SCHEDULE 1 TO TERMS AND CONDITIONS - DEFINITIONS

Agreement – means a subcontract between Leidos and a Commodity Supplier for the provisions of Commodities for the purposes of the Prime Contract;

Affiliate – means in relation to any person any Holding Company or Subsidiary of that person or any Subsidiary of such Holding Company;

Agreement Year - means a period of 12 calendar months from the Effective date and each subsequent Anniversary

Anniversary Date – means an anniversary of the Effective Date during the Term;

Assets – means all DP Assets, Leidos Assets, Commodity Supplier Assets and Government Furnished Assets but any stocks, consumables or IPR shall not be Assets;

Audit – means an audit undertaken in accordance with Condition 9 (Right of Audit)

Audit Rights – means Leidos's rights of Audit in accordance with Condition 9 (Right of Audit)

Authority – means the UK Ministry of Defence

Authority Audit Agents – means any person or body who is entitled to exercise the Audit Rights in accordance schedule 3 (Audit);

Authority Commercial Officer – means LCS(T) Senior Commercial Officer or as otherwise notified by the Authority to the DP and Leidos from time to time

Authority Confidential Information – means all Confidential Information controlled by the Authority (and which is capable of being disclosed) which is disclosed to the DP and/or the Key Subcontractor by or on behalf of the Authority including (without limitation):

(A) the details of any Legacy Contracts and other contracts with Third Party suppliers of goods;

(B) any IPR and/or information contained within any goods or materials supplied to the Authority by a Third Party together with all IPR and/or information derived from the above; and

(C) any official secrets or matters which would affect national security;

Authority Data – means any data in any medium which is controlled by the Authority and used in performing the Services;

Authority Representative – means Authority Commercial Officer or such substitute as may be appointed by the Authority and notified to the DP and Leidos from time to time;

Authority Review –has the meaning given to it in clause 30.4 (Management Information);

Authority Site – means all land and facilities owned, controlled, occupied or used by the Authority or any Crown Body including Authority Lease or Licence Property, including the Fulfilment Centre;

Breach of Security - means any breach by any Commodity Supplier and Related Party of Condition 48 (Security) or Schedule 4 to Terms and Conditions - Security or the security requirements in Statement of Requirements and/or the occurrence of unauthorised access to or use of the Authority Site, the security provisions in the DP Sites, the Services or any data (including the Authority Data and the DP Data) used by the Authority, the DP or Leidos Supply Limited in connection with this Agreement;

Business Day - means a day (other than a Saturday or Sunday) on which banks are open for domestic business in the City of London or such other location as is expressly stated within the relevant provision, which is deemed to start at 0800 local time;

Commodity Supplier Breakage Costs - means Direct Losses that have been or will be reasonably and properly incurred by the Commodity Supplier in connection with any Lower-Tier Subcontracts as a direct result of the termination, in whole or in part, of this Agreement, but only to the extent that:

(A) the Direct Losses are incurred in connection with the provision of the Services, including:

(1) any materials or goods ordered in accordance with a valid Purchase Order or Lower-Tier Subcontracts placed that cannot be cancelled without such Direct Losses due to termination being incurred;

(B) the Commodity Supplier and the relevant Lower-Tier Subcontractor have each used their reasonable endeavours to mitigate the Losses,

and where, for the purposes of this definition only, "Direct Losses" means all damages, losses, liabilities, costs, expenses (including legal and other professional charges and expenses) and charges whether arising under statute, contract or at common law or in connection with judgments, excluding Indirect Losses;

Commodity Supplier Confidential Information - means all Confidential Information controlled by a Commodity Supplier Related Party (and which is capable of being disclosed) which is disclosed to the DP, Leidos or the Authority by or on behalf of the Commodity Supplier, including the Commercially Sensitive Information

Commodity Supplier Default Events – has the meaning given in clause 25.1

Commodity Supplier Personnel – means the officers, directors, employees, advisors and agents of the Commodity Supplier and each of its Lower Tier Subcontractors providing goods or services or otherwise performing obligations in connection with this Agreement;

Commodity Supplier Related Party – means any or all of:

(A) the Commodity Supplier, any Commodity Supplier Associated Companies, and any Lower-Tier Subcontractors;

(B) Commodity Supplier Personnel; and

(C) any person who is engaged by, or at the invitation or with the knowledge, of the Commodity Supplier, a Commodity Supplier Associated Company, or any Lower-Tier Subcontractor on or at any location connected with the Services or this Agreement or in any way involved in or present at the provision of any goods or services in connection with this Agreement;

Change Procedure –means the procedure for proposing and implementing Changes set out in Condition 24.0.

Claim – means any action, claim, demand or proceedings or any potential action, claim, demand or proceedings;

Commercially Sensitive Information – means the information (Commercially Sensitive Information) which the Commodity Supplier has designated as information of a commercially sensitive nature relating to the Commodity Supplier, its IPR or its business;

Commodities – means defence materiel for which Inventory Management and procurement are the responsibility of Leidos and for which Leidos is identified as the owner in the Authority Product Master File; "Commodities" means the plural of Commodity;

Commodity Supplier – means a person who has entered into an Agreement with Leidos Supply Limited to supply Commodities and/or Services for the purposes of the Prime Contract;

Commodity Supplier IS – means the Commodity Suppliers and any Commodity Supplier related parties information system, being all computer programmes,computer and communication networks, databases, the tangible media on which they are recorded and their supporting documentation, including input and out format, programme listings, narrative descriptions, source code, operating instructions and user manuals owned or operated by the Commodity Supplier or any Commodity Supplier related party (as relevant), and used by the Commodity Supplier and/or any Commodity Supplier related party to provide the services, including each software applicationor system listed in the Commodity Supplier IS portfolio from time to time and the Commodity Supplier Software and Third Party Software;

Confidential Information – means all information (however recorded, preserved or disclosed) which is or may reasonably be supposed to be commercially confidential including (without limitation):

(A) the terms of this Agreement;

(B) the terms of the Lower-Tier Subcontracts;

(C) any information that would be regarded as confidential by a reasonable business person relating to:

(1) the business, affairs, customers, clients, suppliers, plans, intentions, or market opportunities of the disclosing party or of the disclosing party's group or its suppliers; and

(2) the operations, processes, product information, Know-How, designs, trade secrets or software of the disclosing party or of the disclosing party's group or its suppliers;

(D) any information or analysis derived from such Confidential Information;

Contracting Authority - means any contracting authority as defined in Regulation 2 of the Public Contracts Regulations 2015;

Control – means, in relation to a body corporate, the ability of a person (or any persons acting together) to ensure that the activities and business of that body corporate are conducted in accordance with the wishes of that person (or those persons), and a person (or persons) shall be deemed to have Control of a body corporate (amongst other things) if, directly or indirectly, that person possesses or is entitled (or those persons possess or are entitled) to acquire: (i) the majority of the issued share capital in that body corporate; or (ii) the majority of the voting rights in that body corporate; or (iii) the right to receive the majority of the income of that body corporate on any distribution by it of all of its income or the majority of its assets on a winding-up; or (iv) the right to appoint a majority of the directors to the board of that body corporate, and "Controlling" and "Controller" shall be construed accordingly;

Controlling – means, in relation to a body corporate, the ability of a person (or any persons acting together) to ensure that the activities and business of that body corporate are conducted in accordance with the wishes of that person (or those persons), and a person (or persons) shall be deemed to have Control of a body corporate (amongst other things) if, directly or indirectly, that person possesses or is entitled (or those persons possess or are entitled) to acquire: (i) the majority of the issued share capital in that body corporate; or (ii) the majority of the voting rights in that body corporate; or (iii) the right to receive the majority of the income of that body corporate on any distribution by it of all of its income or the majority of its assets on a winding-up; or (iv) the right to appoint a majority of the directors to the board of that body corporate, and "Controlling" and "Controller" shall be construed accordingly;

CONDO – means the provisions set out in Schedule 5 to Terms and Conditions - Commodity Suppliers on Deployed Military Operations

Credit Rating – means a long term credit rating issued by a Rating Agency which may be either a public or private rating;

Crown Body – means any department, office, agency or body of the Crown;

Delivery Partner (DP)– Leidos Europe Limited, now and hereafter referred to as DP.

Data - means all data, information, text, drawings, diagrams, images or sounds (including title documents, invoices, service and maintenance records, technical manuals and specifications and user guides) which are embodied in any oral, electronic, tangible or intangible medium;

Data Controller - has the meaning given in the Data Protection Act 1998;

Data Processor – has the meaning given in the Data Protection Act 1998;

Data Protection Legislation –means the Data Protection Act 1998, the EU Data Protection Directive 95/46/EC, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of Personal Data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner;

Data Subject - has the meaning given in the Data Protection Act 1998 and relates only to a subject of Personal Data;

Default - means any breach of the obligations of the relevant Party (including a fundamental breach or breach of a fundamental term) or any other default, act, omission, negligence or statement of the relevant Party, its employees, servants, agents or Lower-Tier Subcontractors in connection with or in relation to the subject matter of this Agreement and in respect of which such Party is liable to the other;

Defence Materiel – means all defence materiel and equipment authorised by the Authority as being within the scope of the Services, including live animals and human remains;

Delivered Duty Paid (**DDP**) - means Commodity Supplier is responsible for the total costs associated with transporting goods and is fully responsible for the goods until they are received and transferred to the buyer.

Dispute - means any dispute, difference or question of interpretation arising out of or in connection with this Agreement, including any dispute, difference or question of interpretation relating to the Services, failure to agree in accordance with the Change Procedure, any question regarding the existence, scope, validity, or termination of the Agreement, the agreement to arbitrate contained herein, the legal relationships established by this Agreement, or the consequences of its nullity, and including any tortious or statutory claims, or any matter where this Agreement directs the Parties to resolve an issue by reference to the Dispute Resolution Procedure;

Dispute Resolution Procedure – means the procedure set out in Condition 28 (Disputes) of the Agreement between Leidos and the Commodity Supplier.

DP Confidential Information –means all Confidential Information controlled by a DP Related Party (and which is capable of being disclosed) which is disclosed to the Commodity supplier by or on behalf of Leidos including the Commercially Sensitive Information;

Effective Date – means the date on which this Agreement has been duly executed by both Parties;

Encumbrance - means any mortgage, charge, pledge, lien, assignment, hypothecation, security interest (including any created by law), or other agreement or arrangement having a similar effect but does not include any retention of title provision;

Environmental Information Regulation – means the Environmental Information Regulations 2004;

Equipment – means any equipment to be supplied pursuant to this Agreement;

Fitch - means Fitch Ratings Inc. and its affiliates (or any successor to its rating agency function);

FOIA - means the Freedom of Information Act 2000 and any subordinate legislation (as defined in section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000 from time to time together with any guidance and/or codes of practice issued by the Information Commissioner in relation to such Act;

Good Industry Practice – means the exercise of that degree of skill, diligence, prudence and foresight and operating practice which would reasonably and ordinarily be expected from time to time from a skilled, competent and experienced contractor seeking in good faith to comply with all its contractual obligations and all applicable Laws (whether or not binding on the Authority and/or Leidos), and engaged in the same type of undertaking and under the same or similar circumstances as those envisaged by this Agreement;

Hazardous Substances – means any matter or substance in any form (whether solid, liquid or gas) including any pollutant, or any hazardous, toxic, radioactive, noxious, corrosive or caustic substance whether alone or in combination with any other matter causing or capable of causing harm to man or any other living organism or damage to the Environment or to public health or welfare;

Holding Company – means a holding company (as defined in section 1159 Companies Act 2006) in circumstances where its subsidiary is a Wholly-Owned Subsidiary;

Indemnified Parties - means the Party against whom a claim is made by a third party which may give rise to a claim under an indemnity given by the other Party;

Information - has the meaning given under section 84 of the Freedom of Information Act 2000 but only insofar as the information in question relates to this Agreement or its subject matter;

Insolvency Event - means the occurrence of any of the following events (or any event analogous to any of the following events in a jurisdiction other than England and Wales) in relation to the Key Subcontractor and/or its Parent Company (the "entity"):

(A) passing a resolution for its winding up or a court of competent jurisdiction making an order for the entity to be wound up or dissolved or the entity being otherwise dissolved;

(B) the appointment of a liquidator, administrator, administrative receiver or, the making of an administration order in relation to the entity or an encumbrancer taking possession of or selling all or a material part of the entity's undertaking, assets, rights or revenue the subject of the charge;

(C) any proposal is made for a voluntary arrangement, a composition of debts or a scheme of arrangement to be approved whether under the Insolvency Act 1986 or the Companies Act 1985 or otherwise with all or a substantial majority of its creditors;

(D) being unable or admitting its inability to pay its debts as they fall due or being capable of being deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 (but with the phrase "it is proved to the satisfaction of the court that" removed from subsection 123(2) of the Insolvency Act 1986);

(E) enforcement of any security over all or a material part of the assets of the entity;

(F) any expropriation, attachment, sequestration, distress or execution affecting all or any material party of any asset or assets of the entity which is not discharged within (fourteen) 14 days;

(G) any event which, in the Authority's reasonable opinion, is likely to give rise to any of the above events in paragraphs (A) to (F), including breach of cover ratio; or

(H) except where applicable, in respect of any resolution by the relevant entity or a court order that such entity be wound up for the purpose of a bona fide solvent reconstruction or amalgamation;

Insurers - means the persons providing the Required Insurances;

Intellectual Property – means patents, utility models, rights to inventions, copyright and related rights, moral rights, trademarks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, Confidential Information (including Know How and trade secrets) and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

Law – means any enactment, statute, directive, regulation or rule or any other law, proclamation, decree, bye-law (including, for the avoidance of doubt, any military bye-law), decision, notice, order, rule (including, without limitation, any rule and any binding decision of any court), statutory instrument or other delegated or subordinate legislation and any directions, codes of practice or guidance issued pursuant to any legislation and/or, in any such case, the equivalent thereof (howsoever described) applicable from time to time in any jurisdiction in which or through which the Services are to be performed; including any Act of Parliament or subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, exercise of the Royal Prerogative and enforceable community right within the meaning of Section 2 of the European Communities Act 1972, in each case in the United Kingdom; and any other international treaty or convention to which the United Kingdom is a signatory;

Legislation - means any Act of Parliament or subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, exercise of the Royal Prerogative and enforceable community right within the meaning of Section 2 of the European Communities Act 1972, in each case in the United Kingdom; and any other international treaty or convention to which the United Kingdom is a signatory;

Leidos Furnished Items - means furnished items that are the property of Leidos (or, as directed by Leidos pursuant to the terms of the Prime Contract, the Authority).

Leidos Furnished Assets Defects – means any defect in any of the Leidos Furnished Assets, or any part of them, or anything installed in the LeidosFurnished Assets attributable to:

(A) defective design;

(B) defective workmanship or defective materials (which, for the avoidance of doubt, shall exclude asbestos), plant or machinery used in such construction or manufacture having regard to Good Industry Practice and to appropriate British standards and codes of practice current at the date of construction or manufacture of the Leidos Furnished Asset;

(C) the use of materials in the construction or manufacture of any Leidos Furnished Assets which (whether or not defective in themselves) prove to be defective in the use to which they are put in the construction of any such Leidos Furnished Assets;
(D) defective installation of anything in or on the Leidos Furnished Assets;
(E) defective preparation of the site on which the LeidosFurnished Assets are constructed or installed; or
(F) defects brought about by adverse ground conditions or by reason of subsidence, water table change or any other change to ground conditions;

Liability – means any losses, liabilities, damages, costs and expenses (including Taxes and reasonable legal fees) and "Liabilities" shall be construed accordingly;

Losses - means Direct Losses and Indirect Loss;

Lower-Tier Subcontract – means any agreement, other than this Agreement, entered into between the Commodity Supplier and a Lower-Tier Subcontractor, or between one or more Lower-Tier Subcontractors of any tier, in relation to the supply of goods, facilities or services necessary for or related to the provision of the Services (or any part of them);

Lower-Tier Subcontractor - means a subcontractor to the Commodity Supplier, a subcontractor of a subcontractor to the Commodity Supplier, and any other subcontractor of whatever tier involved in the supply of goods, facilities or services necessary for or related to the provision of the Services (or any part of them);

MI (Management Information)– means all the operating, financial, performance and any other information or Data created or used by the Commodity Supplier in the management and/or delivery of the Services, including all such information or Data in respect of its Lower-Tier Subcontractors;

Military Airworthiness Regulations – means the documents so named as referred to in JSP 553 and any successor documents, as amended from time to time;

Moody's - means Moody's Investors Services Inc. (or any successor to its rating agency function);

National Interest – means the Security, and/or economic well-being of the United Kingdom, and/or the defence and protection of the United Kingdom and its people and/or the fulfilment of such other purposes as may from time to time be within the statutory functions or responsibilities of the Authority;

Parties – means the parties to this Agreement (who at the Effective Date are Leidos and the Commodity Supplier) and their permitted assigns, and references to a **Party** means one of the parties to this Agreement

Performance – the accomplishment of all the tasks, services, and requirements stated in the Agreement;.

Personal Data - has the meaning given in the Data Protection Act 1998 and relates only to personal data, or any part of such personal data, in relation to which (a) the Authority is the Data Controller and (b) the Commodity Supplier is providing services under this Agreement;

Prime Contract – means the contract between the Authority and Leidos Europe Limited for the provision of logistics and commodity supply services;

Process - has the meaning given to it under the Data Protection Legislation but, for the purposes of this Agreement, it shall include both manual and automatic processing and "Processed" and "Processing" shall be construed accordingly;

Prohibited Act – means:

(A) offering, giving or agreeing to give to any servant of the Crown any gift or consideration of any kind as an inducement or reward:

(B) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the Crown; or

(1) for showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the Crown;

(2) entering into this Agreement or any other contract with the Crown in connection with which commission has been paid or has been agreed to be paid by the Key Subcontractor or on its behalf, or to its knowledge, unless before the relevant contract is entered into particulars of any such commission and of the terms and conditions of any such contract for the payment thereof have been disclosed in writing to the Authority; or

(C) committing any offence;

Project Assets – means all Leidos and DP Assets and Leidos Furnished Assets but any stocks, consumables or IPR shall not be Project Assets;

Rating Agency - means Standard & Poor's, Moody's or Fitch;

Rectification Plan – means the rectification plan to be provided by the Commodity Supplier in accordance with Condition 11 (warranty); Condition 12 (Inspection)

Regulated Market – means a market which satisfies the requirements set out in Article 1(13) of the Investment Services Directive (Directive 93/22) as amended, re-enacted or modified from time to time and is included in the FCA's list of regulated markets from time to time;

Regulatory Body – means those Government departments and regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence the matters dealt with in this Agreement or any other affairs of the Authority;

Relevant Share Capital - means in relation to a public company, that company's issued share capital of a class carrying rights to vote in all circumstances at general meetings of the company (excluding any shares in the company held as treasury shares);

Relevant Term - has the meaning given to it in clause 19.4;

Request for Information - has the meaning set out in the FOIA or any apparent request for information under the FOIA or the Environmental Information Regulations;

Required Insurances - means the contracts of insurance identified in Condition 10` which the Commodity Supplier is required to procure (either directly or by requiring a Lower-Tier Subcontractor to do so) and maintain in accordance with this Agreement, and those required by Law worldwide;

Security Aspects Letter - means the security aspects letter in the form appended to Schedule 4 to Terms and Conditions - Security;

Security Incident – means any event that has a negative outcome affecting the confidentiality, integrity or availability of the organisation's assets;

Security Liaison Officer - means the security liaison officer appointed by the Commodity Supplier and notified to Leidos pursuant to paragraph 2.1 of Schedule 4 to Terms and Conditions – Security;

Security Policy - means the HMG Security Policy Framework (SPF) and the security policy as set out in the appropriate sections of the Authority document JSP440, both, as amended from time to time, and made available to the Commodity Supplier via a common working environment to be notified to the Commodity Supplier.

Security Requirements - means the Authority's security requirements set out or referred to in Schedule 4 to Terms and Conditions – Security;

Shareholder – means any person from time to time holding share capital in Commodity Supplier.

Special Tasking Orders – ordering & pricing process for dealing with emerging requirements.

Specified MI - means all of the MI listed in Appendix 1 to Schedule 2 to Terms and Conditions - Specified MI;

Standard & Poor's – means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. (or any successor to its rating agency function);

Statement of Requirements – means Leidos' requirements;

Tax - means all forms of taxation, duties, levies, imposts whether of the United Kingdom or any other jurisdiction (whether central, regional or local) and all penalties, fines, charges and interest relating thereto or resulting from failure to comply with the provisions of any enactment relating to Tax;

Term – means the period from the Effective Date until the Anniversary Date.

Termination for prohibited Act – For prohibited acts the Commodity Supplier can be terminated for prohibited acts.

Termination Notice – means a notice issued by either Party terminating or partially terminating this Agreement;

Third Party - means any person who is not a Party or an officer, employee or agent of a Party;

Transparency Information – shall mean the content of this Agreement in its entirety, including from time to time agreed changes to this Agreement, and details of any payments made by the Authority, DP or Leidos to the Commodity Supplier under this Agreement;

Ultimate Holding Company - means a Holding Company in respect of which there is no further Holding Company;