

Agreement

between

the Federal Office for Defence Procurement (armasuisse)
Guisanplatz 1, CH-3003 Bern

and

ASIPRO - Association for Swiss Industry Participation
in Security and Defence Procurement Programs
c/o
F. Fischer AG
Steinbärenstrasse 2, 6234 Triengen

on

cooperation in the area of offset
(public-private partnership)

1 Preamble

According to the principles of the Federal Council for the armament policy of the DDPS, various control instruments are available to the Swiss Confederation to strengthen the security-relevant technological and industrial base (STIB). One of these instruments is offset, which enables Switzerland to oblige foreign armaments suppliers to enter into an industrial cooperation with research institutions and companies in Switzerland and thus preserve and promote the security-relevant expertise, skills and resources of the latter.

The objective of this Agreement between the Federal Office for Defence Procurement armasuisse and the industry association ASIPRO - Association for Swiss Industry Participation in Security and Defence Procurement Programs is the most efficient, targeted and sustainable implementation of offset possible to the benefit of the STIB.

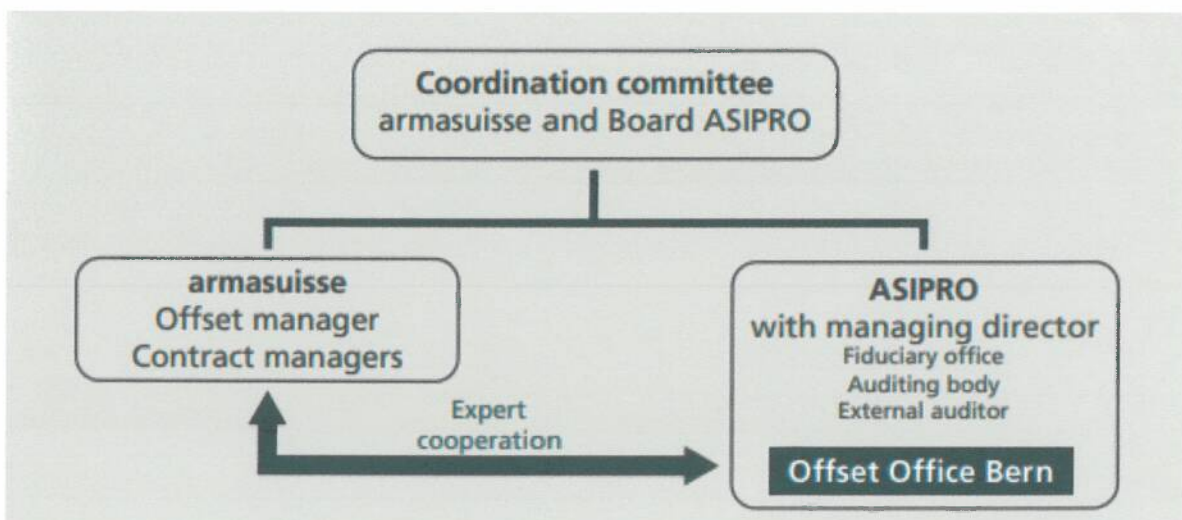
2 Purpose

The purpose of the cooperation is to:

- assess and control indirect offset transactions;
- exchange information on direct offset transactions;
- advise the STIB and establish contact with suppliers subject to offset obligations;
- promote the exchange of information between armasuisse and the STIB (largely represented by ASIPRO).

3 Organisation

The cooperation is organised as follows. How the roles will be staffed is described in Appendix I of this Agreement.



3.1 Coordination Committee

- 3.1.1 The Coordination Committee is composed of a maximum of five representatives each from armasuisse and the ASIPRO Executive Board. Meetings are chaired by the National Armaments Director. The Managing Director of ASIPRO participates as a permanent guest. Other guests may be invited to individual meetings or agenda items by mutual consent.
- 3.1.2 The Coordination Committee does not take any decisions and performs the following tasks:
- a. coordinating the professional cooperation between armasuisse and ASIPRO/OBB (tasks, processes, etc.);
 - b. exchanging information and coordinating the activities of armasuisse and ASIPRO (member associations) in the area of offset;
 - c. advising on the requirements of offset policy and implementing offset-related decisions of the DDPS.
- 3.1.3 The Coordination Committee meets three times a year. Further meetings may be agreed if necessary. Minutes will be kept of the meetings.
- 3.1.4 The Coordination Committee will provide information on its activities to the strategic offset supervisor (the DDPS) and the operating supervisor. The minutes of the meetings will be sent to the supervisory authorities.

3.2 armasuisse

- 3.2.1 armasuisse will be responsible for implementing the strategic armament guidelines in the area of offset, entering into and monitoring offset agreements with foreign suppliers, checking direct offset transactions and handling communications related to offset. This will include creating structures, processes, documents and information for this purpose.
- 3.2.2 armasuisse will inform ASIPRO in an appropriate manner of its ongoing and planned activities in the area of offset.
- 3.2.3 armasuisse will inform ASIPRO of the current status of fulfilment of direct and indirect offset (pre-approval, banking, offset transactions booked) at each coordination meeting.

3.3 ASIPRO

- 3.3.1 ASIPRO will represent the interests of its members in offset matters. ASIPRO should represent the STIB in the best manner possible and promote members of relevant industry associations. All members can contribute on equal terms.

- 3.3.2 ASIPRO and the Offset Office Bern (OBB) will perform an advisory and supportive function for armasuisse in the area of offset. They will provide transparent information about their activities in the area of offset and in no way give the impression that they belong to or represent the Federal administration (own postal address, email address, website).
- 3.3.3 ASIPRO will operate the OBB and commission experts to support armasuisse in assessing and checking indirect offset transactions and establish contacts between suppliers subject to offset obligations and the STIB. The individual tasks are described in Appendix II to this Agreement.
- 3.3.4 ASIPRO will commission an independent external auditing body to check the data on indirect offset transactions reported with the Swiss beneficiaries on a random basis for truthful implementation. The companies to be audited will be determined in agreement with armasuisse. armasuisse will be informed of the result of the audits and decide on any further measures.
- 3.3.5 ASIPRO will commission an external trust agency to control its cash flows and keep its accounts. The trust agency is also responsible for invoicing the offset fee to the Swiss beneficiaries.
- 3.3.6 ASIPRO will commission an external accredited audit firm to review its accounts and annual financial statements.

4 Finances

- 4.1 This Agreement does not impose any financial obligations on the contracting parties, apart from the fact that each contracting party will be responsible for its own costs incurred in performing its tasks under this cooperation.
- 4.2 ASIPRO will be responsible for the invoicing, accounting and use of the offset fee according to the relevant provisions of the offset policy.
- 4.3 ASIPRO will inform armasuisse of its quarterly results, its annual accounts, its budget and its multi-year and activity plans.

5 Infrastructure and IT

- 5.1 The contracting parties including OBB will procure and finance their workplaces, their IT resources (hardware, software, networks and services) and their office supplies/furniture themselves. This does not apply to the provisions of Art. 5.2 and Art. 5.3.

- 5.2 For the purpose of efficient document processing, armasuisse will grant the technical experts of the OBB access to the Acta-Nova and SharePoint files necessary for their activities. armasuisse will provide the OBB experts with a laptop and a PKI smart card on loan for this purpose. Use will be in accordance with the relevant IT guidelines of the Swiss Confederation.
- 5.3 For joint meetings, armasuisse will grant the technical experts from the OBB access to the Administrative Centre at Guisanplatz 1 in Bern by means of a personal access identity card (AWB multi-card) and provide a temporary workplace.

6 Protecting information

- 6.1 All members and contracting partners of ASIPRO with access to sensitive information of the Swiss Confederation and/or of private sector companies which have either a direct or indirect contractual relationship with the Confederation must sign a confidentiality agreement with armasuisse.
- 6.2 The contracting parties will provide the information required for cooperation. The contracting parties undertake to treat this information in confidence and only use it to perform their tasks according to this Agreement.
- 6.3 Information from the other contracting party may only be disclosed to third parties with their express consent. Disclosure of information to third parties which concerns foreign suppliers or Swiss beneficiaries also requires their express consent.
- 6.4 All confidential information processed in connection with this Agreement must be protected according to the relevant provisions of information and data protection law.

7 Preventing corruption

- 7.1 The technical experts of the OBB will not accept any side activities, gifts or invitations with a market value exceeding CHF 200 from companies and research institutions actually or potentially involved in an offset transaction.
- 7.2 The technical experts of the OBB will immediately report any criminal conduct and other irregularities identified or reported to them in the course of their activities to the armasuisse corruption unit or the whistleblowing platform of the Swiss Federal Audit Office (SFAO).


8 Resolving disputes

- 8.1 Any disputes or differences of opinion regarding the interpretation or application of this Agreement will be resolved by consultation between the contracting parties. If no agreement can be reached, the ordinary courts of Bern will have competence.

9 Final provisions

- 9.1 This Agreement will come into force once it has been signed by both contracting parties and is valid for an indefinite period. It may be terminated in writing by either contracting party by giving six months' notice to the end of the calendar year.
- 9.2 The Agreement may be amended at any time by mutual consent.
- 9.3 This Agreement replaces the previous agreement between armasuisse and ASIPRO on cooperation in the area of offset dated 22 April 2021.
- 9.4 This Agreement is based on the private-law provisions of the Swiss Code of Obligations (CO 394 et seq.). These apply in addition.

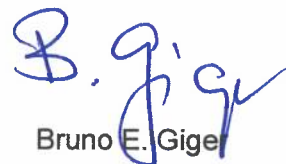
For armasuisse *Bern, 29.06.2022* For ASIPRO , *ZÜRICH, 24.06.2022*



Martin Sonderegger
National Armaments Director



Adrian Vogel
Chairman



Bruno E. Giger
Managing Director

Appendix I: Staffing of roles (version dated 30 May 2022)

Coordination Committee

armasuisse
(max. five persons)

Martin Sonderegger, National Armaments Director
Andreas Müller-Storni, Vice Director
Simon Hufschmid, Offset Manager

ASIPRO Executive Board
(max. five persons)

Swissmem: Adrian Vogel, Chairman of ASIPRO
GRPM: Markus Niederhauser, Vice President ASIPRO
Swissmem (SWISS ASD): Urs Loher
digitalswitzerland: Andreas W. Kaelin
Swissmechanic: Nicola Roberto Tettamanti

ASIPRO mandates

Managing Director of ASIPRO Bruno E. Giger, ASD-SERVICES GmbH, Wilen b. Wollerau
OBB experts Heinz König, König Consulting GmbH, Bottighofen
Trust agency F. Fischer AG, Triengen
Auditors Wiget Treuhand AG, Oberentfelden
External auditors Mattig-Suter und Partner, Schwyz

Appendix II: Work specification armasuisse – Offset Office Bern

Process phase	armasuisse	Offset Office Bern (OBB)
1. Preparation	<p>Check the requirements for offset when procurement is planned (defence equipment? threshold? foreign provider?)</p> <p>Define requirements (in particular direct offset; offset as an evaluation criterion?)</p> <p>Communicate requirements in invitation to tender to foreign providers</p> <p>If necessary, negotiate and sign banking agreements with foreign providers</p> <p>Advise foreign providers on drawing up an offset concept</p> <p>Evaluate offset concepts (offers)</p> <p>Inform ASIPRO of upcoming offset obligations</p>	<p>Create the multi-year budget and activity plan for ASIPRO (resource planning)</p> <p>Inform the STIB of upcoming offset obligations, the requirements and the possibilities for participation</p> <p>Establish contact between foreign providers and the STIB. Plan, organise and hold information events as required</p>
2. Implementation	<p>Definitively determine the share and amount of direct and indirect offset obligation</p> <p>Negotiate and sign an offset agreement with foreign suppliers (at the earliest with an option contract, at the latest with a procurement contract)</p> <p>Evaluate "pre-approvals" (in particular for multipliers) with the support of the OBB; if necessary involve the Coordination Committee – then send reasoned response to foreign suppliers</p> <p>Check offset reports for <u>direct</u> offset transactions (if necessary, make enquiries with Swiss beneficiaries and/or foreign suppliers)</p>	<p>Establish contact between foreign suppliers and the STIB. Plan, organise and hold information events as required</p> <p>Evaluate "pre-approvals" for indirect offset transactions</p> <p>Check offset reports for <u>indirect</u> offset transactions (if necessary, make enquiries with Swiss beneficiaries and/or foreign suppliers)</p> <p>Make proposal to armasuisse on offset value of <u>indirect</u> offset transactions to be imputed</p> <p>Enter the reported <u>direct and indirect</u> offset transactions in a detailed overview for each offset obligation (including currency conversions)</p>

	<p>Communicate recognised offset value to foreign suppliers (including justification)</p> <p>Inform the OBB of confirmed direct offset transactions</p> <p>Participate in offset discussions and coordination meetings with foreign suppliers (annually)</p> <p>Participate in selecting the Swiss beneficiaries to be audited by the external auditors and acknowledge the audit results (measures if necessary)</p> <p>Complete the offset programme once offset obligation has been fulfilled</p> <p>Sanction foreign supplier if they do not comply with the offset obligation or make false statements about offset transactions</p> <p>Inform and report to politicians, media, the STIB and ASIPRO</p>	<p>Participate in offset discussions and coordination meetings with foreign suppliers (annually)</p> <p>Prepare information and overviews for armasuisse and the Coordination Committee</p> <p>Train/advise the external auditors, select the Swiss beneficiaries to be audited by the external auditors based on defined criteria and acknowledge the audit report</p>
<p>3. Follow-up</p>	<p>Transparent information on offset (including website, offset register, state financial statements)</p> <p>Check the strategic achievement of objectives</p> <p>Check and update the strategic specifications (including offset policy) and internal operating adjustments (including organisation, processes)</p>	<p>Prepare information and overviews for armasuisse and the Coordination Committee</p> <p>Make proposals for improvement to armasuisse or the Coordination Committee, for example, for checking offset transactions or on the strategic specifications</p>