

# UBS Outsourced Services Terms

## 1. Applicability

- 1.1 These terms shall apply whenever Supplier provides Outsourced Services.
- 1.2 For the avoidance of doubt:
  - a) if the Services being provided under a Supply Order comprise a combination of Outsourced Services and other Services, these terms shall apply to all Services provided under that Supply Order; and
  - b) references to "Services" in these terms include Outsourced Services.

## 2. Approved Locations

- 2.1 Supplier shall:
  - (a) provide the Services (or any part thereof) from or in the Approved Location(s) only; and
  - (b) process UBS Data from or in the Approved Location(s) only.
- 2.2 Supplier may not change the Approved Location(s) without UBS's prior written consent.

## 3. Delivery, Acceptance and Remedies

- 3.1 Services and each associated Deliverable shall be delivered promptly to UBS, as applicable: (i) to achieve the relevant Acceptance Criteria; (ii) in accordance with the timescales set out in the Supply Order; and (iii) to the locations specified by UBS from time to time. The Deliverables shall remain at Supplier's risk until they have been delivered to UBS.
- 3.2 Services and associated Deliverables shall be subject to Acceptance by UBS and Supplier shall promptly provide such reasonable assistance and information as UBS reasonably requests in relation to the Acceptance process.

### Acceptance (Standard)

- 3.3 Acceptance shall occur when UBS notifies Supplier that the relevant Services or Deliverables satisfy any relevant Acceptance Criteria and have been delivered in accordance with any specifications in the Supply Order, provided that Acceptance shall be deemed to have occurred if no objections, faults or defects have been notified by UBS to Supplier within 15 Working Days of delivery.

### Acceptance (Agile Approach Only)

- 3.4 Where any Services (or components of the Services) or associated Deliverables are to be delivered using an Agile Approach, clause 3.3 above shall not apply and shall be replaced by the following clauses 3.5 to 3.7.
- 3.5 Where the Services are to be delivered using an Agile Approach, the Parties will collaborate frequently and actively manage the risks, issues and trade-offs that arise during delivery. Each Supply Order will specify:
  - (a) the size and composition of the relevant Staff which will deliver, and the overarching aims and objectives of, the project;
  - (b) the delivery schedule with respect to a Deliverable, including User Stories or MVP, within each Iteration and the total number of Iterations into which the project will be divided.
- 3.6 The Parties shall agree in writing the expected outcomes, objectives and DoD for the relevant Deliverable, User Story or MVP at the start of each Iteration. Supplier shall deliver each Deliverable, User Story and/or MVP in accordance with any applicable Acceptance Criteria and/or DoD.

- 3.7 An Iteration Review shall take place at the end of each Iteration. As part of each Iteration Review, UBS shall review each Deliverable User Story or MVP against the agreed relevant DoDs and other relevant Acceptance Criteria. Acceptance by UBS of each User Story, MVP or Deliverable (as the case may be) is expected to occur as part of the Iteration Review. If the DoD for a Deliverable is not met, then Supplier will remediate the issue promptly or incorporate remediation into any future Iterations.

### UBS Rights and Remedies (All Services)

- 3.8 Any actual or deemed Acceptance pursuant to this clause 3 shall not prevent UBS subsequently from rejecting any Services or Deliverables that do not conform to the Acceptance Criteria or applicable DoD or are not otherwise provided in accordance with the Agreement, or which are defective in design, material or workmanship, and, accordingly, UBS has the right at its option:
  - (a) to notify Supplier that it must, and Supplier shall, at its own cost, promptly re-perform the Services and rectify, replace or re-deliver the Deliverables. If Supplier fails to do so within 10 days of notification (or any other agreed time period), UBS has the right either to: (i) remedy any such defect or re-perform any such non-conforming Deliverable or Services itself; or (ii) have them remedied or re-performed by a third party on its behalf, and in either case Supplier shall reimburse all costs reasonably incurred by UBS; and
  - (b) to withhold payment of, or recover from Supplier, the Charges or any portion thereof attributable to the defective or non-conforming Deliverables or Services.
- 3.9 If any of the Services or any Deliverable:
  - (a) have material faults or defects, including those which cause the Services or Deliverable be unusable or inoperable for its intended purpose, and Supplier fails substantially to address such material faults or defects in accordance with clause 3.8(a) above; or
  - (b) are not delivered by the relevant Delivery Date(s) and UBS determines, acting reasonably, that the late or non-delivery will have a materially adverse impact on its receipt and use of the Services,

then UBS shall have the right to terminate the Agreement immediately upon written notice without penalty.

- 3.10 Further to clause 10.4 of the General Terms and Conditions, UBS shall have the right to terminate the Agreement without cause on not less than 30 days' notice to Supplier.

## 4. Service Levels

- 4.1 From the Effective Date, Supplier shall perform the Services in accordance with the Service Levels and to meet or exceed the Service Level Targets.

### Service Level Framework

- 4.2 Supplier shall, on a monthly basis, measure and report to UBS:
  - (a) on its compliance with the Service Levels from the applicable Service Level Effective Date, using the Measurement Definition; and
  - (b) on the occurrence of any Service Level Defaults in, and any associated Service Credits due to UBS in respect of, the preceding month and on a cumulative basis.
- 4.3 Upon UBS's reasonable request, Supplier shall provide, or provide access to, performance information to allow UBS to verify the accuracy of reported Service Level measurements for the Services.

### Service Level Defaults

- 4.4 Supplier shall notify the UBS Contract Manager without delay on becoming aware of any Service Level Defaults. Supplier shall promptly investigate the causes of the Service Level Default.
- 4.5 Within 15 Working Days of a Service Level Default occurring, Supplier shall provide UBS with a written plan for correcting the failure and improving performance of the Services with respect to the specific Service Level(s). The plan shall include the reasons for the failure, a root cause analysis and outcomes, and the remedial efforts to be undertaken.
- 4.6 Service Credits, as further described in clause 5 below, shall apply (and accrue) when a Service Level Default occurs as a price adjustment to reflect the actual quality or timeliness of Services provided to UBS. The total amount of Service Credits payable to UBS in any given month shall be capped at the At Risk Amount, which shall be fifteen per cent (15%) of the relevant Charges.

#### Key Performance Indicators

- 4.7 Supplier shall, on a monthly basis, measure and report to UBS on its compliance with the Key Performance Indicators from the applicable KPI Effective Date, using the Measurement Definition. Failure to achieve an KPI Target shall not result in a Service Level Default or the accrual of Service Credits.
- 4.8 If Supplier fails to meet the KPI Target, Supplier must, within 10 Working Days, provide UBS with a written plan for improving the Service performance.

#### 5. Service Credits

- 5.1 The Supply Order defines the circumstances in which UBS is entitled to receive, and the associated method of calculation for, Service Credits. UBS shall be entitled to receive Service Credits as a refund of Charges paid, as a direct payment, or as set off against the next invoice(s).
- 5.2 The accrual and payment of Service Credits shall not relieve Supplier of its other obligations under the Agreement. Service Credits are UBS's sole financial remedy within the Service Level regime. However, if a failure to meet the Services Levels also constitutes a breach of the Agreement, UBS shall have available to it all other rights and remedies.
- 5.3 A Multiple Service Level Default shall constitute an irremediable material breach pursuant to clause 10.3(e) of the General Terms and Conditions.

#### 6. Charging Models

- 6.1 Where the Option A (Input Basis) charging model is selected in the Supply Order, the following terms shall apply:
- Day Rates shall be the default charging basis for time and materials contracts. However, hourly rates may be applied for legal, audit, tax advisory services if expressly agreed in the relevant Supply Order;
  - Supplier shall track Staff Working Hours and provide any information UBS may request to validate the hours worked. If requested, Supplier shall use UBS's time tracker system;
  - no Overtime or other compensation for Services performed outside of Working Hours shall be payable by UBS without UBS's prior written agreement, unless expressly mandated in the relevant Supply Order;
  - Overtime may only be charged when the number of hours worked by Staff exceed the total hours constituting the Day Rate, in which case Overtime may be charged on a pro-rated basis at 1/8 of the applicable Day Rate per hour; and
  - if Staff work less than 8 Working Hours on any given day, then the hours worked must be charged on a pro-rated basis at 1/8 of the applicable Day Rate per hour.
- 6.2 Where the Option B (Output Basis) charging model is selected in the Supply Order, the Charges shall be all inclusive and no other Charges shall be payable.

#### 7. Additional Warranties

- 7.1 Supplier shall promptly and fully co-operate with all Regulators (including other persons appointed by them) in relation to the Services, including responding to any questions from a Regulator which are addressed to Supplier.
- 7.2 Supplier shall ensure that the Auditors can exercise their right to audit without impediments.
- 7.3 Supplier shall promptly notify UBS of any development that may have a material impact on Supplier's ability to deliver the Services or Products effectively and in compliance with Applicable Laws and the Agreement.

#### 8. Intellectual Property

- 8.1 Supplier retains all title, ownership and IP Rights to Supplier Materials and UBS retains all title, ownership and IP Rights to the UBS Materials.
- 8.2 Supplier grants UBS and its Affiliates a royalty-free, non-exclusive license to use and copy Supplier Materials in order to use and enjoy the benefits of the Services and the associated Deliverables.
- 8.3 UBS grants Supplier a royalty-free, non-exclusive license to use the UBS Materials to the extent required to provide the Services. Supplier agrees to comply with UBS's requirements and guidelines with respect to the use of any UBS Materials.
- 8.4 Subject to clause 8.1 above, all Deliverables shall be "works made for hire" or "commissioned works", or the equivalent in the applicable jurisdiction.
- 8.5 Subject to clauses 8.1 and 8.2 above, UBS shall exclusively own all IP Rights in the Deliverables (and such IP Rights shall vest automatically in UBS upon creation). Supplier hereby assigns to UBS by way of future assignment all IP Rights in or relating to the Deliverables for their full terms throughout the world. Supplier shall perform any acts reasonably required by UBS to ensure UBS's ownership of any IP Rights in the Deliverables.
- 8.6 Supplier shall ensure that the Staff and its Subcontractors shall be bound by undertakings in substantially the same terms as this clause 8.
- 8.7 Supplier shall not use, or remove from UBS's premises or control, any UBS IP Rights or UBS Materials unless strictly necessary for the proper performance of the Services and associated Deliverables (such use being subject to UBS's prior written consent). If UBS grants such consent, Supplier undertakes not to duplicate, copy or assimilate any UBS Materials into any other form except as necessary for such proper performance of the Services and associated Deliverables.
- 8.8 Upon the expiration or termination of the Agreement, Supplier shall, as requested by UBS, destroy or return to UBS all such materials.

#### Intellectual Property Right Infringement

- 8.9 In the event of an IP Claim by a third party, Supplier shall, as soon as possible and at its own expense: (i) modify or replace the infringing item with non-infringing substitutes so as to avoid the infringement of the third party's IP Rights, provided that such substitutes do not adversely affect the performance or material functionality of the Services (including the Deliverables); or (ii) procure for UBS and its Affiliates the right to continue receiving the Services or using the associated Deliverables, provided that there is no adverse effect on (including any reduction in the scope of use of) the Services.
- 8.10 If Supplier modifies or supplies substitute item(s) or procures a license pursuant to clause 8.9 above but this has not avoided or resolved the IP Claim, UBS may cease using the infringing Services and shall be entitled to terminate the Agreement for irremediable material breach pursuant to clause 10.3(e) of the General Terms and Condition, return the associated Deliverables to Supplier, and the Charges paid by UBS shall be equitably reduced to reflect the impact of the cessation of infringing Services and/or removal of the associated Deliverables on the Services, and Supplier shall be liable for all reasonable and unavoidable costs of a workaround or substitute item pursuant to the terms of this Agreement.

## 9. Additional Termination Rights

- 9.1 In addition to any other termination rights in the Agreement, UBS shall have the right to terminate the Agreement on 30 days' written notice to Supplier where:
- impediments capable of altering the performance of any Services are identified;
  - termination is recommended or required by a Regulator for any reason;
  - UBS believes termination is necessary to enable it to comply with Applicable Laws; or
  - the Supplier has undergone a change of control (such as a merger, acquisition, or divestitures) or material change in its primary business or any business related to the Services.

## 10. Disputes

- 10.1 Any dispute arising out of or in connection with the Agreement shall be notified to the other Party in writing, as soon as practicable but in any event within 10 Working Days of the dispute arising, as follows:
- first to the manager appointed by each Party, being either the UBS Contract Manager or the Supplier Service Manager (or other agreed designee), who shall, within 5 Working Days of such notice, meet to resolve the dispute; and
  - failing resolution of the dispute in accordance with clause 10.1(a) above, the dispute shall be escalated to a senior representative of each Party, who shall, within 10 Working Days of such notice, meet to resolve the dispute.
- 10.2 During any dispute resolution process, Supplier shall continue to provide, and shall remain accountable for the provision of, the Services and associated Deliverables in accordance with the terms of the Agreement.

## 11. Exit Assistance

- 11.1 Supplier shall, where requested by UBS, provide Exit Assistance. Exit Assistance shall, unless expressly agreed otherwise, continue for such period as UBS may specify, subject to a maximum of 18 months following the date of termination or expiration of the Agreement.
- 11.2 If the Agreement is terminated due to a breach by Supplier or due to a rejection by UBS of the Services pursuant to UBS's Acceptance rights under the Agreement, the Exit Assistance shall be provided at no charge to UBS. If the Agreement expires or is terminated due to a breach by UBS, or is terminated by UBS without cause, Supplier shall be entitled to charge UBS for Exit Assistance on the basis of the rates set out in the Supply Order or the Exit Plan, and if no specific rates were agreed, based on Supplier's standard rate card.
- 11.3 Supplier shall develop and submit an Exit Plan to UBS, as follows:
- for all Agreements with a term greater than 12 months, within 3 months of the Effective Date and such Exit Plan will be subject to a joint review, and approval by UBS

(acting reasonably) on submission and thereafter every 12 months; or

- for Agreements with a term of 12 months or less, on request from UBS at any time during the term of the Agreement and such Exit Plan will be subject to a joint review and approval by UBS (acting reasonably) on submission.
- 11.4 The Exit Plan will include, as a minimum:
- an overview of the exit strategy and how it will be effectively and efficiently implemented in all expiration and termination scenarios;
  - details of Supplier's functions and other third-party resources that will provide Exit Assistance;
  - any fees to be paid to Supplier for Exit Assistance in accordance with clause 11.2 above;
  - a timetable for the transfer of operational responsibilities, including delivery dates, project milestones, process, list of transferable assets, the responsibilities of each of the Parties and how Knowledge Transfer will be effected; and
  - a process for the transfer of any UBS Data or UBS Systems held by Supplier back to UBS, or to any successors of Supplier nominated by UBS.
- 11.5 During the provision of Exit Assistance, Supplier shall continue to provide, and shall remain accountable for the provision of, the Services in accordance with the terms of the Agreement.

## 12. Access to Records and Data

- 12.1 Supplier shall store UBS Data in such a manner as to ensure that it can be promptly accessed by UBS at any time, including in the event of the insolvency, resolution or discontinuation of business operations of Supplier.

## 13. Insurance

- 13.1 Further to clause 5.8 of the General Terms & Conditions, Supplier's insurance coverage must be adequate considering the scope, nature and value of the Services and must fully cover the Services for the Term, including the following types of coverage at a minimum:
- general liability;
  - cyber security risk insurance;
  - employer's liability or worker's compensation;
  - professional liability; and
  - crime/fidelity bond.

## 14. Survival

- 14.1 Further to clause 10.6 of the General Terms and Conditions, clauses 7 (Additional Warranties) to 14 (Survival) of these Outsourced Services Terms shall survive termination or expiration of the Agreement.

# Jurisdiction-specific provisions Annex

If the relevant Supply Order indicates that the Agreement is to be governed by the law of any of the below listed jurisdictions, then the above Outsourced Services Terms shall be replaced or supplemented as described below.

## Poland

*Clause 3 (Delivery, Acceptance and Remedies) is supplemented by the following provisions, which shall be sub-clauses 3.11 and 3.12:*

- 3.11 If there is any delay or failure to provide the Services or the Deliverables by the timings set out in the Supply Order, Supplier shall pay to UBS on demand as a contractual penalty a sum equal to the percentage of the Charges specified in the Supply Order payable per day, up to a maximum number of days specified in the Supply Order or until this Supply Order is terminated or expires (whichever occurs sooner). Payment of the contractual penalty shall not relieve Supplier from its performance obligations, nor constitute a waiver of UBS's right to seek supplementary compensation on a general basis.
- 3.12 UBS shall have the right, in its sole discretion, to claim the contractual penalty either as: (i) a sum of money payable by Supplier on demand; or (ii) a credit against any present or future Charges.

## Switzerland

*Clause 3 (Delivery, Acceptance and Remedies) is supplemented by the following provisions, which shall be sub-clauses 3.11 and 3.12:*

- 3.11 Any delay or failure to provide the Services and/or to provide the Deliverables by the Delivery Date set out in the Supply Order, and without prejudice to any other remedies available to UBS whether under the Agreement or otherwise, Supplier shall pay to UBS on demand as a contractual penalty for each day of delay a sum equal to percentage of the Charges for the Services specified in the Supply Order per day up to a maximum number of days specified in the Supply Order or until this Supply Order

is terminated or expires (whichever occurs sooner). Such payment shall be in settlement of Supplier's liability for all loss or damage incurred by UBS in respect of such delay up to the end of the period in which the contractual penalty is payable, except if UBS can establish further damages. Payment of the contractual penalty shall not relieve Supplier from its performance obligations.

- 3.12 UBS shall have the right, in its sole discretion, to claim the contractual penalty either as: (i) a sum of money payable by Supplier on demand; or (ii) a credit against any present or future Charges.

## Israel

*Sub-clause 8.3 is deleted in its entirety and replaced by the following:*

- 8.3 UBS grants Supplier a royalty-free, revocable, non-exclusive license to use the UBS Materials to the extent required to provide the Services. Supplier agrees to comply with UBS's requirements and guidelines with respect to the use of any UBS Materials.

*Sub-clause 8.4 is deleted in its entirety.*

*Sub-clause 8.5 is deleted in its entirety and replaced by the following:*

- 8.5 Subject to clauses 8.1 and 8.2 above, UBS shall exclusively own all IP Rights in the Deliverables, and such IP Rights shall vest automatically in UBS upon creation. Supplier shall perform any acts reasonably required by UBS to ensure UBS's ownership of any IP Rights in the Deliverables.