be agreed in writing between the parties in order to be valid.

## **22 GOVERNING LAW AND SETTLEMENT OF DISPUTES**

The Agreement shall be governed by and construed in accordance with the laws of Sweden (excluding its conflict of law provisions). All disputes arising out of or relating to the Agreement or Services shall be finally settled by arbitration under the Rules of Arbitration of the International Chamber of Commerce, in Stockholm, Sweden, by one or more arbitrators appointed in accordance with the said rules. The language for the arbitration proceedings shall be English. All awards may if necessary be enforced by any court having jurisdiction in the same manner as a judgment in such court. All arbitral proceedings, including any information and documents disclosed therein shall be kept confidential and only be used for those proceedings.