



Ministry of Defence

CONTRACT NO: 706920454 - A400M NATIONAL ENGINE SUPPORT CONTRACT (NESC) 2.5

Between the Secretary of State for Defence of the
United Kingdom of Great Britain and Northern Ireland

Team Name and Address:
A400M Delivery Team
MOD Abbey Wood, NH1 Atrium, #1027
Bristol, BS34 8JH

And

Contractor Name and Address:
Rolls Royce PLC
PO Box 3,
Filton
Bristol BS34 7QE

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Schedule of Requirements

Name and Address of Contractor: Rolls Royce plc PO Box 3 Filton Bristol, BS34 7QE	MINISTRY OF DEFENCE	Contract No. 706920454
	Schedule of Requirements for A400M NATIONAL ENGINE SUPPORT CONTRACT 2.5	
ISSUED ON 29 Oct 2023		

Item.	Title	Delivery Date	Pricing Method	Price (£)
1	Governance Service (IAW Schedule 1 of SoW)	1 st October to 30 th September 2024	In accordance with Clause 4.1	REDACTED
2	MRO Service (IAW Schedule 2 of SoW)	1 st October to 30 th September 2024	In accordance with Clause 4.1	REDACTED
3	Material Support Service (IAW Schedule 3 of SoW)	1 st October to 30 th September 2024	In accordance with Clause 4.1	REDACTED
4	Continual Improvement Service (IAW Schedule 4 of SoW)	1 st October to 30 th September 2024	In accordance with Clause 4.1	REDACTED
5	Fleet Management (IAW Schedule 5 of SoW)	1 st October to 30 th September 2024	In accordance with Clause 4.1	REDACTED
6	Storage Costs (IAW Schedule 3.1 of SoW)	1 st October to 30 th September 2024	In accordance with Clause 4.1	REDACTED
7	Humidity Indicator Monitoring (IAW Schedule 3.1 of SoW)	1 st October to 30 th September 2024	In accordance with Clause 4.1	REDACTED
8	Module Preservation (IAW Schedule 3.1 of SoW)	1 st October to 30 th September 2024	In accordance with Clause 4.1	REDACTED
9	Ad hoc (non-core) By-Event Services (IAW Clause 2.2 of Terms and Conditions)	As per By-Event Service Purchase Order in accordance with Clause 2.4	Cost-plus pricing method	REDACTED

All amounts reflected in this table are in Pounds Sterling (£), VAT excluded

Terms and Conditions

1. General Conditions

1.1. DEFCONS

The Following DEFCONS shall apply and shall be the editions agreed as in this Clause 1.1

DEFCON 5J (Edn 18/11/16)	Unique Identifiers
DEFCON 14 (Edn 11/05)	<p>Inventions and Designs Crown Rights and Ownership of Patents and Registered Designs</p> <p>For the purposes of this Contract Clause 1 of DEFCON 14 shall apply as amended below:</p> <p>“The provisions of either of Part A and B hereof or of Part B only as applicable to the Security Grading of the Contract shall apply in relation to any invention or design made in the course of or resulting from work carried out by the Contractor under the Contract, which has been created using Authority funding (hereinafter respectively referred to as ‘the invention’ and the ‘design’).”</p>
DEFCON 76 (Edn 12/06)	Contractor’s Personnel at Government Establishments
DEFCON 90 (Edn 11/06)	<p>Copyright</p> <p>Applicable in respect to those reports generated and delivered by the Contractor in accordance with this Contract and as listed in Annex D</p>
DEFCON 126 (Edn 11/06)	<p>International Collaboration</p> <p>For the purposes of this Contract Clause 3 of DEFCON 126 shall apply as amended below:</p> <p>3. If, under an International Collaboration Agreement made, the Authority agrees that any results produced under the Contract shall be utilised in work undertaken or shared by or on behalf of another party to such International Collaboration Agreement then, to the extent of his right to do so and on fair and reasonable terms approved by the Authority, the Contractor shall, if requested by the Authority within the period prescribed in the Contract, make available under licence to that other party or his nominee, for use for the purpose provided in such an International Collaboration Agreement only, any information which the Authority is entitled to receive under the Contract.</p>
DEFCON 129 (Edn 02/22)	<p>Packaging (For Articles Other Than Munitions) Application - Include in all contracts that require the packaging of goods. This DEFCON is not applicable to contracts for munitions.</p> <p>Summary - Sets out the contractor responsibilities for packaging, including cleaning, preservation, packing and marking. Also covers Bar Code marking and Labelling requirements.</p>
DEFCON 129J (Edn 18/11/16)	<p>The Use of Electronic Business Delivery Form</p> <p>For the purposes of this Contract DEFCON 129J will only apply to Schedule of Requirements Item 1.</p>

DEFCON 501 (Edn 11/17)	Definitions and interpretations
DEFCON 502 (Edn 05/17)	Specification changes
DEFCON 503 (Edn 12/14)	Formal Amendments to Contract
DEFCON 507 (Edn 10/98)	Delivery For the purposes of this Contract Clauses 1, 2, 4, 7 and 9 of DEFCON 507 will not apply.
DEFCON 513 (Edn 04/22)	Value Added Tax The changes to this DEFCON require the contractor to notify the MOD where a tax return in relation to the contract includes an uncertain tax treatment and of any assessment made by HMRC in relation to such uncertain tax treatment.
DEFCON 515 (Edn 11/16)	Bankruptcy and Insolvency
DEFCON 516 (Edn 04/12)	Equality
DEFCON 518 (Edn 02/17)	Transfer
DEFCON 520 (Edn 05/18)	Corrupt Gifts and Payments of Commission For the purposes of this Contract Clause 1 of DEFCON 520 shall apply as amended below: 1. The Contractor shall not do, and warrants that in entering the Contract it has not done any of the following (hereafter referred to as 'Prohibited Acts'): a. offer, promise or give to any Crown servant any gift or financial or other advantage of any kind as an inducement or reward; (1) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or execution of this Contract; or (2) for showing or not showing favour or disfavour to any person in relation to this Contract. b. enter into this Contract in connection with which commission has been paid or has been agreed to be paid by it or on its behalf, or to its knowledge, unless before the Contract is made particulars of any such commission and of the terms and conditions of any such agreement for the payment thereof have been disclosed in writing to the Authority.
DEFCON 522 (Edn 11/21)	Payment and Recovery of Sums Due For the purposes of this Contract in the event the Authority implements any CP&F connectivity solution changes, the Contractor will be consulted and appropriate, reasonable financial compensation by the Authority for any changes required to related to such changes shall be considered
DEFCON 524 (Edn 10/98)	Rejection

DEFCON 525 (Edn 10/98)	Acceptance
DEFCON 526 (Edn 08/02)	Notices
DEFCON 527 (Edn 09/97)	Waiver
DEFCON 528 (07/21)	<p>Import and Export Licences</p> <p>For the purposes of this Contract the conditions of the DEFCON shall apply on a bi-lateral basis. The Authority agree to provide export classification and restriction information to the Contractor in the same way that the Contractor provides to the Authority</p>
DEFCON 529 (Edn 09/97)	Law (English)
DEFCON 530 (Edn 12/14)	Dispute Resolution (English Law)
DEFCON 532A (Edn 05/22)	<p>Protection of Personal Data (Where Personal Data is not being processed on behalf of the Authority)</p> <p>Note: for the purposes of this contract Defcon 532A clause 4 does not apply. Should the Contract be amended to require the Contractor to process Personal Data on behalf of the Authority, the Parties agree that they shall amend the Contract to include appropriate contractual clauses.</p>
DEFCON 537 (Edn 06/02)	Rights of Third Parties
DEFCON 538 (Edn 06/02)	Severability
DEFCON 539 (Edn 08/13)	<p>Transparency</p> <p>For the purposes of this Contract the Contractor shall provide reasonable endeavours to support the Authority's collection of 'Publishable Performance Information' (i.e. Key Performance Indicator (KPI) data), to ensure compliance with the Cabinet Office's KPI Publication requirement as set out in the Sourcing Playbook. The appropriate "Publishable Performance Information" shall not be Sensitive information and shall be mutually identified and agreed by the contractor and the Authority</p> <p>For the purposes of this Contract Clause 4 of DEFCON 539 shall apply as amended below:</p> <p>4. The Authority may consult with the Contractor before redacting any information from the Transparency Information in accordance with clause 3 above. The Contractor acknowledges and accepts that its representations on redactions during consultation may not be determinative, apart from in the case of Contractor Commercially Sensitive Information and that the decision whether to redact information is a matter in which the Authority shall exercise its own discretion, subject always to the provisions of the Act or the Regulations.</p>
DEFCON 550 (Edn 02/14)	Child Labour and Employment Law

DEFCON 566 (Edn 03/18)	Change of Control of Contractor
DEFCON 601 (Edn 04/14)	Redundant Material
DEFCON 602A (Edn 04/23)	<p>Quality Assurance (With Deliverable Quality Plan)</p> <p>Note: for the purposes of this contract the Authority recognises that the Contractor meets the AQAP quality requirements via ISO9001, AS/EN9100 and AS/EN9110 quality standards . The Contractor will use reasonable endeavours to accommodate any additional Authority AQAP information requests where scope is pre-agreed by both Parties. The Contractor will deliver a QP in the format specified in AQAP2105.</p>
DEFCON 604 (Edn 06/14)	Progress Reports
DEFCON 605 (Edn 06/14)	Financial Reports
DEFCON 606 (Edn 06/14)	Change and Configuration Control Procedure
DEFCON 608 (Edn 10/14)	Access and Facilities to be provided by the Contractor
DEFCON 609 (Edn 08/18)	<p>Contractors Records</p> <p>For the purposes of this Contract Clause 1 and 2 of DEFCON 609 shall apply as amended below:</p> <p>1. The Contractor and its sub-contractors shall maintain all records specified in the Contract and make them available to the Authority when requested on reasonable notice.</p> <p>2. The Contractor shall and shall use its reasonable endeavours to ensure its sub-contractors permit access to relevant records that relate to the contractual obligations to supply goods or services under the Contract, held by or controlled by them and reasonably required by the Comptroller and Auditor General, their staff and any appointed representative of the National Audit Office, and provide such explanations and information as reasonably necessary for the following purposes:</p>
DEFCON 611 (Edn 02/16)	Issued Property
DEFCON 620 (Edn 05/17)	<p>Contract Change Control Procedure</p> <p>For the purposes of this Contract Clause 3 c. of DEFCON 620 shall apply as amended below:</p> <p>c. The price for any Change shall include, without double recovery, only such charges that are fairly and properly attributable to the Change.</p>
DEFCON 624 (Edn 08/22)	<p>Use of Asbestos</p> <p>*has been updated to reflect the move to UK REACH Regulations and to align clause 2 with the requirement to differentiate between asbestos fibres intentionally added as stipulated in the UK REACH Regulations.</p>

DEFCON 625 (Edn 10/98)	Co-operation on Expiry of Contract
DEFCON 627 (Edn 12/10)	Quality Assurance – Requirement for a Certificate of Conformity
DEFCON 632 (Edn 08/12)	Third Party Intellectual Property – Rights and Restrictions
DEFCON 637 (Edn 05/17)	Defect Investigation and liability
DEFCON 642 (Edn 06/14)	Progress Meetings
DEFCON 647 (Edn 09/13)	Financial Management Information
DEFCON 656B (Edn 08/16)	Termination for Convenience – Over £5M
DEFCON 658 (Edn 10/22*)	<p>Cyber</p> <p>*has been updated to correct an error in the audit provisions contained in clause 6.2 and clause 4.2 of the Sub-contractor conditions at Annex A. The change has been through the Defence Cyber Protection Partnership (DCPP) Commercial Working Group and agreed by Industry.</p>
DEFCON 660 (Edn 12/15)	Official-Sensitive Security Requirements
DEFCON 670 (Edn 02/17)	Tax Compliance
DEFCON 684 (Edn 01/04)	Limitation Upon Claims in respect of Aviation Products
DEFCON 694 (Edn 07/18)	<p>Accounting for Property of the Authority</p> <p>For the purposes of this Contract Clause 3 of DEFCON 694 shall apply as amended below:</p> <p>For the avoidance of doubt, it is a condition of this Contract that this Condition shall apply to all property issued to the Contractor from the date of this Contract, for use under this Contract. Property of the Authority issued prior to the date of this Contract may be subject to separate contractual arrangements.</p>
DEFCON 800 (Edn 12/14)	Qualifying Defence Contract (QDC)
DEFCON 801 (Edn 12/14)	Amendments to Qualifying Defence Contracts – Consolidated Versions
DEFCON 804 (Edn 03/15)	QDC Confidentiality of Single Source Contract Regulations Information

1.2. DEFSTANS

DEFSTAN 00-56 Part 1 Issue 7	Safety Management requirements for Defence Systems
DEFSTAN 05-61 Part 1 Issue 6	Concessions
DEFSTAN 05-61 Part 4 Issue 3	Contractors Working Parties – QA
DEFSTAN 05-61 Part 9 Issue 5	Independent Inspection Requirements for Safety Critical Items
DEF STAN 05-099 Part 01 Issue 2	Managing Government Furnished Equipment in Industry

1.3. Definitions

In addition to DEFCON 501 the following Definitions shall apply:

Appropriate, Attributable and Reasonable (AAR)	The Defence Reform Act (DRA) requires a contractor to be satisfied that the costs proposed for inclusion in the price of a QDC are Allowable Costs, in that they are Appropriate, Attributable and Reasonable (AAR). The Single Source Regulations Office (SSRO) has issued Statutory Guidance on Allowable Costs (SGAC)
Airbus Material Support Facility (MSF)	means: Airbus Material Support Facility West Oxfordshire Business Park Haddon Place Carterton, Oxon OX18 3TD
Aircraft Ground Equipment (AGE)	means equipment required on the ground to service, maintain and support the Engine, at all levels of maintenance. This includes, but is not limited to, equipment to inspect, test, adjust, calibrate, measure, assemble, disassemble, handle, transport and repair.
Asset	means Engine, Module or LRU
Authority	means the Secretary of State for Defence acting on behalf of the Crown;
Authority Default	means the Authority is in breach of obligation to make full payment according to "Clause 5 Payment" and "DEFCON 522", for three consecutive payment dates during the Contract duration provided the Contractor shall not be entitled to terminate this Contract if it has not informed the Authority in writing of each non-payment and/or the Contractor has failed to meet its obligations under the payment process and/or the Authority has written to the Contractor disputing a claim for payment.
Authority Delay Request	means a written notification from the Authority to delay all or part of a Service provided by the Contractor
Authority Representative	means those persons(s) defined as Commercial and Project in the DEFFORM 111, who will act as the Authority's Representative(s) in connection with the Contract. Where the term "Authority's Representative(s)" in the Conditions is immediately followed by a functional description in brackets, the appropriate Authority's Representative(s) shall be the designated person(s)
Business Day	means 09:00 to 17:00 Monday to Friday, excluding public and statutory holidays;
By-Event Service (BES)	Means an in-scope requirement not already covered by Statement of Work at Annex A i.e. Engine Repair, Engine Pass Off Test, Fault Diagnosis or Engine POT following PGB Exchange. The Authority shall notify the Contractor of such requirement by the completion of Part 1 of the Ad hoc By-Event

	Services Purchase Order (PO) Form at Annex H.
BES Funding Limit	Means an agreed specific funding limit for any given By-Event Service Purchase Order.
By-Event Service Purchase Orders (PO)	means purchase orders in the form set out at Annex H and “By-Event Service Purchase Order” shall mean any one of them
Conditions	means the terms and conditions set out in this document
Contract Period	Means the period commencing on and from the Effective Date and ending on the earlier of the Expiry Date and the Termination Date
Contractor Default	means any Rectifiable Contractor Default and /or any Non-rectifiable Contract Default
Contract Profit Rate (CPR)	shall have the meaning given to it within the Defence Reform Act 2014 and Single Source Contract Regulations (2014) and, for this Contract it is noted there are multiple profit rates as per Clause 4
Cost-Plus Item	An item priced using the cost-plus pricing method set out in Regulation 10 of the SSCR
DEFFORM	means the MOD DEFFORM series which can be found at Knowledge in Defence (KiD)
DEF STAN	means Defence Standards which can be assessed at Defence Standards
EASA	means European Aviation Safety Agency
Effective Date of Contract	means the date upon which both Parties have signed the Contract;
Engine	means the TP400-D6 Engine and Propeller Gearbox;
Engine Flight Cycle (EFC)	means the complete running of an Engine from start and ending at Engine shutdown, as recorded by the Engine Life Monitor.
Engine Flight Hour (EFH)	means the cumulative number of airborne hours in operation of each Engine, computed from the time an Aircraft leaves the ground to when it touches the ground at the end of a flight, as recorded in the Engine Logbook or, in the case of a Module or Component, the total number of airborne hours for which a Module or Component has been in operation since new.
EPI	means EPI Europrop International GmbH
EPI Approved Data	means all EPI Published Data plus any data generated by EPI in accordance with an EASA / Certificate of Quality Conformance approval which is in the possession of EPI, and for which EPI has the required Intellectual Property Rights;
EPI Published Data	means the Technical Information and Data, Service Bulletins, Operating Instructions and Flight Manual Data and any other additional formally issued technical information delivered by EPI to OCCAR, the Authority or Airbus;
Firm Price items	Means a price (excluding VAT) which is not subject to variation;

	for the purpose of this contract Firm price applies to lines items 1-8
Firm Price Reconciliation	Means the agreed difference between “ Price Paid ” and “ Price Due ”
Force Majeure Event	means any event which either Party can demonstrate is compelling, unpredictable, unavoidable and outside the control of the Parties, including: <ol style="list-style-type: none"> 1) Acts of nature 2) War 3) Hostilities 4) Fire at any of the Contractor’s premises or those of its suppliers except to the extent that the fire was caused by their own negligence. 5) Sonic Booms 6) National Strikes 7) Civil commotion
Government Furnished Assets (GFA)	Means any item of Government Furnished Assets (GFA), including any materiel issued or otherwise furnished to the Contractor in connection with the Contract by or on behalf of the Authority;
Information	means any Information in any written or other tangible form disclosed to one Party by or on behalf of the other Party under or in connection with the Contract;
Item 9 Funding Limit	has the meaning set out in Clause 4.2.3
Items	means any of the items set out in the schedule of requirements and “ Item ” shall mean any one of them
Legislation	means in relation to the United Kingdom any Act of Parliament, any subordinate legislation within the meaning of section 21 of the Interpretation Act 1978, any exercise of Royal Prerogative or any enforceable community right within the meaning of Section 2 of the European Communities Act 1972
Line Replaceable Unit (LRU(s))	Means an Engine-mounted accessory which might be rapidly replaced on the Aircraft during line maintenance,
Main Operating Base (MOB)	means RAF Brize Norton
Maintenance Level 1 (ML1)	Means Engine Maintenance Level 1 and defined as the corrective and preventive maintenance and specific maintenance activities that will be performed on the Engine or its components on the Aircraft on the flight line.
Maintenance Level 2-ON (ML2-ON)	Means Engine Maintenance Level 2-ON Aircraft and defined as the corrective and preventive maintenance and specific maintenance activities that will be performed on the Engine or its components on the Aircraft, during which time the Aircraft will be unavailable for flight.
Maintenance Level 2-OFF (ML2-OFF)	Means Engine Maintenance Level 2-OFF Aircraft and defined as the corrective and preventive maintenance and specific maintenance activities that will be performed on the Engine or its components off the Aircraft in a specialised workshop, which

	includes but is not limited to Engine Strip, Inspect and Rebuilt (SIR) and Pass-Off Test (POT) as further described in Annex A.
Milestone Payments	The advance payment made against the price payable for line items 1-8
Module Store	Means: Rolls-Royce plc c/o CEVA Logistics Barton 150 Barton Business Park Barton-Under-Needwood Staffordshire DE13 8ES
Non-rectifiable Contractor Default	means one or more of the following: <ul style="list-style-type: none"> a. the failure of the Contractor to complete a new or warranty ML2-OFF Engine Repair, POT for Fault Diagnosis or POT following PGB Exchange by the time the maximum amount of Liquidated Damages has been claimed due to failure by the Contractor to meet the applicable TAT; b. the occurrence of a Persistent Breach; and/or c. the occurrence of a Prohibited Act;
Notices	shall mean all Notices, orders, or other forms of communication required to be given in writing under or in connection with the Contract;
Parties	means the Contractor and the Authority, and Party shall be construed accordingly;
Pass Off Test (POT)	means the test performed at Engine level by the Contractor to confirm that the Engine complies with the acceptance test criteria defined by EPI in its Approved Data in order to release it to service.
Payments Due	has the meaning set out in Clause 5.2.2
Payments Made	has the meaning set out in Clause 5.2.2
Persistent Breach	means three (3) or more breaches by the Contractor of one of its obligations under the Contract that are not breaches of the Contractor failing to complete a new or warranty ML2-OFF Engine Repair, POT for Fault Diagnosis or POT following PGB Exchange by the time the maximum amount of Liquidated damages has been claimed (the "Subsequent Breaches") provided that: <ul style="list-style-type: none"> a. the Authority has previously served on the Contractors a notice ("Warning Notice") correctly stating that the Contractor has, in the 6 (six) Calendar Month period prior to the service of such Warning Notice, breached such (non-Liquidated Damage maximum) obligation under the Contract on 3 (three) or more occasions; b. the Contractor's Subsequent Breaches of such obligation take place during the 6 (six) Calendar Month period following the service of such Warning Notice; and

	c. no service of a Warning Notice may be based on any breaches of such obligation that have already been the subject of a Warning Notice;
PGB	means Propeller Gear Box
Price Due	has the meaning set out in Clause 5.1.4
Price Paid	has the meaning set out in Clause 5.1.4
Prohibited Act	has the meaning given in DEFCON 520 (Corrupt Gifts and Payments of Commission).
Provisional Cost Recovery Rates	means the rates set out in the MoD Rates Database 'Issue 17 dated March 2023'
Provisional Prices	has the meaning set out in Clause 4.1.3
Quality Assurance Standards and Conditions	Means the standards and conditions as set out at clause 2.6
Quality Plan	A plan which meets the requirements of AQAP 2105 and is in accordance with clause 2.6
Rates Reconciliation	has the meaning set out in Clause 5.2.2
Rectifiable Contractor Default	means a material breach by the Contractor of any of its obligations under the Contract, other than a Non-Rectifiable Contractor Default;
Recalculation of the Allowable Costs Estimate	has the meaning set out in Clause 4.1.4
Relevant Cost Model	means the final version of the cost model presented by the Contractor to the Authority in connection with the Contractor's proposal for the A400M National Engine Support Contract 2.5 pursuant to correspondence reference 20230908 "NESC2.5 Revised Cost Model" as evidenced the basis of calculation of the Provisional Prices
Required Engine Item	means a Serviceable Engine Module or ML2-OFF Part required by the Contractor
Schedule 2 By-Event Service Purchase Order	means a By-Event Service Purchase Order in respect of: <ul style="list-style-type: none"> a. ML2-OFF Engine Repair; b. Engine POT and Fault Diagnosis; or c. Engine POT following PGB Exchange, each of which are more particularly described at Annex A, Schedule 2
Serviceable Part	means a part with an Authorised Release to Service Certificate
Standard Part(s)	means a non-proprietary standard aerospace part that has a part number, such as but not limited to, a nut or bolt used in Engine ML1, ML2 and ML3 maintenance.
Sub-contractor	means any subcontractor engaged by the Contractor or by any other subcontractor of the Contractor at any level of subcontracting to provide Contractor Deliverables wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of this Contract and 'Subcontract' shall be interpreted accordingly;

Supporting Evidence	has the meaning set out in Clause 0
Turn Around Time	The time, measured in calendar days, from the date of collection of an engine by Rolls Royce from the MOB to the delivery of that engine to the MOB minus any Authority attributable clock stop(s).
Unserviceable Part	means a Part that has been declared as unusable until an Authorised Release to Service Certificate is issued.

1.4. General

- 1.4.1. The Contractor shall comply with all applicable Legislation, whether specifically referenced in this Contract or not.
- 1.4.2. The Contractor warrants and represents, that:
- a. it has the full capacity and authority to enter into, and to exercise its rights and perform its obligations under the Contract;
 - b. from the Effective Date of Contract and for so long as the Contract remains in force it shall give the Authority Notice of any litigation, arbitration (unless expressly prohibited from doing so in accordance with the terms of arbitration), administrative or adjudication or mediation proceedings before any court, tribunal, arbitrator, administrator or adjudicator or mediator or relevant authority against itself or a Subcontractor which would adversely affect the Contractor's ability to perform its obligations under the Contract;
 - c. for so long as the Contract remains in force it shall give the Authority Notice of any proceedings or other steps that have been taken but not discharged (nor to the best of the knowledge of the Contractor, threatened) for its winding-up or dissolution or for the appointment of a receiver, administrative receiver, administrator, liquidator, trustee or similar officer in relation to any of its assets or revenues.

1.5. Duration of Contract

- 1.5.1. This Contract comes into effect on the 1st October 2023 and will expire on 30th September 2024 unless it is otherwise extended or terminated in accordance with the provisions of the Contract (the "**Contract Period**").
- 1.5.2. The Contractor shall grant the Authority irrevocable option periods to extend the Contract by up to 2 x 6-month periods known as:
- a. Option Year period 1 (1st October 2024 until 31st March 2025).
 - b. Option Year period 2 (1st April 2025 until 30th September 2025).
- 1.5.3. The Authority shall be under no obligation to exercise any of the options specified in Clause 1.5.2.
- 1.5.4. In the event that the Authority exercises its right under Clause 1.5.2, all existing terms and conditions of the Contract shall apply.

1.6. Entire Agreement

- 1.6.1. This Contract constitutes the entire agreement between the Parties relating to the subject matter of the Contract. The Contract supersedes, and neither Party has relied upon, any prior negotiations, representations and undertakings, whether written or oral, except that this condition shall not exclude liability in respect of any fraudulent misrepresentation.

1.7. Precedence

- 1.7.1. If there is any inconsistency between the different provisions of the Contract the inconsistency shall be resolved according to the following descending order of precedence:
- a. Special Conditions 2 - 12 (Including Annexes B to L)
 - b. General Conditions
 - c. Schedule of Requirements
 - d. Statement of Work Annex A (Including Schedules); and
 - e. any other documents expressly referred to in the Contract.

1.7.2. If either Party becomes aware of any inconsistency, within or between the documents referred to in Clause 1.7.1 such Party shall notify the other Party forthwith and the Parties will seek to resolve that inconsistency on the basis of the order of precedence set out in Clause 1.7.1. Where the Parties fail to reach agreement, and if either Party considers the inconsistency to be material to its rights and obligations under the Contract, then the matter will be referred to the dispute resolution procedure in accordance with DEFCON 530 (Dispute Resolution).

1.8. Language

1.8.1. The Contract and referenced documents shall be interpreted in accordance with the English language.

1.8.2. All Notices, correspondence, records of meetings and records of inspections necessary for the management and administration of the Contract and for the monitoring of the execution of the Contract shall be in the English language.

1.9. Authority Representatives

1.9.1. The Authority's Representatives detailed in the DEFFORM 111 (or their nominated deputy) shall have the full authority to act on behalf of the Authority for all purposes of the Contract.

1.9.2. In the event of any change to the identity of the Authority's Representatives, the Authority shall provide written confirmation to the Contractor, and shall update the DEFFORM 111 in accordance with Condition 7.1 (Contract Amendment).

1.10. Notices

1.10.1. Notices to be given by or on behalf of the Authority shall not be valid unless signed by the Authority's Representative.

1.10.2. Notices to be given by or on behalf of the Contractor shall not be valid unless signed by the Contractor.

1.11. Publicity and Communications with the Media

1.11.1. The Parties shall not and shall ensure that any employee or Subcontractor shall not communicate with representatives of the press, television, radio or other media on any matter concerning the Contract unless the Parties have given their prior written consent.

1.12. Transfer of Undertaking Protection of Employment (TUPE)

1.12.1. As at the Effective Date of Contract, the Parties are yet to conclude discussions in respect of TUPE obligations for this Contract. Accordingly, the Parties agree to negotiate the terms of Annex L in good faith for a period of up to six (6) months following the Effective Date of Contract with the intent of agreeing a mutually acceptable TUPE provision for incorporation therein. In the event that, following such negotiations, the Parties fail to reach agreement this matter will be escalated in accordance with the disputes resolution procedure in DEFCON 530 In any event, the Parties shall agree the TUPE provisions in sufficient time to allow the Authority to request any information it needs prior to expiry or termination of the Contract. For the avoidance of doubt, the provisions detailed within Annex L as at the Effective Date of Contract represent a draft, proposed position subject to further discussion and amendment as appropriate. The provisions set out in Annex L shall not be deemed effective until agreed through formal contract amendment in accordance with this Clause 1.12.1.

2. Requirements

2.1. Contract Scope

- 2.1.1. The Contractor shall provide the Services as set out in the Schedule of Requirements and shall ensure that these services are provided in accordance with the Contract.
- 2.1.2. The Contractor shall notify the Authority without delay if it has reasonable cause to believe that it will be unable to comply with its obligations under the Contract in any respect. Without prejudice to any rights of either Party under the Contract, the Contractor shall use all reasonable efforts to mitigate the effects of such non-compliance in its performance of the Contract. Any such Notice and any subsequent communication or lack of communication by the Authority or consideration or lack of consideration of any proposed corrective action by the Contractor, shall not prejudice any right or release the Contractor from any of their obligations under the Contract.
- 2.1.3. No inspection or approval by the Authority of any design, drawing or data submitted by the Contractor nor any advice, comment or suggestion of the Authority with regard to their particular functional needs, respective activities and configuration shall prejudice any rights or release the Contractor from any of its obligations under the Contract.
- 2.1.4. The Contractor's responsibilities referred to in this Condition shall apply equally to work carried out by Subcontractors in respect of the requirements of the Contract.
- 2.1.5. The Contractor shall ensure that the Conditions of this Contract are reflected in all Subcontracts, at whatever level, to the extent necessary to enable the Contractor to fully meet its obligations to the Authority under the Contract.

2.2. By-Event Services

- 2.2.1. By-Event Service Purchase Orders shall be solely governed by the provisions of this Contract, unless otherwise agreed by the Parties and recorded in the relevant By-Event Service Purchase Order.

2.3. Ordering Procedure applicable to Item 9 – By-Event Services

- 2.3.1. The Authority may request a by-event service by the completion of: Part 1 of the Ad hoc By-Event Services Purchase Order in the form set out at Annex H.
- 2.3.2. The completed Part 1 of the By-Event Service Purchase Order shall be issued by the Authority and shall contain a unique reference number which shall be allocated only by the Authority.
- 2.3.3. The Contractor shall acknowledge receipt of the By-Event Service Purchase Order within two (2) Business Days of receipt of the request. The Contractor shall respond to the By-Event Service Purchase Order within ten (10) Business Days by:
 - 2.3.3.1. returning the completed Part 2 of the relevant form, including a breakdown of the estimated price and all relevant technical and commercial detail related to the By-Event Service Purchase Order.
 - 2.3.3.2. Should the Contractor be unable to provide a response to the By-Event Service Purchase Order, it shall notify the Authority within the same ten (10) Business days and provide a reason and/or a reliable forecast.
- 2.3.4. The proposal provided by the Contractor in the Part 2 shall be valid for a minimum period of three (3) months from the date of the response to the By-Event Service Purchase Order, when reasonable. The Contractor and the Authority then shall negotiate any aspect necessary of the proposal and amend Part 2 of the relevant form as needed. The Authority shall provide, in writing, acceptance or rejection of the Contractor's Rough Order of Magnitude response to the By-Event Service Purchase Order within the validity period (including specifying any applicable BES Funding Limit if applicable).

- 2.3.5. Following its initial agreement and acceptance by the Contractor, should the Authority update the By-Event Service Purchase Order request, the Contractor shall provide a revised response and new proposal in accordance with Clause 2.3.3. The Contracting Authority shall notify its acceptance (or otherwise) as per Clause 2.3.4. The Contractor may also recommend an updated work scope and an associated updated price estimate for the By-Event Service Purchase Order, if deemed appropriate. The Authority may then notify its acceptance/rejection as per Clause 2.3.4.
- 2.3.6. Once the By-Event Service Purchase Order works has been completed to the satisfaction on the Authority, the Contractor shall submit a Part 3 detailing actualisation of costs proposed at Part 2. The Contracting Authority shall notify its acceptance (or otherwise) as per Clause 2.3.4. The By-Event Service Purchase Order shall be valid and accepted when both Parties have signed the completed By-Event Service Purchase Order.
- 2.3.7. Any Schedule 2 By-Event Service Purchase Order duly authorised pursuant to this Clause 2.3 shall (unless otherwise agreed in writing by the Parties acting reasonably) be carried out in accordance with Annex A, Schedule 2.

2.4. Standards and Records

- 2.4.1. The Contractor shall perform the Services in accordance with EASA Part 145 or any other appropriate Aviation Authority requirements, as agreed between the Parties in accordance with the EPI Approved Data.
- 2.4.2. The Contractor shall perform ML2-OFF Engine Repairs in an EASA Part 145 approved ML2-OFF Repair Facility or, as agreed between the Parties, in a repair facility approved by Military Aviation Authority or any other appropriate Aviation Authority.
- 2.4.3. All Services shall be performed by the Contractor in accordance with the EPI Approved Data unless otherwise agreed between the Parties.
- 2.4.4. The Contractor shall comply with the provisions listed in Annex B - Military Aviation Authority Regulatory Publications.

2.5. Warranty

2.5.1. Warranty applicable to ML2-OFF Engine Repair

- 2.5.1.1. The Contractor warrants that ML2-OFF Engine Repairs shall be performed with all due skill and care. If an Engine suffers a failure due to defective workmanship performed or defective Standard Parts fitted during an ML2-OFF Engine Repair, then the Contractor in respect of such Engine shall correct the defects in ML2-OFF Engine Repair workmanship or replace the Standard Parts at no additional cost to the Authority provided that:
- The failure occurs for defective workmanship before the earlier of 12 calendar months or 750 Engine Flight Hours or 250 Engine Flight Cycles from the date of receipt of the Engine by the Authority following an ML2-Off Engine Repair
 - The failure occurs for defective Standard Parts before the earlier of 24 months or 1,500 Engine Flight Hours or 500 Engine Flight Cycles from the date of receipt of the Engine by the Authority following an ML2-OFF Engine Repair
- 2.5.1.2. The Contractor will have no liability or obligation pursuant to the ML2-OFF Engine Repair warranty in the respect of any Engine:
- which is not stored, installed, operated or maintained (other than by the Contractor) in accordance with the relevant EPI Approved Data
 - which is repaired or altered (other than directly by the Contractor) in such a way as to impair its safety, operation, efficiency or design features, or which has been repaired or altered by a facility other than those specifically approved by the Contractor in writing
 - to the extent any damage or loss has been caused by fair wear and tear, misuse, negligence, accident or operation significantly outside the reference mission assumptions (in each case, other than where caused directly by the Contractor)

- d. that has been damaged by foreign objects unless such damage by foreign objects is caused by the Contractor's defective workmanship or the failure of a Standard Part(s), lightning strikes, fire, flood or other hazards or events not attributable to the Contractor
 - e. to the extent the Engine has been damaged or lost due to acts of war, rebellion, seizure or any other defect or cause not within the reasonable control of the Contractor.
- 2.5.1.3. Where an Engine is repaired under this warranty, the warranty period of the Engine shall be extended by the time which is required by the Contractor to remedy the defect. The remaining warranty period for the Engine (including any remedied workmanship/Standard Parts) shall be the balance of the workmanship/Standard Parts warranty period for that Engine at the time of the Authority's original warranty claim Notice.
- 2.5.1.4. Title to any Standard Part replaced by the Contractor under this warranty will transfer to the Contractor. Title to the replacement Standard Part shall transfer to the Authority upon embodiment in the Engine.
- 2.5.1.5. The Contractor shall perform any necessary transportation of any Engine subject to a valid warranty claim between the MOB and the ML2-OFF Facility.
- 2.5.1.6. The Contractor shall correct the defects in ML2-OFF Engine Repair defective workmanship or replace the defective Standard Parts within the TAT specified in Annex A, Schedule 2, following agreement of a valid warranty claim.
- 2.5.1.7. Warranty claims shall be administered by the Contractor based upon reports covering historical data logs, inspection tests, and findings during repair and failure analysis tests, and, as appropriate, reports from the Contractor's on-site representative(s). The Contractor may request additional supporting evidence to support the warranty claim which will be provided by the Authority if the information is available.
- 2.5.1.8. Warranty claims shall be raised using the template at Annex I. The Authority shall endeavour to send a warranty claim Notice and relevant supporting documentation (Clause 2.5.2.5 refers) to the Contractor within fifteen (15) business days and no later than ninety (90) business days of the Authority becoming aware of a defective Engine. The Authority shall provide evidence that the defect, leading to the warranty claim, occurred prior to expiry of the Warranty period and such evidence shall be contained in the Notice.
- 2.5.1.9. The Contractor shall have the right, upon receipt of such claim, to dispatch within ten (10) business days, at the Contractor's cost, a working team to inspect, test and/or repair such Engine. The Authority shall have the right to observe any such inspection, test and/or repair.
- 2.5.1.10. Within ten (10) business days of receipt of the warranty claim, the Contractor shall inform the Contracting Authority of how it intends to proceed with the claim, including acceptance or rejection of the claim or the need for further inspections or tests. Such statement shall in case of rejection include a substantiated rationale for such rejection.
- 2.5.1.11. In cases where extensive tests or inspections are required, the Contractor shall produce an initial analysis and plan for completion of the tests or inspection, which shall be agreed with the Authority.
- 2.5.2. Warranty applicable to all other Services
- 2.5.2.1. For all other Services the Contractor warrants that the Services shall be performed with all due skill and care. In the event of any breach of this warranty the Contractor shall re-perform or rectify the non-conforming element of the Service at no additional cost to the Authority, where possible.
- 2.5.2.2. The Contractor shall perform any necessary transportation of any AGE, any necessary transportation of the Engine between the MOB and ML2-OFF Facility and any transportation of any Module between the Module Store and ML2-OFF Facility subject to a valid warranty claim.

2.5.2.3. The Contractor shall reperform a POT for Fault Diagnosis or following PGB Exchange within the TAT specified in Annex A, Schedule 1 following agreement of a valid warranty claim.

2.6. Quality Management

- 2.6.1. The Contractor shall submit to the Authority the Deliverable Quality Plan in accordance with the provisions set out in DEFCON 602A definition above within 3 months of the effective date of contract. The Quality Assurance point of contact shall be the Authority's Authorised Representative (Project). Any reference to the Quality Assurance Representative (QAR) in any document forming part of the Contract shall be read as referring to the Authority's Authorised Representative (Project).
- 2.6.2. Quality Assurance surveillance may be conducted directly by the Authority at Contractor's or Sub-Contractor's premises.
- 2.6.3. The Contractor and/or Subcontractors shall provide the QAR with the accommodation and facilities required for the proper accomplishment of QAR activity and provide any assistance required for evaluation, verification, documentation or release of product. The QAR shall have the right of access to any area of the Contractors or Subcontractors facilities where any part of the work is being performed.
- 2.6.4. The Contractor shall maintain their ISO 9001-2015 certification throughout the duration of the Contract. In the event that their certification is reduced in any way, the Contractor shall immediately notify in writing the Authority's Representative (Commercial) in writing.
- 2.6.5. In addition to the DEFSTANs listed in Clause 1.3, the following quality standards are required:
 - a. AQAP 2310 Edition B Version 2 NATO Quality Assurance Requirements for Aviation, Space and Defence Suppliers.
 - b. Where Government Quality Assurance (GQA) is performed against this contract it will be in accordance with AQAP 2070 Edition B Version 4
- 2.6.6. Regarding DEFCON 602a, AQAP 2105 and AQAP2310; the Authority recognises that the Contractor meets the AQAP quality requirements via ISO9001, AS/EN9100 and AS/EN9110 quality standards. The Contractor will use reasonable endeavours to accommodate any additional Authority AQAP information requests where scope is pre-agreed by both Parties. The Contractor will deliver a QP in the format specified in AQAP2105
- 2.6.7. For guidance on the application and interpretation of AQAPs refer to the appropriate AQAP standards Related document (SRD) which can be found on the NATO Standardization Office webpage.

2.7. Risk Management

- 2.7.1. The Contractor shall set up a risk management system contributing to the identification, monitoring and management of potential risks, which may have an impact on the performance of the Contract.
- 2.7.2. Any identification of risks and any risk assessment, which has been, or may be, undertaken in connection with this Contract shall have been, or shall be, a project management function only and shall not in any way release or lessen the obligations of the Contractor under the Contract.

2.8. Environmental Requirements

- 2.8.1. The Contractor shall in its performance of the Contract, adopt a sound proactive environmental approach that identifies, considers, and where possible, mitigates the environmental impacts of its supply chain. The Contractor shall provide evidence of so doing to the Authority on demand.

2.9. Disruption

- 2.9.1. The Contractor shall take reasonable care to ensure that in the performance of its obligations under the Contract it does not disrupt the operations of the Authority, its employees or any other contractor employed by the Authority.
- 2.9.2. The Contractor shall inform the Authority of any actual or potential industrial action which affects or might affect its ability at any time to perform its obligations under the Contract as soon as it becomes aware of the actual or potential industrial action, whether such action be by its own employees or others.
- 2.9.3. The Contractor shall have reasonable contingency plans in place and shall use all reasonable efforts, in the event of industrial action by the Contractor's team, to continue provision of the Contractor Deliverables. Such contingency plans shall be available for the Authority to inspect and/or comment on at any reasonable time and shall be updated and revised as necessary by the Contractor throughout the Contract period.

2.10. Security

- 2.10.1. The Contractor shall protect all Information relating to the aspects specified in the Security Aspects Letter (SAL) at Annex J to the Contract, in accordance with the official security conditions annexed to the SAL.
- 2.10.2. All personnel employed by the Contractor to conduct work in support of the Contract shall hold the necessary security clearance. The Contractor shall be responsible for ensuring security clearances remain valid throughout the Contract period. Where so requested by the Authority, full particulars of all personnel to be so employed shall be forwarded in advance to the Authority for confirmation of acceptability.
- 2.10.3. The Contractor shall ensure that its employees, agents or Subcontractors comply with relevant Authority Security regulations when working at Government Establishments. This may include in the most exceptional circumstances a willingness to submit to a search of their person, personal belongings and transport when entering or leaving Government Establishments. The Contractor shall accept (without prejudice to any remedies the Authority may have) full responsibility for any loss or delay in performance of the Contract caused directly or indirectly by the expulsion of, or refusal to allow access to, a Contractor's employee, agent or Subcontractor who does not consent to being searched.
- 2.10.4. The Authority site security regulations and procedures are available from the establishment Security Officer.

2.11. Disclosure of Information

- 2.11.1. 'Information' means any information in any written or other tangible form disclosed to one party by or on behalf of the other party under or in connection with the Contract, including information provided in the tender or negotiations which preceded the award of the Contract.
- 2.11.2. Subject to Clauses 2.11.5 to 2.11.9 each party:
 - a. shall treat in confidence all Information it receives from the other;
 - b. shall not disclose any of that Information to any third party without the prior written consent of the other party, which consent shall not unreasonably be withheld, except that the Contractor may disclose Information in confidence, without prior consent, to such persons and to such extent as may be necessary for the performance of the Contract;
 - c. shall not use any of that Information otherwise than for the purpose of the Contract; and
 - d. shall not copy any of that Information except to the extent necessary for the purpose of exercising its rights of use and disclosure under the Contract.
- 2.11.3. Both Parties shall take all reasonable precautions necessary to ensure that all Information disclosed under or in connection with the Contract:
 - a. is disclosed to its employees and sub-contractors, only to the extent necessary for the performance of the Contract; and

- b. is treated in confidence by them and not disclosed except with prior written consent or used otherwise than for the purpose of performing work or having work performed for the Authority under the Contract or any sub-contract under it.
- 2.11.4. Both Parties shall ensure that their employees are aware of their arrangements for discharging the obligations at Clauses 2.11.2 and 2.11.3 before they receive Information and take such steps as may be reasonably practical to enforce such arrangements.
- 2.11.5. Clauses 2.11.2 and 2.11.3 shall not apply to any Information to the extent that either party:
 - a. exercises rights of use or disclosure granted otherwise than in consequence of, or under, the Contract;
 - b. has the right to use or disclose the Information in accordance with other conditions of the Contract; or
 - c. can show:
 - i. that the Information was or has become published or publicly available for use otherwise than in breach of any provision of the Contract or any other agreement between the parties;
 - ii. that the Information was already known to it (without restrictions on disclosure or use) prior to it receiving it under or in connection with the Contract;
 - iii. that the Information was received without restriction on further disclosure from a third party who lawfully acquired it and who is himself under no obligation restricting its disclosure; or
 - iv. from its records that the same information was derived independently of that received under or in connection with the Contract;
 - v. provided the relationship to any other Information is not revealed.
- 2.11.6. Neither party shall be in breach of this Condition where it can show that any disclosure of Information was made solely and to the extent necessary to comply with a statutory, judicial or parliamentary obligation. Where such a disclosure is made, the party making the disclosure shall ensure that the recipient of the Information is made aware of and asked to respect its confidentiality. Such disclosure shall in no way diminish the obligations of the parties under this Condition.
- 2.11.7. The Authority may disclose the Information:
 - a. on a confidential basis to any central government body for any proper purpose of the Authority or of the relevant central government body, which shall include disclosure to the Cabinet Office and / or HM Treasury for the purpose of ensuring effective cross-Government procurement processes, including value for money and related purposes;
 - b. to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;
 - c. on a confidential basis to a professional adviser(s), consultant(s) or other person(s), other than (save where this Contract terminates or shall have terminated on the basis of Material Breach)) any direct competitor of the Contractor and/or any Subcontractor):
 - i. engaged by any Central Government Body (including any benchmarking organisations) for any purpose relating to or connected with this Contract; or
 - ii. engaged by or on behalf of the Authority in connection with the Authority's exercise of any of its express rights under this Contract; or
 - d. on a confidential basis to a proposed body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under the Contract;

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Authority under this Clause.

- 2.11.8. Before sharing any Information in accordance with clause 2.11.7 above, the Authority may redact the Information. Any decision to redact information made by the Authority shall be final.
- 2.11.9. The Authority shall not be in breach of the Contract where it can show that any disclosure of Information is made solely and to the extent necessary to comply with the Freedom of Information Act 2000 ("the Act") or the Environmental Information Regulations 2004 ("the Regulations"). To the extent permitted by the time for compliance under the Act or the Regulations, the Authority shall consult the Contractor where the Authority is considering the disclosure of Information under the Act or the Regulations and, in any event, shall provide prior notification to the Contractor of any decision to disclose the Information. The Contractor acknowledges and accepts that its representations on disclosure during consultation may not be determinative and that the decision whether to disclose Information in order to comply with the Act or the Regulations is a matter in which the Authority shall exercise its own discretion, subject always to the provisions of the Act or the Regulations. For the avoidance of doubt, nothing in this Condition shall affect the Contractor's rights at law.
- 2.11.10. Nothing in this Condition shall affect the parties' obligations of confidentiality where information is disclosed orally in confidence.

3. Delivery

3.1. Delivery Packaging and Consignment Arrangements

- 3.1.1. Delivery, Packaging and Consignment arrangements are as detailed in Annex A for all Services.

3.2. Liquidated Damages for Failure to meet Turnaround Times (TAT)

- 3.2.1. It is recognised by the Parties that if the Contractor fails to meet the TAT for any ML2-OFF Engine Repair, POT for Fault Diagnosis, or POT following PGB Exchange, within the TAT specified in Annex A, Schedule 1, that the Authority will suffer loss and damage.
- 3.2.2. Accordingly, for each calendar days delay (including bank holidays and weekends) the Contractor shall pay the Authority 0.075% up to a maximum amount of 6% of the value of the relevant By-Event Service Purchase Order as Liquidated Damages.
- 3.2.3. Unless expressly stated by the Authority in writing, the provisions of DEFCON 527 (Waiver) shall apply to the Authority's right to recover Liquidated Damages under Clause 3.2.
- 3.2.4. Liquidated Damages shall not be applicable if the Contractor fails to meet the TAT for an ML2-OFF Engine warranty repair, nor if the Contractor fails to meet the TAT for reperforming a POT for Fault Diagnosis or following PGB Exchange under warranty.

3.3. Acceptance

- 3.3.1. Acceptance applicable to a Schedule 2 By-Event Service Purchase Order.

3.3.1.1. Following delivery of an Engine to the Authority, after a ML2-OFF Engine Repair, POT for Fault Diagnosis or following PGB Exchange the Authority shall perform a technical inspection of the Engine, consisting of a visual inspection of the Engine and review of the Contractor's documentation, within thirty (30) calendar days of delivery of the Engine. The ML2-OFF Engine Repair, POT for Fault Diagnosis or POT following PGB Exchange shall be accepted by the Authority's written confirmation issued prior to the end of these thirty (30) calendar days or be deemed to be accepted upon expiry of these thirty (30) calendar days.

- 3.3.2. Acceptance applicable to Item 2 – AGE Scheduled Maintenance and Calibration

3.3.2.1. Following the delivery of AGE to the Authority, after AGE Scheduled Maintenance and Calibration carried out away from the MOB, the Authority shall perform a technical inspection of the AGE, consisting of a visual inspection of the AGE and review of the Contractor's documentation, within seven (7) calendar days of delivery of the AGE. The AGE Scheduled Maintenance and Calibration shall be accepted by the Authority's written confirmation issued prior to the end of these seven (7) calendar days or be deemed to be accepted upon expiry of these seven (7) calendar days.

3.3.2.2. Following completion of AGE Scheduled Maintenance and Calibration at the MOB, the Authority shall perform a technical inspection of the AGE, consisting of a visual inspection of the AGE and review of the Contractor's documentation, within seven (7) calendar days of completion of the AGE. The AGE Scheduled Maintenance and Calibration shall be accepted by the Authority's written confirmation issued prior to the end of these seven (7) calendar days or be deemed to be accepted upon expiry of these seven (7) calendar days.

3.3.3. Acceptance applicable to – all other Services excluding:

- i. Services within the scope of Clauses 3.3.1 or 3.3.2, or,
- ii. any Services performed under a By-Event Service Purchase Order in respect of which bespoke acceptance terms have been agreed between the Parties and recorded in the relevant By-Event Service Purchase Order.

3.3.3.1. Following delivery of the Contract Deliverables the Authority shall perform a review of the Contract Deliverable within twenty (20) calendar days of delivery of the Contract Deliverable. The Contract Deliverable shall be accepted (or rejected pursuant to Clause 3.4.2) by the Authority's written confirmation issued prior to the end of the twenty (20) calendar days or be deemed to be accepted upon expiry of the twenty (20) calendar days.

3.4. Rejection

3.4.1. Rejection applicable to a Schedule 2 By-Event Service Purchase Order and Item 2 AGE Scheduled Maintenance and Calibration.

3.4.1.1. Prior to acceptance of an Engine following ML2-OFF Engine Repair, POT for Fault Diagnosis or following PGB Exchange and AGE Scheduled Maintenance and Calibration the Authority may reject the Engine or AGE in accordance with the provisions of DEFCON 524 as the Engine and AGE are Issued Property.

3.4.2. Rejection applicable to all other Services excluding

- i. Services within the scope of Clause 3.4.1, or,
- ii. any Services performed under a By-Event Service Purchase Order in respect of which bespoke rejection terms have been agreed between the Parties and recorded in the relevant By-Event Service Purchase Order).

3.4.2.1. Prior to acceptance of the Contract Deliverables, the Authority may reject any Contract Deliverable (whether or not after inspection) which does not conform with the requirements of the Contract.

3.4.2.2. The Contractor shall at their own expense rectify the rejected Contract Deliverable so that it conforms with the requirements of the Contract.

3.4.2.3. The Contractor may object in writing to a notification of rejection by the Authority within fourteen (14) calendar days of being notified of the rejection. If the objection is not resolved within a reasonable time, it shall be treated as a dispute within the meaning of DEFCON 530.

3.5. Excusable Delay

3.5.1. The Contractor shall not be in breach of this Contract, nor liable for late or non-performance of any of its obligations under this Contract, if such delay or failure result from an Excusable Delay Event. For the purposes of this Contract an Excusable Delay Event is defined as one of the following:

- a. A Force Majeure Event; or
- b. An Authority obligation failure; or
- c. An Authority Delay Request;

- 3.5.2. The Contractor shall immediately notify the Authority in writing if it believes that an Excusable Delay Event has occurred, including details of the Excusable Delay Event, its effect on the Contractor's obligations under the Contract, and the actions proposed to mitigate its effect.
- 3.5.3. Subject to Clause 3.5.4 below, the Contractor shall be entitled to an appropriate extension of time for performing such obligations provided always that the Contractor has used, all reasonable endeavours, both to mitigate the effects of the Excusable Delay Event, and to facilitate the continued performance of its obligations under this Contract.
- 3.5.4. The maximum extension of time granted under this Clause shall be limited to six (6) months for a Force Majeure Event after which time the Authority may, on giving written notice to the Contractor, terminate this Contract in whole or in part in accordance with Clause 9.10, 9.11 and 9.12, without seeking compensation from the Contractor, with immediate effect.
- 3.5.5. In the event of an Authority obligation failure or Authority Delay Request fair and reasonable revisions of the Contract Price, shall be made as may be appropriate provided that the Contractor has taken all reasonable efforts to mitigate the consequences of any such delay.
- 3.5.6. Further to Clause 3.5.5 where the Contractor has taken all reasonable efforts to mitigate the consequences of any such Authority obligation failure or Authority Delay Request. The Contractor shall submit a Change Proposal to the Authority in accordance with DEFCON 620.

3.6. Force Majeure

- 3.6.1. Where the Contractor is late or cannot perform any of its obligations under this Contract due to a Force Majeure Event, this shall be deemed an Excusable Delay Event and the provisions of Clause 3.5. shall apply.
- 3.6.2. The Contractor shall not be in breach of this Contract, nor liable for late or non-performance of any of its obligations under this Contract if such delay or failure result from a Force Majeure Event.
- 3.6.3. The Contractor shall immediately notify the Authority in writing if it believes that a Force Majeure Event has occurred, including details of the Force Majeure Event, its effect on the Contractor's obligations under the Contract, and the actions proposed to mitigate its effect.
- 3.6.4. Subject to Clause 3.6.5 below, the Contractor shall be entitled to an appropriate extension of time for performing such obligations provided always that the Contractor has used, all reasonable endeavours, both to mitigate the effects of the Force Majeure Event, and to facilitate the continued performance of its obligations under this Contract.
- 3.6.5. The maximum extension of time granted under this Clause shall be limited to three (3) months for a Force Majeure Event. The Contractor shall be liable for late or non-performance of any of its obligations under this Contract if such delay or failure as result of a Force Majeure event exceeds the maximum extension of time.

4. Price

4.1. Firm Priced Items and reconciliation of Provisional Cost Recovery Rates

- 4.1.1. Subject to the remainder of this Clause 4.1, for the purposes of Regulation 10 of the SSCR, each of Items 1, 2, 3, 4, 5, 6, 7 and 8 (together being the “**Firm Price Items**”) shall be priced using the firm pricing method set out in Regulation 10 of the SSCR.
- 4.1.2. The Parties recognise that each has a legal obligation, under section 20 of the Defence Reform Act 2014, to be satisfied that the costs included in the contract price are Appropriate, Attributable and Reasonable (together “**AAR**”). The Parties also recognise that, at the time of contract award, the estimate of allowable costs that would be incurred by the Contractor in relation to the Firm Price Items has been based in part upon the use of Provisional Cost Recovery Rates pending the agreement and promulgation of actual cost recovery rates.
- 4.1.3. Accordingly:
 - a. the following provisional prices have been agreed by the Parties for each of the Firm Price Items:
 - i. **Item 1: REDACTED**
 - ii. **Item 2: REDACTED**
 - iii. **Item 3: REDACTED**
 - iv. **Item 4: REDACTED**
 - v. **Item 5: REDACTED**
 - vi. **Item 6: REDACTED**
 - vii. **Item 7: REDACTED**
 - viii. **Item 8: REDACTED**

(the “**Provisional Prices**”) and all sums payable shall be paid in accordance with Clause 5; and
 - b. the Provisional Prices shall be converted to firm prices pursuant to the remainder of this Clause 4.1 upon agreement by the Parties of the relevant actual or cost recovery rates and promulgation of the same by the Authority or (as the case may be) the Parties.

4.1.4. The Parties acknowledge and agree that:

- a. In converting the Provisional Prices to firm prices, the Provisional Prices shall not be subject to variation save that, as soon as reasonably practicable, but, in any event, no later than thirty (30) Business Days (or such other period as may be agreed by the Parties in writing acting reasonably) of promulgation of all relevant actual cost recovery rates, the Parties shall recalculate the estimate of allowable costs in relation to the Firm Price Items on the basis of using the actual cost recovery rates and not the Provisional Cost Recovery Rates (the “**Recalculation of the Allowable Costs Estimate**”);
- b. accordingly, the only variable component of the estimate of allowable costs in relation to the Firm Price Items is the Provisional Cost Recovery Rates and all other components of such estimate (including but not limited to labour hours, material and sub-contractor costs, risk and uncertainty) and the contract profit rate are not subject to variation on any account; and
- c. (Subject to Clause 4.1.4b) unless otherwise agreed by the Parties in writing the Recalculation of the Allowable Costs Estimate shall be calculated by replacing the Provisional Cost Recovery Rates with the corresponding actual cost recovery rates within the Relevant Cost Model.

- 4.1.5. Upon the Parties' agreement of the Recalculation of the Allowable Costs Estimate, the Parties shall promptly amend this Contract to incorporate and reflect the resulting impact on the prices agreed for the Firm Price Items. For the avoidance of doubt such agreed and settled prices shall be deemed to be priced in accordance with the firm pricing method set out in Regulation 10 of the SSCR (the "**Finalisation of the Firm Price**").
- 4.1.6. For each of the Firm Price Items from 1st October 2023 until Contract expiry as per clause 1.5 and for the purposes of determining the Provisional Prices set out in clause 4.1.3 above, the Contract Profit Rate used is 11.64%, comprising:
- a. a baseline profit rate of 8.29%;
 - b. a cost risk adjustment of 0.83% (constituting +10% of the Baseline Profit Rate);
 - c. an adjustment in relation to profit on cost once (POCO) of 0%;
 - d. an adjustment in relation to SSRO funding of -0.038%;
 - e. an adjustment in relation to incentivisation of 0%; and
 - f. an adjustment in relation to a capital servicing adjustment (CSA) of 2.56%,
- and the Parties acknowledge and agree that it is their joint intention that such Contract Profit Rate shall apply to the prices agreed and settled pursuant to Clause 4.1.5 to the maximum extent that to do so complies with the DRA and SSCR.
- 4.1.7. Clause 4.1 shall survive the termination or expiry of this Contract.

4.2. Cost-Plus Item

- 4.2.1. For the purposes of Regulation 10 of the SSCR, By-Event Service Purchase Order authorised to proceed by the Authority under Item 9 (the "**Cost-Plus Item**") shall be priced using the cost-plus pricing method set out in Regulation 10 of the SSCR and all sums payable shall be paid in accordance with Clause 5.
- 4.2.2. For all By-Event Service Purchase Orders authorised during the period commencing on and from 1st October 2023 until Contract expiry as per clause 1.5 the CPR to be used is 8.7395%, comprising:
- a. a baseline profit rate of 8.29%;
 - b. a cost risk adjustment of -2.0725% (constituting -25% of the Baseline Profit Rate);
 - c. an adjustment in relation to profit on cost once (POCO) of 0%;
 - d. an adjustment in relation to SSRO funding of -0.038%;
 - e. an adjustment in relation to incentivisation of 0.000% (subject to specific tasking); and
 - f. an adjustment in relation to a capital servicing adjustment (CSA) of 2.56%,
- and (subject to Clauses 4.2.3, 4.2.4 and 0) is not subject to variation on any account.
- 4.2.3. For all By-Event Service Purchase Orders authorised during the period commencing on and from 01 April 2024 the CPR to be used is as per Clause 4.2.2 with updates to steps a, d and f to reflect the updated applicable baseline profit rate, SSRO funding adjustment and Capital Servicing Adjustment steps, these shall be jointly reviewed and applied from the first BES for this period.
- 4.2.4. For all By-Event Service Purchase Orders authorised during the period commencing on and from 01 April 2025 the CPR to be used is as per Clause 4.2.3 with updates to steps a, d and f to reflect the updated applicable baseline profit rate, SSRO funding adjustment and Capital Servicing Adjustment steps, these shall be jointly reviewed and applied from the first BES for this period.

- 4.2.5. The Parties have agreed an aggregate funding limit for the Cost-Plus Item of £ **REDACTED** excluding VAT (the “**Item 9 Funding Limit**”). Furthermore, the Parties may (acting reasonably) agree a specific funding limits for any given By-Event Service Purchase Order (“**BES Rough Order of Magnitude Price (Part 2)**”). Any costs incurred above the **Item 9 Funding Limit** and/or any applicable BES Funding Limit shall be at the Contractors liability, unless the relevant funding limit(s) is/are increased by the Authority.
- 4.2.6. The Contractor shall notify the Authority as soon as reasonably practicable after becoming aware if at any time:
- a. the aggregate of:
 - i. all costs incurred by the Contractor or committed in connection with any given By-Event Service Purchase Order, and
 - ii. all profit to which the Contractor is entitled (or will become entitled) as a result of having incurred or committed such costs,
 has breached, or is likely to breach, 100% of any applicable BES Funding Limit;
 - b. and the aggregate of:
 - i. all costs incurred by the Contractor or committed in connection with the Cost-Plus Item, and
 - ii. all profit to which the Contractor is entitled (or will become entitled) as a result of having incurred or committed such costs,
 has breached, or is likely to breach, 70% of the Item 9 Funding Limit.
- 4.2.7. In connection with the Cost-Plus Item, the Parties acknowledge and agree that they shall work together collaboratively and in good faith to agree (each acting reasonably) an Amendment to this Contract to incorporate common provisions (as are applicable to any By-Event Service Purchase Order that may be authorised to proceed under **Item 9**) concerning:
- a. a procedure for:
 - i. the prompt agreement and settlement of the CPR applicable to all By-Event Service Purchase Orders authorised during the period commencing on and from 01 April 2024 and terminating on the earlier of the end of the Contract Term and 31 March 2025 and
 - ii. a consideration by the Authority on a case-by-case basis as to whether to apply, at its sole discretion, an incentive adjustment pursuant to Regulation 11 of the SSCR respect to any By-Event Service Purchase Orders, authorised during the Contract Period, in order to provide a financial incentive to the Contractor in connection with the performance of
 - (1) By-Event Service Purchase Orders deemed urgent by the Authority, and/or,
 - (2) such other relevant aspects of the Contract as may be specified by the Authority;
 - b. mutually agreed
 - i. supporting evidence required to be submitted by the Contractor in connection with any claim for payment (as may include provision of a costs statement setting out the allowable costs incurred by the Contractor and the basis on which such costs have been calculated), and,
 - ii. other management information pertaining to the demonstration of allowable costs (“**Supporting Evidence**”); and
 - c. such other terms of general application as the Parties may consider appropriate for purposes of assisting the prompt negotiation, agreement and execution of By-Event Service Purchase Orders,

(Such being the “**BES Common Terms**”). The Parties further undertake that they shall endeavour to agree upon the BES Common Terms as soon as reasonably practicable.

- 4.2.8. The Parties further acknowledge and agree that, until and unless BES Common Terms are agreed and incorporated into the Contract in accordance with Clause 0 (or otherwise), it will be necessary for the Parties to agree on a case by case basis for each By-Event Service Purchase Order key terms applicable to the same, including but not necessarily limited to any required Supporting Information, and such key terms shall need to be settled and agreed prior to the authorisation of each By-Event Service Purchase Order. Accordingly, it is recognised by the Parties, that the absence of agreed BES Common Terms incorporated into the Contract, may potentially have an adverse impact upon the length of time taken by the Parties to negotiate, agree and execute individual By-Event Service Purchase Orders.

5. Payment

5.1. Firm Priced Items

- 5.1.1. The Authority shall, subject to the remainder of this Clause 5, make to the Contractor advances against the price payable for each of Items 1, 2, 3, 4, 5, 6, 7 and 8 (“**Milestone Payments**”) following the end of each calendar month during the term of the Contract.
- 5.1.2. Subject to Clause 5.1.3 to 5.1.6 (inclusive), the amount of each of the Milestone Payments shall be as set out in Annex G, such being based upon the Provisional Prices, plus an amount equal to any applicable VAT (such liability being governed by the provisions of DEFCON 513):
- 5.1.3. Notwithstanding Clauses 5.1 and 5.1.2, the Authority shall be entitled to withhold any Milestone Payment, in whole or in part, if:
- the Contractor has failed to deliver all of the reports specified in Annex D for the relevant calendar month of performance;
 - the Authority (acting reasonably) does not confirm acceptance of the Monthly Contract Report Pack for the relevant calendar month of performance; and/or
 - the Monthly Contract Review Meeting has not been held,
- provided that where the Authority intends to rely on this Clause 5.1.3 as the basis for rejecting any claim for a Milestone Payment (or part thereof), the Authority shall give to the Contractor notice in writing of its intention together with reasons and justification for the rejection.
- 5.1.4. Within thirty (30) Business Days (or such other period as may be agreed by the Parties in writing acting reasonably) of the Finalisation of the Firm Price a reconciliation exercise shall be undertaken by the Parties to determine the difference between:
- the total amount of payments paid to the Contractor in connection with the Firm Price Items using the Provisional Prices (“**Price Paid**”); and
 - the total amount of the payments to which the Contractor would have been entitled to based on the prices agreed and settled pursuant to Clause 4.1.5 (“**Price Due**”),
- (such being the “**Firm Price Reconciliation**”).
- 5.1.5. Where pursuant to the Firm Price Reconciliation:
- the total amount of the Price Paid is **higher** than the amount of the Price Due, then the Authority shall be entitled to be paid an amount equal to the difference and in addition to be paid an amount equal to the additional VAT that was applied to the higher sum (save that the payment of such additional VAT shall not apply where such has otherwise been recovered by the Authority); or
 - the total amount of the Price Paid is **lower** than the amount of the Price Due, then the Contractor shall be entitled to be paid an amount equal to the difference,
 - in either case pursuant to Clause 5.1.6.

5.1.6. Without prejudice to clause 6 of DEFCON 522 and unless otherwise agreed by the Parties (acting reasonably) in writing, the sums determined by the Parties pursuant to the Firm Price Reconciliation shall be due and payable to the relevant recipient as a lump sum within thirty (30) Business Days of completion of the same.

5.1.7. Clause 5 shall survive the termination or expiry of this Contract.

5.2. Cost-Plus Item

5.2.1. Subject to the remainder of Clause **Error! Reference source not found.**, the Contractor shall submit an invoice to the Authority upon the completion of each By-Event Service.

5.2.2. The Parties have agreed to use Provisional Cost Recovery Rates, prior to the agreement and promulgation of actual cost recovery rates, for the purposes of an initial calculation of the Contractor's allowable costs due and payable by the Authority in connection with the Cost-Plus Item. Accordingly, the Parties agree that:

- a. immediately upon agreement by the Parties of the relevant actual cost recovery rates and their being promulgated by the Authority or (as the case may be) the Parties, the corresponding Provisional Cost Recovery Rates shall cease to apply and all sums due and payable shall be calculated using the relevant actual cost recovery rates;
- b. a reconciliation exercise shall be undertaken by the Parties to determine the difference between:
 - i. the total amount of payments paid to the Contractor in connection with the relevant Cost-Plus Item using the relevant Provisional Cost Recovery Rates ("**Payments Made**"); and
 - ii. the total amount of the payments to which the Contractor would have been entitled to by applying the relevant actual cost recovery ("**Payments Due**"), (such being the "**Rates Reconciliation**"); and
- c. the Rates Reconciliation shall be undertaken by the Parties within thirty (30) Business Days (or such other period as may be agreed by the Parties in writing acting reasonably) of promulgation of the relevant actual cost recovery rates.

5.2.3. Where pursuant to the Rates Reconciliation:

- a. the total amount of the Payments Made is higher than the amount of the Payments Due, then the Authority shall be entitled to be paid an amount equal to the difference and in addition to be paid an amount equal to the additional VAT that was applied to the higher sum (save that the payment of such additional VAT shall not apply where such has otherwise been recovered by the Authority); or
- b. the total amount the Payments Made is lower than the amount of the Payments Due, then the Contractor shall be entitled to be paid an amount equal to the difference,

in either case pursuant to Clause 5.2.4.

5.2.4. Without prejudice to clause 6 of DEFCON 522 and unless otherwise agreed by the Parties (acting reasonably) in writing, the sums determined by the Parties pursuant to the Rates Reconciliation shall be due and payable to the relevant recipient as a lump sum within thirty (30) Business Days of completion of the same.

5.2.5. Clauses 5.2.2 to 5.2.5 (inclusive) shall survive the termination or expiry of this Contract.

6. Government Furnished Assets

- 6.1. The Government Furnished Assets (GFA) made available to the Contractor for the purposes of carrying out the of the Contract are detailed in Annex C and shall be provided at the times, for the periods and at the locations specified in that Annex. GFA shall be provided free of charge to the Contractor by the Authority.
- 6.2. Any GFA, required for the performance of a By-Event Service, not already available to the Contractor shall be identified in the relevant By-Event Service Purchase Order and if accepted by the Authority will be provided in accordance with the By-Event Service Purchase Order.
- 6.3. All GFA shall remain the property of the Authority. The GFA shall be used solely by the Contractor for the purposes of performing the obligations set out in the Contract and for no other purpose unless agreed otherwise in writing by the Authority.
- 6.4. Neither the Contractor, nor any subcontractor, nor any other person, shall have a lien on GFA, for any sum due to the Contractor, subcontractor or other person, and the Contractor shall take all such steps as may be necessary to ensure that the title of the Authority, and the exclusion of any such lien, are brought to the notice of all subcontractors and other persons dealing with any Issued GFA.
- 6.5. Any Government Furnished Information (GFI) provided by the Authority shall be subject to any relevant confidentiality and control provisions elsewhere in the Contract.
- 6.6. The Contractor shall comply with the requirements of DEFSTAN 05-99 (Managing Government Furnishes Assets in Industry), and the loan terms defined in that document.
- 6.7. The Contractor shall observe the instructions of the Public Accounting Authority (see Box 8 of the Appendix – DEFFORM 111) concerning any GFA.
- 6.8. The Authority shall use reasonable endeavours to provide the items listed at Annex B, in a timely manner. However, operational imperatives imposed by the Authority or other events may preclude the issue or availability of any particular item listed at the time required.
- 6.9. The Authority shall use reasonable endeavours to notify the Contractor at the earliest opportunity of the known non-availability of anything listed at Annex B. On receipt of any such notification, the Contractor shall notify the Authority within ten (10) business days of the schedule, cost and any other implications of this non-availability to the Service.
- 6.10. At Contract completion the Contractor shall forward a list of GFA still held to the Authority's Representative (Commercial). Return or disposal of such GFA will be as specified in the Contract, or as instructed by the Authority at Contract completion. If no disposal instructions are specified in the Contract the Authority shall provide such instructions within two months of the Contractor's written request to do so. The Authority and the Contractor shall agree a fair and reasonable price for any return or disposal if necessary.

7. Contract Administration

7.1. Contract Amendment

- 7.1.1. All amendments to this Contract shall be implemented in accordance with DEFCON 503 and shall be issued only by the Authority's Representative (Commercial) and agreed by both Parties.
- 7.1.2. Where the Authority or the Contractor wishes to introduce a change which is not minor or which is likely to involve a change to the Contract Price, the provisions of DEFCON 620 shall apply. The Contractor shall not carry out any work until any necessary change to the Contract Price has been agreed and a written amendment in accordance with clause 7.1.1 above has been issued (except where such work is required by Legislation or Regulation).

7.2. Change in Legislation or Regulation

- 7.2.1. If any change in Legislation or Regulation is issued after the Contract Effective Date which the Parties, acting reasonably, agree impacts, positively or negatively, on the performance of the Services, then the Parties shall agree to amend the Contract in accordance with the provisions of Clause 7.1
- 7.2.2. The Contractor shall take into account all information available to it concerning any reasonably foreseeable change in Legislation or Regulation in order to mitigate the cost of any Contract amendment raised in accordance with Clause 7.1.

7.3. Progress Monitoring, Meetings and Reports

- 7.3.1. The Contractor shall attend Monthly Contract Review Meetings at the MOB, unless otherwise agreed by both Parties. The Contractor shall ensure that their Representatives are suitably qualified to attend such meetings.
- 7.3.2. Any additional meetings required by the Authority in connection with the performance of the Contract shall be at no additional cost to the Authority.
- 7.3.3. The Contractor shall submit progress reports to the Authority's Representative(s) at the times and in the format specified in Annex D. The reports shall detail as a minimum
 - a. performance/Delivery of the Contractor Deliverables
 - b. risks and opportunities
 - c. any other information specified in Annex D and
 - d. any other information reasonably requested by the Authority.

7.4. Inspections

- 7.4.1. The Authority shall have the right to inspect or have its Authorised Representative inspect the performance of the Service and monitor the quality standards applied at any reasonable time. For this purpose, the Authority shall nominate an Authorised Representative, and provide their terms of reference to the Contractor fourteen (14) calendar days before any proposed visit. Any Information notified or marked as commercially sensitive and made available by the Contractor to such Authorised Representative shall be treated accordingly.
- 7.4.2. The Contractor shall give the Authorised Representative sufficient access to premises as and when required for this purpose and shall ensure that similar provisions are included in its Subcontracts to the Contract. The Contractor's responsibilities in respect of the inspection process shall include provision of office space, facilities, appliances, materials, documents and labour as reasonably required by the Authority. Such resources shall be provided at no additional charge to the Authority.
- 7.4.3. The Authority shall take reasonable care to ensure that in the performance of an inspection that it does not disrupt the operations of the Contractor, its employees or any other contractor employed by the Contractor.

8. Subcontracting

- 8.1. The Contractor shall be responsible for the fulfilment of all obligations resulting from the Contract including those performed by Subcontractors. The Contractor shall not enter into any Subcontract which does not secure the rights of the Authority under the Contract without having first consulted with the Authority.
- 8.2. Subcontracting any part of the Contract shall not relieve the Contractor of any of the Contractor's obligations, duties or liabilities under the Contract.

9. Termination

- 9.1. In the event that a Contractor Default has occurred, and subject to Clause 3.6 the Authority shall, without prejudice to any other remedies set out in the Contract, have the right to terminate the whole or any part of the Contract in accordance with this Clause 9 (Termination).

9.2. Rectifiable Contractor Default

- 9.2.1. Where a Rectifiable Contractor Default has occurred and subject to Clause 3.6 the Authority wishes to terminate the Contract in whole or in part, the Authority shall serve a notice on the Contractor (a Rectification Notice), specifying:
 - a. the nature of the Rectifiable Contractor Default that has occurred, giving reasonable details; and
 - b. where appropriate, the part of the Contract that the Authority wishes to terminate
- 9.2.2. Except where otherwise agreed with the Authority, the Contractor shall have ten (10) Business Days from receipt of the Rectification Notice to submit to the Authority in writing a formal plan describing the proposed rectification programme including a detailed description and schedule of the activities necessary to rectify the breach and restore the Contractor's performance to the standard required under the Contract (a Rectification Plan).
- 9.2.3. Where the Authority agrees with the Rectification Plan, and the Contractor implements it to the reasonable satisfaction of the Authority within the time period set out in such Rectification Plan, the Rectification Notice shall be deemed to be revoked.
- 9.2.4. Where the Authority does not agree with the Rectification Plan, the Parties shall consult in good faith to agree a revised Rectification Plan.
- 9.2.5. In the event the Parties fail to agree a Rectification Plan within forty (40) Business Days of its formal submission to the Authority in accordance with Clause 9.3.2 the Authority may, at its sole discretion, issue a Default Termination notice to the Contractor, specifying the date upon which the whole or any part (as appropriate) of the Contract shall terminate.
- 9.2.6. If the Contractor fails to implement the Rectification Plan to the reasonable satisfaction of the Authority within the time period set out in such Rectification Plan, or such longer time as may be agreed with the Authority, the Authority may, at its sole discretion, issue a Default Termination notice to the Contractor, specifying the date upon which the whole or any part (as appropriate) of the Contract shall terminate.
- 9.2.7. If at any point before the Authority issues a Rectification Notice to the Contractor in accordance with Clauses 9.2.5 and 9.2.6 specifying the date upon which the whole or any part (as appropriate) of the Contract shall terminate, the Contractor addresses its performance under the Contract such that a Rectifiable Contractor Default is no longer occurring, the Rectification Notice shall be deemed to have been revoked. In circumstances where the Contractor has addressed their performance issues, prior to the Rectifiable Contractor Default, the Contractor shall provide the Authority with evidence detailing the performance issues have been satisfactorily addressed.

9.3. Non-rectifiable Contractor Default

- 9.3.1. Where a Non-rectifiable Contractor Default has occurred and subject to Clause 3.6 the Authority wishes to terminate the Contract in whole or in part, the Authority shall serve a notice on the Contractor, specifying:

- a. The type and nature of the Non-rectifiable Contractor Default that has occurred, giving reasonable details;
- b. that the Authority is terminating the Contract or part thereof;
- c. where relevant, the part of the Contract that the Authority is terminating; and
- d. the date on which the Contract (or part thereof) shall terminate, provided that this shall be no less than twenty (20) Business Days after the date of such notice.

9.3.2. Following the issue of a notice pursuant to Clauses 9.2.5, 9.2.6 or 9.3.1 and where the Authority is terminating the whole of the Contract, the Contract shall terminate on the date specified in the relevant Default Termination Notice.

9.4. Partial Termination

- 9.4.1. Where the Authority has issued a Default Termination Notice specifying that it is terminating part of the Contract for Contractor Default, the Parties shall agree the basis for continuing with those parts of the Contract that are not terminated.
- 9.4.2. Where the Authority has issued a Default Termination Notice specifying that it is terminating part of the Contract for Contractor Default, the Parties shall, subject to Clause 9.5 (Consequences of Termination), owe each other no further obligations in respect of such part of the Contract as is specified in the Default Termination Notice from the date specified in such Default Termination Notice.

9.5. Consequences of Termination for Contractor Default

9.5.1. In the event of termination by the Authority pursuant to Clause 9 (Termination):

9.5.1.1. in respect of Contract Deliverables provided, the Authority shall pay;

- a. the Contractor the price payable pursuant to Clause 4 (Price) and Clause 5 (Payment) relevant to the period of performance (payable in accordance with the express terms of this Contract) up to the date of a Default Termination Notice or a notice sent by the Authority in accordance with Clauses 9.2.5. or 9.2.6 (Termination), whichever is applicable, calculated in accordance with Clause 4 (Price) and Clause 5 (Payment); and

9.5.1.2. in respect of the period from the date of the Default Termination Notice or a notice sent by the Authority in accordance with Clauses 9.2.5. or 9.2.6 (Termination), whichever is applicable to the Contract Termination Date:

- a. the Contractor shall be entitled to payment by the Authority for the actual allowable costs (as verified by the relevant audit authorities and in accordance with SSCR 2014) incurred in providing those elements of the Contractor Deliverables provided by the Contractor during such period, but the Contractor shall not be entitled to any profit element in relation to such costs;
- b. subject to the other provisions of Clause 9.5.1 (Termination) the Contractor shall not be entitled to claim payment pursuant to Clause 4 (Price) and Clause 5 (Payment).

9.5.2. The Parties agree that recovery by the Contractor in each case under Clauses 9.5.1.1 to 9.5.1.2 above shall be subject to the following:

- a. the Authority shall not in any case be liable to pay under the provisions of this Clause 9.5.1 (Termination) any sum which, when taken together with any sums paid or due or becoming due to the Contractor under this Contract shall exceed the Contract Price;
- b. the Contractor shall take reasonable steps to mitigate such costs, commitments, liabilities and/or expenditure
- c. such costs, commitments, liabilities and/or expenditure shall be subject to verification by the relevant audit authorities as being due in accordance with the express provisions of this Clause; and

- d. the Contractor shall submit fully itemised and costed list of any costs commitments, liabilities and/or expenditure that it claims under Clause 9.5.1.2a. with supporting evidence.

9.6. Authority Default

- 9.6.1. If an Authority Default has occurred, the Contractor shall be entitled to terminate this Contract in accordance with the provisions of Clause 9.6 (Authority Default).
- 9.6.2. If an Authority Default has occurred and the Contractor wishes to terminate this Contract pursuant to Clause 9.6 (Authority Default), it must, within twenty-two (22) Business Days of it becoming aware of the Authority Default, serve a notice (an Authority Default Termination Notice) on the Authority stating:
 - a. that an Authority Default has occurred
 - b. the type and nature of Authority Default, giving reasonable details; and
 - c. that this Contract shall terminate on the day falling thirty (30) Business Days after the date on which the Authority receives the Termination Notice (the Authority Default Termination Date).
- 9.6.3. Where the Authority pays to the Contractor the sums detailed in Clause 5 (Payment) (provided always that such sums are in fact due and owed to the Contractor in accordance with this Contract at the relevant time) before the Authority Default Termination Date, the Authority Default Termination Notice in question shall be deemed to be revoked.

9.7. Consequences of Termination for Authority Default

- 9.7.1. Where Clause 9.6 applies, in respect of the Contractor Deliverables provided in accordance with this Contract up to the Authority Default Termination Date, the Authority shall pay the Contractor the price payable pursuant to Clause 4 (Price) and Clause 5 (Payment) relevant to the period of performance (payable in accordance with the express terms of this Contract).
- 9.7.2. The Authority shall (subject to Clause 9.7.3 below) indemnify the Contractor against any commitments, liabilities or expenditure which would otherwise represent an unavoidable loss by the Contractor by reason of the termination of the Contract, subject to:
 - a. the Contractor taking all reasonable steps to mitigate such loss; and
 - b. the Contractor submitting a fully itemised and costed list of such loss, with supporting evidence, reasonably and actually incurred by the Contractor as a result of the termination of the Contract or relevant part.
- 9.7.3. The Authority's total liability under the provisions of Clause 9.7 shall be limited to the total price of the Contractor Deliverables payable under the contract (or relevant part), including any sums paid, due or becoming due to the Contractor at the date of termination.
- 9.7.4. Any sums payable by the Authority pursuant to Clause 9.7.1 shall include profit at the Contract profit rate agreed for this Contract, calculated in accordance with the Single Source Contract Regulations 2014.
- 9.7.5. No profit shall be paid in relation to costs payable by the Authority pursuant to Clause 9.7.2

9.8. Termination for Convenience

- 9.8.1. The Authority shall have the right to terminate the Contract in whole or in part at any time in accordance with DEFCON 656B Termination for Convenience.

9.9. Termination Due to Force Majeure

- 9.9.1. Where the Authority has issued a notice to the Contractor under Clause 3.5.4 stating that the Contract is to terminate, the Contract shall terminate immediately, or such longer period as the Authority may specify, after the date on which the Contractor received such notice.

9.10. Financial Consequences of Termination Due to Force Majeure

9.10.1. Where Clause 9.9.1 (Termination Due to Force Majeure) applies, the Contractor shall only be entitled to be paid (subject to any other provision of the Contract affecting the level of such payment) for any aspect of the Contractor Deliverables that it has, as at the Termination Date, delivered to the Authority in accordance with the Contract.

9.11. Consequences of Termination

9.11.1. The termination of the Contract, however arising, shall be without prejudice to the rights and duties of either Party accrued prior to termination. The Conditions that expressly or by implication have effect after termination shall continue to be enforceable even after termination.

9.12. Termination in the Event of Contract Replacement

9.12.1. Should mutually agreed terms be reached between the Authority and the Contractor for a contract replacement of this Agreement, the Authority has the right, subject to acceptance of the Contractor, to terminate the Contract prior to the end date identified as Clause 1.5, without any liability for cost under this Contract, subject to entering the replacement Contract, without interruption to the service provision.

10. Liability

10.1. The Parties agree that:

- a. The Authority's sole remedy (and the sole liability of the Contractor) for any delay in the delivery of an ML2-OFF Engine Repair, POT for Fault Diagnosis, or POT following PGB Exchange is as set out in Clause 3.2 Liquidated Damages for Failure to meet Turnaround Times (TAT) unless or until the repeated failure satisfies the definition of a Non-rectifiable Contract Default;
- b. The Authority's sole remedy (and the sole liability of the Contractor) in relation to the quality of Services performed under this Contract is as set out in Condition 2.6 Warranty;
- c. Save as set out in Clause 10.1 (a) and (b) above, and subject to Clause 10.2, the Authority may pursue such remedies as it may have at common law for the breach of any other provision of this contract by the Contractor

10.2. Subject to Clause 10.3

- a. under clause 3 of DEFCON 76, any liability of the Contractor to the Authority shall not exceed **REDACTED** Pounds Sterling per event and **REDACTED** in the aggregate. Should the Authority enact the Contract extension period, these amounts will be reviewed and amended if required" ;
- b. the risk of loss of or damage to the Issued Property remains with the Contractor whilst such are in its possession. Without prejudice to any other rights or remedies of the Authority, the Contractor shall make good any such loss or damage however caused or occasioned which occurs whilst in its possession.
- c. where the Authority exercises a right to terminate this Contract or part thereof, any liability of the Contractor which arises out of or in connection with that termination or terminations (whether such liability arises in contract, tort (including negligence) for breach of statutory duty or otherwise) shall be limited to a maximum of **REDACTED** Pounds Sterling ;
- d. The Contractor's liability in respect of all claims relating to aviation products shall be limited in accordance with DEFCON 684;

10.3. Nothing in this Contract shall operate to limit or exclude the Contractor's liability:

- a. For:
 - i. any amount(s) which the Authority is entitled to claim, retain or withhold in relation to the Contractor's failure to perform or under-perform its obligations under this Contract, including service credits or other deductions (to the extent expressly provided for under this Contract);
 - ii. any interest payable in relation to the late payment of any sum due and payable by the Contractor to the Authority under this Contract;
 - iii. any amount payable by the Contractor to the Authority in relation to TUPE or pensions to the extent expressly provided for under this Contract;
- b. for death or personal injury caused by the Contractor's negligence or the negligence of any of its personnel, agents, consultants or subcontractors;
- c. for fraud, fraudulent misrepresentation or wilful misconduct;
- d. for breach of the terms implied by Section 2 of the Supply of Goods and Services Act 1982; or
- e. for any other liability which cannot be limited or excluded under general (including statute and common) law.

11. Exit Strategy

11.1. Exit Strategy following Termination or Expiry

11.1.1. Upon Expiry the provisions of DEFCON 625 shall apply. Upon termination of this Contract the Parties shall discuss in good faith the terms and conditions upon which an orderly and efficient transition from the management by the Contractor to management by the Authority or some other person could be supported.

11.2. Completion of By-Event Services

11.2.1. Unless otherwise agreed or if the Contract is terminated, the Contractor shall complete any By-Event Service in progress for the Authority on the Contract expiry date, in accordance with the relevant By-Event Service Purchase Order. The Contract shall continue to govern any By-Event Service Purchase Order raised under the Contract until completion of such By-Event Service Purchase Order including any necessary updates regardless of whether the need for any update of a By-Event Service Purchase Order is detected prior to or after expiry of the Contract.

11.3. Completion of Warranty Work

11.3.1. Unless otherwise agreed, the Contractor shall complete any Warranty work in progress for the Authority on the Contract expiry date.

12. MOB Operation

12.1. The Authority shall ensure that the Contractor has access to the parts of the MOB that it requires to enable the Contractor to carry out the Services. The Authority will support the Contractor in obtaining necessary security clearances required to access the MOB.

DEFFORM 111 (Edn 10/22)

Appendix 1 - Addresses and Other Information

1. Commercial Officer

Name: Matthew Jones
Address: MOD Abbey Wood, NH1 Atrium,
#1027
Bristol, BS34 8JH

Email: matthew.jones525@mod.gov.uk

☎ 030 679 87879

8. Public Accounting Authority

1. Returns under DEFCON 694 should be sent to DBS Finance ADMT – Assets
In Industry 1, Level 4 Piccadilly Gate, Store Street, Manchester, M1 2WD

☎ 44 (0) 161 233 5397

2. For all other enquiries contact DES Fin FA-AMET Policy, Level 4 Piccadilly
Gate, Store Street, Manchester, M1 2WD

☎ 44 (0) 161 233 5394

2. Project Manager, Equipment Support Manager or PT Leader (from whom technical information is available)

Name: Darren Mapstone
Address MOD Abbey Wood, NH1 Atrium,
#1027
Bristol, BS34 8JH

Email: darren.mapstone686@mod.gov.uk

☎ 07474116498

9. Consignment Instructions

The items are to be consigned as follows:

3. Packaging Design Authority

Organisation & point of contact:

(Where no address is shown please contact
the Project Team in Box 2)

**10. Transport.** The appropriate Ministry of Defence Transport Offices are:

A. DSCOM. DE&S, DSCOM, MoD Abbey Wood, Cedar 3c, Mail Point 3351,
BRISTOL BS34 8JH

Air Freight Centre

IMPORTS ☎ 030 679 81113 / 81114 Fax 0117 913 8943

EXPORTS ☎ 030 679 81113 / 81114 Fax 0117 913 8943

Surface Freight Centre

IMPORTS ☎ 030 679 81129 / 81133 / 81138 Fax 0117 913 8946

EXPORTS ☎ 030 679 81129 / 81133 / 81138 Fax 0117 913 8946

4. (a) Supply / Support Management Branch or Order Manager:

Branch/Name:



(b) U.I.N.

B. JSCS

JSCS Helpdesk No. 01869 256052 (select option 2, then option 3)

JSCS Fax No. 01869 256837

Users requiring an account to use the MOD Freight Collection Service should
contact UKStratCom-DefSp-RAMP@mod.gov.uk in the first instance.

5. Drawings/Specifications are available from**11. The Invoice Paying Authority**

Ministry of Defence ☎ 0151-242-2000

DBS Finance

Walker House, Exchange Flags Fax: 0151-242-2809

Liverpool, L2 3YL

Website is:

<https://www.gov.uk/government/organisations/ministry-of-defence/about/procurement>

6. Intentionally Blank**12. Forms and Documentation are available through *:**

Ministry of Defence, Forms and Pubs Commodity Management

PO Box 2, Building C16, C Site

Lower Arncott

Bicester, OX25 1LP (Tel. 01869 256197 Fax: 01869 256824)

Applications via fax or email:

Leidos-FormsPublications@teamleidos.mod.uk

7. Quality Assurance Representative:

AQAPS and DEF STANs are available from UK Defence Standardization, for access to the documents and details of the helpdesk visit <http://dstan.gateway.isg-r.r.mil.uk/index.html> [intranet] or <https://www.dstan.mod.uk/> [extranet, registration needed].

*** NOTE**

1. Many DEFCONs and DEFFORMs can be obtained from the MOD Internet Site:

<https://www.kid.mod.uk/maincontent/business/commercial/index.htm>

2. If the required forms or documentation are not available on the MOD Internet site requests should be submitted through the Commercial Officer named in Section 1.

Annex A – Statement of Work

1. Schedule 1 – Governance Service

1.1. Process Set Up and Documentation

The Contractor will ensure that all necessary processes and governance structures are in place and shall deliver the following documents no later than T0+3 months:

- Governance Plan
- Quality Plan in accordance with the provisions of DEFCON 602A and AQAP2105
- Business Continuity (BC) Plan
- Safety, Health, Environment and Fire (SHEF) Plan
- Security Plan (JSP440)
- Communications Plan
- Risk & Opportunities Management Plan
- Continual Improvement Plan

1.2. Monthly Contract Review Meeting

The Parties shall hold a Monthly Contract Review Meeting (MCRM) at the MOB, or a location otherwise agreed between the parties, with a regular review of the Turn Around Time (TAT) KPI performance. It will be chaired by the Authority.

The Contractor shall be responsible for preparing the meeting agenda which shall take into account any requests or comments of the Authority.

The Contractor shall ensure attendance at the MCRM by appropriately qualified Contractor personnel.

The Contractor shall prepare and provide to the Authority draft minutes of the meeting no later than 7 (Seven) calendar days after the meeting. The Authority shall provide its comments or amendments to the draft minutes no later than 7 (Seven) calendar days after their issue. The Contractor shall prepare and provide to the Authority the final agreed minutes of the meeting no later than 7 (Seven) calendar days after the receipt of any comments from the Authority.

1.3. Monthly Contract Report Pack

The Contractor shall provide a Monthly Contract Report Pack (MCRP) which shall provide the basis for the MCRM and will include the following:

- Performance and delivery of the Services, measured against agreed Performance Indicators and supporting data
- Performance and delivery of any By-Event Services (BES), including Turn Around Time (TAT) achievement status
- Performance of the Authority in relation to its obligations
- Sharing of best practice and lessons learned
- Obsolescence risk and mitigation actions status
- Future activities
- Risk & Opportunities Register
- Non-Conformance Report
- Continual Improvement Register
- Module preservation status and due dates

1.4. Engine Fleet Management Pack (EFMP)

The recommendations generated by Rolls-Royce will be captured in the monthly Engine Fleet Management Pack (EFMP) and reviewed in the MCRM.

The EFMP shall be delivered electronically within a week of the last business day of each calendar month.

It shall summarise the following data for the Authority's Engine fleet:

- Engine flying hours including under/over flying against forecast.
- Engine rejections including prime causes of rejections
- A 90-day forecast of engine availability.
- Locations of installed and uninstalled assets.
- Module preservation status and due dates.
- Outstanding Service Bulletins, Modifications or Retrofits to be carried out and expected completion dates.
- ML2-OFF and ML3 repair progress and performance against their Turn Around Time (TAT). Quarantine Parts status report.
- The output summary of the EPI MCM
- Recommendations made on configuration management of the engine.

The EFMP shall be updated monthly, taking into account the impact of any changes to the fleet maintenance schedule or updates to the EMP.

The Contractor will review clarifications requested by the Authority in relation to the above list of data and endeavours to provide further feedback, as deemed reasonable.

Note that the EFMP is dependent on inputs from EPI, and if the inputs are not submitted in a timely manner or to the required standard, the Contractor shall not be held accountable for any delays in submitting the EFMP.

1.5. Programme Management

For the duration of the Contract the Contractor shall provide a Programme Management Service that covers:

- Managing performance and deliverable requirements to meet Contract requirements.
- Managing the interface and communication and liaising with Authority, Airbus and EPI personnel
- Escalation of any issues and management of timely resolution.
- Reporting against the Performance Indicators of the Contract.
- Participation in the MCRM, including provision of minutes.
- Ensuring timely inputs to the MCRM including the issue of the MCRP prior to each meeting.
- Coordination of on-going reviews of updates to local operating procedures and interface agreements.
- Transition plans for the start and end of the UK National Engine Support Service
- Resolution of issues and closure of actions.
- Management of Risk & Opportunities and maintenance of a Risk & Opportunities register.
- Contract management and amendment when required.
- Delivery of Continual Improvement outputs and management of progress.
- Definition of work scopes where required for By-Event Services and RFQ responses.

1.6. Risk & Opportunities Management Service

The Contractor shall create a Risk & Opportunities Management Plan no later than T0+3 months, and implement the Risk & Opportunities analysis processes for the remainder of the Contract duration. This will include the generation, maintenance and monitoring of a Risk & Opportunities Register for the services and the creation of Risk & Opportunities mitigation and treatment plans to minimise risks and their impacts. The risks & opportunities shall be reviewed with the Authority on a monthly basis at the MCRM.

1.7. Quality Management Service

The Contractor shall manage any ongoing quality occurrences in the Services and provide updates on any actions taken. A review of all outstanding actions and issues is to be conducted at the MCRM.

1.8. Warranty Management

The Contractor shall manage any Non-Conformance Reports made by, and on behalf of, the Authority and inform the Authority once these have been raised in accordance with Clause 2.5

1.9. Single Source Contract Regulations Reporting

The Contractor shall provide all reports required under Single Source Contract Regulations (SSCR).

2. Schedule 2 - MRO Service**2.1. ML2-OFF Engine Repair Service**

Subject to acceptance of a By-Event Service Purchase Order (PO) in accordance with the provisions of this Contract, the Contractor shall perform an ML2-OFF Engine Repair to the level of Strip, Inspection and Rebuild (SIR) specified in the By-Event Service Purchase Order. The ML2-OFF Engine Repair shall be performed at a UK MAA, or equivalent Part 145 approved facility in accordance with the EPI Approved Data.

The location for ML2-OFF Engine Repairs will be the Rolls-Royce Defence Aerospace Operations Facility (DAOF) in Bristol, England. However, the Contractor may utilise another ML2-OFF facility for all or part of the work.

The following must be completed prior to engine transport to ML2-OFF or TRC0 being held:

- BES Part 2 must be signed by both Contractor and Authority
- ERIF must be delivered to the Contractor
- Engine logbook must be delivered to the Contractor

Engine transport to ML2-OFF and TRC0 are independent. TRC0 can be held before or after engine transport to ML2-OFF.

Following TRC0, the Contractor is to issue version 1 of the Maintenance Definition Instruction to the Authority for approval within 3 business days.

Following successful completion of the TRC 0, the Contractor shall, provide the Authority with an updated PO reflecting the outcome of the TRC 0 and the Authority will provide at least 5 (five) Business Days notification that the Engine will be ready for collection. Following receipt of the updated PO the Authority shall confirm its acceptance or rejection within five (5) Business Days. The Authority will deliver the engine requiring the ML2-OFF engine Repair to the Contractor at the MOB. The Engine will be delivered in a Transport Frame and in an Engine Bag provided as GFA and will be blanked in accordance with the engine Manual TP-A-72-00-00-00AAA-912A-B. If it is not possible to blank the engine to this standard, then the Authority shall inform the Contractor and both parties shall agree a revised standard. As part of this delivery the Authority shall provide to the Contractor the following complete and up to date documents and information:

- A Delivery Note
- Any required UK MAA, or equivalent, Airworthiness Directives, Service Bulletins and Authority Technical Instructions, which are required to be embodied in the Engine
- All relevant information concerning the condition of the Engine including:
 - Engine rejection signal/removal reason/removal report
 - Event reports of all investigation or troubleshooting related to the event causing the Engine rejection and removal
 - Latest borescope inspection report
 - Authority issued limitations or deferred defects:
 - Authority issued concessions
 - Technical Query (TQ) responses
 - Technical Variances (TV)
- Engine Logbook including the relevant information as listed below
 - General Description (Part Number, S/N, denomination, manufacturer...)
 - Pass Off Test Certificate

- Airworthiness Directives and Service Bulletins implemented
- History (installations, removals)
- Life Limited Parts replaced / exchanged (accumulated and limits)
- Accessory Log Cards where applicable
- Engine Module Log Cards (same chapters as Engine logbook)
- Maintenance Data System reports for vibration, fault codes, oil consumption and Engine performance on the Engine from its last flight prior to removal.

The Contractor shall report to the Airbus MSF, where they shall then be escorted to the MOB to collect the Engine. All risk of damage to or loss or destruction of the Engine, Transport Frame, Engine Bag and Engine Blanks passes to the Contractor upon collection from the MOB and shall remain with the Contractor until their return to the Authority. Title to the Engine, Transport Frame, Engine Bag and Engine Blanks remains with the Authority at all times.

The Contractor shall transport the Engine to the ML2-OFF Facility in the Transport Frame and Engine Bag provided as GFA. Upon receipt at the ML2-OFF Facility the Contractor shall carry out a TRC 1 consisting of an incoming inspection, limited to a reasonable visual inspection of the Engine and a review of the Engine Logbook and provided information to:

- Confirm the Engine is complete
- Confirm the Engine Logbook is complete and up to date
- Confirm the work scope is correct or recommend a revised work scope
- Confirm the Required Engine Items (or amend if required), that they are available and their required delivery dates

The Contractor shall notify the Authority within 5 (five) Business Days of receipt at the ML2-OFF Facility of any changes in work scope or Required Engine Items or any external damage, missing parts/documentation or any unexpected findings. The Authority shall within a reasonable time after receipt of such a notice provide the missing parts/documentation and advise the Contractor on how it wishes to proceed with any external damage or unexpected findings. The Contractor shall update the PO accordingly including any price adjustment for rectification of external damage or unexpected findings. Follow receipt of the updated PO the Authority shall confirm its acceptance or rejection within five (5) Business Days.

Following strip and inspection of the Engine at the ML2-OFF Facility the Contractor shall perform a TRC 2 covering a review of the inspection findings and notify the Authority of any change in the work scope and the Required Engine Items required for the ML2-OFF Engine Repair by providing an updated PO. Follow receipt of the updated PO the Authority shall confirm its acceptance or rejection within five (5) Business Days.

The Contractor may update the list of Required Engine Items at any time during the Engine Repair process and shall notify the Authority by providing an updated PO amended to reflect any change to the work scope and the Required Engine Items, within 5 (five) Business days of the new issue/requirement being identified. The Authority shall confirm its acceptance or rejection of the updated By-Event Service Purchase Order within five (5) Business Days. If the Required Engine Items are in the Module Storage Facility, then the Contractor shall transport them to the ML2-OFF Facility at the appropriate time. Required Engine Items not in this store will be delivered by the Authority to the ML2-OFF Facility on the dates specified by the Contractor, in line with Turn Around Times.

The period of time that is taken by the Contractor to update a By-Event Service Purchase Order shall be deemed to be included in the ML2-OFF Engine Repair Turn Around Time (TAT).

The Contractor shall perform the SIR, through Module and ML2-OFF Part exchange, and Pass Off Test (POT) of the Engine in accordance with the updated By-Event Service Purchase Order using the Required Engine Items, Standard Parts provided by the Contractor. Title to Standard Parts shall transfer to the Authority upon embodiment in the Engine.

Following completion of the POT the Contractor shall perform a TRC 3 to review the final completed work scope against the contracted work scope and the results of the POT.

In the event that the Engine fails the POT because of an issue which originates in the work scope of the ML2-OFF Engine Repair, then the Contractor shall perform the rectification activities necessary, for the Engine to successfully complete the POT (including the repeated POT), at no additional cost to the Authority. Where an Engine fails the POT because of an issue, which originates outside of the work scope of the ML2-OFF Engine Repair, then the Contractor shall propose to the Authority an update to the work scope and a related quotation in respect of the necessary rectification activities and the price of such rectification activities and the repeated POT shall be borne by the Authority.

Following completion of the POT the Contractor shall notify the Authority of the engine delivery return date, noting that delivery must occur Monday to Friday unless otherwise agreed by the Parties. In delivery of the Engine the Contractor shall report to the Airbus MSF where they shall then be escorted to the MOB to deliver the Engine. The Engine will be delivered by the Contractor in a Transport Frame and Engine Bag provided as GFA and shall be blanked to the same standard that it was collected at. All risk of damage to or loss or destruction of the Engine, Transport Frame, Engine Bag and Engine Blanks passes to the Authority upon delivery. As part of this delivery of the Engine the Contractor shall provide the Authority the following complete and up to date documentation for each ML2-OFF Engine Repair:

- A UK MAA Form 1 or another equivalent certification as appropriate
- The shipping list
- The Engine Logbook updated to the extent required by engineering and regulatory requirements
- A Shop Visit Report containing:
 - The type and serial number of the Engine
 - The work scope and amendments applied (Service Bulletins and/or Airworthiness Directives incorporated)
 - A list of replaced items (including Part Numbers, Serial Numbers if applicable and related data)
 - Pass-off Test results
 - List of Technical Queries and Technical Variances

Turn-Around Time (TAT) is defined as the time, measured in calendar days, from the date of collection of an engine by Rolls Royce from the MOB to the delivery of that engine to the MOB minus any Authority attributable clock stop(s). The engine must satisfy all acceptance criteria detailed within the associated BES.

The Contractor shall perform the ML2-OFF Engine Repair within a TAT of 106 (one hundred and six) calendar days, adjusted for learner in accordance with Annex F. The TAT shall start from the time at which the Engine is collected, no later than one week after it has been made available for collection, at the MOB by the Authority, as specified in the ML2-OFF Engine Repair shipping notice issued by the Authority, until the time when the Engine is delivered to the MOB by the Contractor. It does not include any time taken by the Authority for acceptance of the Engine. The TAT will be subject to clock stop for any Excusable Delay Event as defined below.

Any ML2-OFF Technical Queries (TQ) associated with an ML2-OFF Engine Repair shall be raised and answered under the relevant Support for A400M Aircraft Engines Contract. A final answer or Technical Variance (TV) will be provided by EPI to all ML2-OFF TQ raised by the Contractor within the specified Business Day target for the date raised. Any delay to an ML2-OFF Engine Repair caused by a longer response time to an ML2-OFF TQ shall be treated as an Excusable Delay.

Authority attributable clock stop events against each BES for an engine shop visit:

- Any time in calendar days within the TAT period where an engine is at work stop due to hardware not provided by the Authority including modules, LRUs, and raw materials and consumables (RMC). In the event where multiple hardware is required to be provided by the Authority, work stop ends when the last hardware item is received. RR would use reasonable endeavours to progress work scope without undue delay utilising available hardware.

- Any time in calendar days within the TAT period where an engine is at work stop due to Authority requested re-prioritisation of maintenance or test-bed activity.
- Any time in calendar days greater than 2 Business Days within the TAT period following the receipt of documentation requiring Authority approval such as a BES Pt 2 or MDI where the Authority has not provided a signature resulting in work stop.
- Any time where an engine is at work stop due to the Contractor waiting for an ML2-OFF TQ response.
- Where the Authority requires the incorporation of a modification during an ML2-OFF Engine Repair where it is mutually agreed by both Parties acting reasonably.
- For any operational reason not listed above where it is mutually agreed by both parties acting reasonably.

The ML2-OFF Engine Repair excludes:

- The Modules and ML2-OFF Parts required for the ML2-OFF Engine Repair
- Any ML3 repairs of Modules or LRUs or any ML4 repairs of Parts. Where such repairs may be possible at the ML2-OFF Facility then these will be subject to an additional quotation and funding.
- Performance of any repeat work unless caused by non-conforming performance of the ML2-OFF Engine Repair by the Contractor. Any such work, e.g., caused by non-conforming Modules or ML2-OFF Parts provided as GFA, will be subject to additional quotation and funding.

Parts determined to be Unserviceable by the Contractor during an ML2-OFF Engine Repair shall be sentenced in accordance with the Parts Policy Document generated under and handled in accordance with the ML1 and ML2 Parts and Module Quarantine Storage Service in Schedule 3.

2.2. Use of Pass Off Test Facility for Fault Diagnosis

Subject to acceptance of a By-Event Service Purchase Order in accordance with the provisions of this Contract the Contractor shall perform an Engine POT and Fault Diagnosis in accordance with the requirements of the By-Event Service Purchase Order. The Engine POT and Fault Diagnosis shall be performed at an UK MAA, or equivalent Part 145 approved facility in accordance with the EPI Approved Data.

The location for the Engine POT and Fault Diagnosis will be the Rolls-Royce Defence Aerospace Operations Facility (DAOF) in Bristol, England. However, the Contractor may utilise another ML2-OFF facility for all or part of the work.

Following acceptance of the PO by the Contractor, the Authority will provide the Contractor with at least 5 (five) Business Days notification that the Engine will be ready for collection. The Authority will deliver the Engine requiring the Engine POT and Fault Diagnosis to the Contractor at the MOB. The Engine will be delivered in a Transport Frame and in an Engine Bag provided as GFA and will be blanked in accordance with the Engine Manual TP-A-72-00-00-00AAA-912A-B. If it is not possible to blank the engine to this standard, then the Authority shall inform the Contractor and both parties shall agree a revised standard. As part of this delivery the Authority shall provide to the Contractor the following documents and/or information:

- A Delivery Note
- Engine Return to Industry Form
- All relevant information concerning the condition of the Engine including:
 - Engine rejection signal/removal reason/removal report
 - Event reports of all investigation or troubleshooting related to the event causing the Engine rejection and removal
 - Latest borescope inspection report
 - Authority issued limitations or deferred defects
 - Authority issued concessions
 - Technical Query responses
 - Technical Variances
- Engine Logbook including relevant information as listed below:
 - General Description (Part Number, S/N, denomination, manufacturer...)

- Pass Off Test Certificate (and performance trims values)
- Airworthiness Directives and Service Bulletins implemented
- History (installations, removals)
- Life Limited Parts replaced / exchanged (accumulated and limits)
- Accessories Log Cards where applicable
- Engine Modules Log Cards (same chapters as Engine logbook)
- Maintenance Data System reports for vibration, fault codes, oil consumption and Engine performance on the Engine from its last flight prior to removal

The Contractor shall report to the Airbus MSF, where they shall then be escorted to the MOB to collect the Engine. All risk of damage to or loss or destruction to the Engine, Transport Frame, Engine Bag and Engine Blanks passes to the Contractor upon collection from the MOB and remains with the Contractor until their return to the Authority. Title to the Engine, Transport Frame, Engine Bag and Engine Blanks remains with the Authority at all times.

The Contractor shall transport the Engine to the POT Facility in the Transport Frame and Engine Bag provided as GFA. Upon receipt at the POT Facility the Contractor shall carry out an incoming inspection, limited to a reasonable visual inspection of the Engine and review of the Engine Logbook and provided information and notify the Authority within 5 (five) Business Days of receipt at the POT Facility of any external damage, missing parts/documentation or any unexpected findings. The Authority shall within a reasonable time after receipt of such a notice provide the missing parts/documentation and advise the Contractor on how it wishes to proceed with any external damage or unexpected findings. The Contractor shall update the PO accordingly including any price adjustment for rectification of external damage or unexpected findings. Following receipt of the updated PO the Authority shall confirm its acceptance or rejection within five (5) Business Days.

The period of time that is taken by the Contractor to update a PO shall be deemed to be included in the POT and Fault Diagnosis Turn Around Times (TAT)

The Contractor shall:

- Prepare the Engine for the POT including the provision of any Standard Parts
- Perform the Engine POT
- Perform the required Fault Diagnosis
- Deliver a report containing the POT and Fault Diagnosis results and recommendation on serviceability of the Engine and any further maintenance tasks required
- Update the Engine Logbook to the extent required by engineering and regulatory requirements.

Following completion of the POT and Fault Diagnosis the Contractor shall notify the Authority of the engine delivery return date, noting that delivery must occur Monday to Friday, unless otherwise agreed by the Parties. When delivering the Engine, the Contractor shall report to the Airbus MSF where they shall then be escorted to the MOB to deliver the Engine. The Engine shall be delivered in a Transport Frame and Engine Bag provided as GFA and shall be blanked to the same standard that it was collected at. All risk of damage to or loss or destruction of the Engine, Transport Frame, Engine Bag and Engine Blanks passes to the Authority upon delivery.

The Contractor shall perform an Engine POT and Fault Diagnosis within a TAT of 44 (forty-four) calendar days, adjusted for learner in accordance with Annex F. The TAT is from the time at which the Engine is made available for collection at the MOB by the Authority, as specified in the ML2-OFF Engine Repair shipping notice issued by the Authority, until the time when the Engine is delivered to the MOB by the Contractor. It does not include any time taken by the Authority for acceptance of the Engine. The TAT will be extended by the duration of any resolution of external damage or unexpected findings or any Excusable Delay Event.

The POT and Fault Diagnosis excludes:

- Any repair of the Engine
- Any Modules or Parts required for performance of the POT, except for Standard Parts (Test Bed fixtures and fittings are included).

- Any detailed Engineering analysis or investigation

2.3. Use of Pass Off Test Facility following PGB Exchange

Subject to acceptance of a By-Event Service Purchase Order in accordance with the provisions of this Contract the Contractor shall perform an Engine POT following PGB Exchange in accordance with the requirements of the By-Event Service Purchase Order. The Engine POT and Fault Diagnosis shall be performed at an UK MAA, or equivalent Part 145 approved facility in accordance with the EPI Approved Data.

The location for the Engine POT and Fault Diagnosis will be the Rolls-Royce Defence Aerospace Operations Facility (DAOF) in Bristol, England. However, the Contractor may utilise another POT facility for all or part of the work.

Following acceptance of the PO by the Contractor, the Authority will provide the Contractor with at least 5 (five) Business Days notification that the Engine will be ready for collection. The Authority will deliver the Engine requiring the Engine POT to the Contractor at the MOB. The Engine will be delivered in a Transport Frame and in an Engine Bag provided as GFA and will be blanked in accordance with the Engine Manual TP-A-72-00-00-00AAA-912A-B. If it is not possible to blank the engine to this standard, then the Authority shall inform the Contractor and both parties shall agree a revised standard. As part of this delivery the Authority shall provide to the Contractor the following documents and/or information:

- A Delivery Note
- Engine Return to Industry Form
- All relevant information concerning the condition of the Engine including:
 - Engine rejection signal/removal reason/removal report
 - Event reports of all investigation or troubleshooting related to the event causing the Engine rejection and removal
 - Latest borescope inspection report
 - Authority issued limitations or deferred defects
 - Authority issued concessions
 - Technical Query responses
 - Technical Variances
- Engine Logbook including relevant information as listed below:
 - General Description (Part Number, S/N, denomination, manufacturer...)
 - Pass Off Test Certificate (and performance trims values)
 - Airworthiness Directives and Service Bulletins implemented
 - History (installations, removals)
 - Life Limited Parts replaced / exchanged (accumulated and limits)
 - Accessories Log Cards where applicable
 - Engine Modules Log Cards (same chapters as Engine logbook)
- Maintenance Data System reports for vibration, fault codes, oil consumption and Engine performance on the Engine from its last flight prior to removal.

The Contractor shall report to the Airbus MSF, where they shall then be escorted to the MOB to collect the Engine. All risk of damage to or loss or destruction to the Engine, Transport Frame, Engine Bag and Engine Blanks passes to the Contractor upon collection from the MOB and remains with the Contractor until their return to the Authority. Title to the Engine, Transport Frame, Engine Bag and Engine Blanks remains with the Authority at all times.

The Contractor shall transport the Engine to the POT Facility in the Transport Frame and Engine Bag provided as GFA. Upon receipt at the POT Facility the Contractor shall carry out an incoming inspection, limited to a reasonable visual inspection of the Engine and review of the Engine Logbook and provided information and notify the Authority within 5 (five) Business Days of receipt at the POT Facility of any external damage, missing parts/documentation or any unexpected findings. The Authority shall within a reasonable time after receipt of such a notice provide the missing parts/documentation and advise the Contractor on how it wishes to proceed with any external damage or unusual findings. The Contractor

shall update the By-Event Service Purchase Order accordingly including any price adjustment for rectification of external damage or unexpected findings. Following receipt of the updated PO the Authority shall confirm its acceptance or rejection within five (5) Business Days.

The period of time that is taken by the Contractor to update a By-Event Service Purchase Order shall be deemed to be included in the POT following PGB Turn Around Time (TAT)

The Contractor shall:

- Prepare the Engine for the POT including the provision of any Standard Parts
- Perform the Engine POT
- Deliver a report containing the POT results and recommendation on serviceability of the Engine and any further maintenance tasks required
- Update the Engine Logbook to the extent required by engineering and regulatory requirements.

Following completion of the POT the Contractor shall notify the Authority of the engine delivery return date, noting that delivery must occur Monday to Friday, unless otherwise agreed by the Parties. When delivering the Engine, the Contractor shall report to the Airbus MSF where they shall then be escorted to the MOB to deliver the Engine. The Engine shall be delivered in the Transport Frame and Engine Bag provided as GFA and shall be blanked to the same standard that it was collected at. All risk of damage to or loss or destruction of the Engine, Transport Frame, Engine Bag and Engine Blanks passes to the Authority upon delivery.

The Contractor shall perform the POT following PGB Exchange within a TAT of 44 (forty-four) calendar days, adjusted for learner in accordance with Annex F. The TAT is from the time at which the Engine is made available for collection at the MOB by the Authority, as specified in the ML2-OFF Engine Repair shipping notice issued by the Authority, until the time when the Engine is delivered to the MOB by the Contractor. It does not include any time taken by the Authority for acceptance of the Engine. The TAT will be extended by the duration of any Excusable Delay Event.

The POT excludes:

- Any repair of the Engine
- Any Modules or Parts required for performance of the POT, except for Standard Parts (Test Bed fixtures and fittings are included).
- Any detailed Engineering analysis or investigation

2.4. Configuration Management

The Contractor will follow the Continuing Airworthiness Maintenance Organisation (CAMO) Configuration Management policy, as set up and led by the Authority, no later than T0+1 months.

The Contractor shall work closely with the Authority's CAMO to make recommendations on configuration management of the Engines.

This includes target work scopes, retrofit activity, Minimum Issue to Service Lives (MISL), UK MAA (or equivalent) Airworthiness Directives (AD), Service Bulletins, Non-Modification Service Bulletins (NMSB), Technical Variances and compilation of TAA Technical Instructions as necessary.

These recommendations will be based on a range of factors including Asset availability, Asset age, planned Aircraft maintenance, planned deployments, threats to operations and obsolescence issues.

These recommendations shall be made by the Contractor when required, and as part of the weekly MRO Review.

2.5. Customer Acknowledgement Engine Management Plan (CAEMP)

The Contractor shall develop, deliver and implement a UK Customer Acknowledgement Engine Management Plan (CAEMP) no later than T0+3 months. The Authority shall work with the Contractor to aid the development of the CAEMP.

The CAEMP will be derived from the EPI EMP. The CAEMP will provide a UK-specific MRO policy and process so that optimal individual Engine work scopes can be generated and approved with the objective of minimising service disruption, reducing non-value-added maintenance, maintaining an optimal level of on-wing life and minimising operating cost.

The CAEMP is an output of the Configuration Management process.

2.6. AGE Scheduled Maintenance and Calibration Service

The Contractor shall provide a scheduled maintenance and calibration service, from T0, for the remaining duration of the Contract, for the following AGE items at the MOB:

- Quantity 2 (two), Turning Tool, Hand, IPC (CTP60060G201)
- Quantity 1 (one), Crane, Floor, Portable (CTP60400G001)

The Contractor shall provide a scheduled maintenance service, from T0, for the remaining duration of the Contract, for the following AGE item at an approved facility:

- Quantity 2 (two), Bleeder, Hydraulic System, Hand Operated (CTP60410G001)

The Contractor shall transport this item from the MOB, perform the necessary maintenance activity and transport the item back to the MOB.

The AGE shall be made available to the Authority, in appropriate packaging, at the MOB and shall be returned to the Authority by the Contractor at the MOB.

The Contractor shall use reasonable efforts to return the item of AGE within 14 (fourteen) calendar days of collection.

All risk of damage to or loss or destruction of this AGE passes to the Contractor upon collection from the MOB. Title to the AGE remains with the Authority at all times. All risk of damage to or loss or destruction of the AGE passes to the Authority upon return to the MOB.

This Service shall be performed in line with the EPI Approved Data.

The Contractor shall tag each item of AGE, subject to calibration, with an appropriate sticker. The Contractor shall make a copy of the last calibration certificate report available at the relevant location, traceable to a certified Master controlled by the National Calibration Authority.

Upon completion of the AGE scheduled maintenance and calibration, the Contractor shall provide a calibration report containing the following:

- The type and serial number of the AGE concerned
- List of replaced items where applicable including Standard Parts and reason for replacement (including Part Number, Serial Number if applicable and related data)
- The scope of work performed on the AGE concerned
- The results of the calibration test where applicable
- A statement that the AGE concerned is ready for use as specified under the EPI Approved Data along with an expiry date for the next calibration event

The Contractor shall monitor when scheduled maintenance and calibration will be required and the dates for performance of these tasks shall be discussed and agreed at the Monthly Contract Review Meeting (MCRM).

This Service does not include any unscheduled maintenance or repair of AGE.

2.7. Engine Weekly Review and MRO Pack

The Parties shall hold a Weekly MRO Review in order to provide a common understanding of progress of MRO activities across the UK TP400 enterprise.

The Contractor will be responsible for leading the meeting and providing the Engine MRO Pack.

The reviews will be held either in person at the either Contractors or Authorities facilities or virtually as agreed by both parties.

The MRO Pack shall include the following:

- Status of all Engines not fitted to aircraft
- A 90-day forecast of engine availability
- ML2-OFF repair progress and performance against TATs
- Outstanding ML2-OFF Service Bulletins, Modifications or Retrofits to be carried out and expected completion dates
- CAEMP status
- AGE Calibration and Scheduled Maintenance status

3. Schedule 3 – Material Support Service

3.1. Module Storage and Preservation Service

The Contractor shall provide the Module Storage and Preservation Service for the duration of the Contract. The Module Storage and Preservation Service shall be performed in UK MAA or equivalent Part 145 approved facilities and the Contractor shall maintain these approvals throughout the performance of the Service. All Module Storage and Preservation activities shall be performed in accordance with EPI's Approved Data.

The Module Storage and Preservation Service shall be limited to a maximum of the following quantities of modules:

Description	P/N	Qty to be stored (max.)
M21 – FBS	M211004	4
M31 - IPC	M311002	4
M32 - IMC	M321002	4
M33 - HPC	M331002	3
M41 - CC	M411007	6
M51 - HPT ROTOR	M511002	3
M56 - HPT OUTER CASE	M561002	4
M52 - HS	M521002	4
M53 - IPT	M531002	4
M54 - LPT	M541005	6
M55 - TEC	M551004	4
M61 - AGB	M611002	4
M11 - PGB	M111002	2
M12 - PGB	M121002	1

The Authority shall deliver any new Modules to the Contractor in a Serviceable condition, in an appropriate Module Container and with the necessary UK MAA or equivalent Form 1 and Log Card. Title to Modules will remain with the Authority at all times.

The Contractor shall perform all required Module preservation activities in a timely manner, to maintain them in a Serviceable condition.

When Modules reach shelf-life expiry iaw technical publications they are required to be returned to their ML3 facility. This cost of recertification is excluded from the NESC2.5 service. The contractor shall continue to preserve unserviceable modules until such time as they return to the ML3 facility.

Where required, transportation of the Modules between the Module Storage Facility and another MAA (or equivalent) Part 145 approved facility to perform the preservation activities is included.

The Contractor shall provide and manage all tooling and any consumables (desiccant bags, cleaning materials, etc.) required to undertake the Module Storage and Preservation Service.

When a Serviceable Module is required at the MOB, the Contractor will transport it to the MOB in an appropriate Module Container, with the associated UK MAA Form 1, or equivalent, and Log Card, following a written request from the Authority, within the following timescales:

- Standard Service: 5 (five) business days
- AoG Service: 1 (one) calendar day

When Modules are required for an ML2-OFF Engine Repair the Contractor shall make them available for collection with the required UK MAA Form 1, or equivalent, and Log Card.

The Module Storage and Preservation Service excludes the following:

- Repair of any damage to a Module or Module Container unless the damage was caused by the Contractor as part of the Module Storage and Preservation Service.

3.2. Transportation of Engines and Modules for ML2-OFF

The Contractor shall transport engines between the MOB and ML2-OFF facility, when required for ML2-OFF engine repair.

The Contractor shall transport modules between the approved storage facility and ML2-OFF facility, when required for ML2-OFF engine repair.

3.3. Module, ML1, ML2-ON and ML2-OFF Parts Quarantine Storage Service

The Contractor shall provide the Module, ML1, ML2-ON and ML2-OFF Parts Quarantine Storage Service for the duration of the Contract.

The Contractor shall maintain a UK MAA, or equivalent Part 145 approved Quarantine Store for the storage of the Authority's Unserviceable:

- ML1, ML2-ON and ML2-OFF Parts that are to be stored based on instructions from the Authority, e.g., awaiting a future repair scheme, or awaiting a placement of a repair order by the Authority.
- ML2-OFF Parts which are to be scrapped, for which the Contractor is awaiting disposal instructions from the Authority as per the provisions of DEFCON 601. For clarity, ML1, ML2-ON and ML2-OFF Parts that require disposal, shall be disposed of by the Authority at the MOB, R-R Filton or R-R Barton.
- Modules awaiting placement of a repair order by the Authority.

When the Parts Policy Document states that an Unserviceable ML1 or ML2-ON Part at the MOB should be stored awaiting future repair scheme development or should be repaired but which the Authority does not wish to repair at that point, the Unserviceable Part shall be stored by the Authority in a dedicated quarantine cage at the MOB.

At the start of each quarter, the Parts in the dedicated quarantine cage shall be delivered to the Contractor, appropriately packaged and labelled, at the Airbus MSF.

The Contractor shall then transport these Unserviceable ML1 and ML2-ON Parts to the Quarantine Store and store them for the remaining duration of the Contract, unless sent for repair earlier.

Following an ML2-OFF Engine Repair, the Contractor shall transport all Unserviceable ML2-OFF Parts to the Quarantine Store. When the EPI Parts Policy Document states that an Unserviceable ML2-OFF Part should be stored awaiting future repair scheme development, the Contractor shall store them for the remaining duration of the contract unless sent for repair earlier.

When the EPI Parts Policy Document states that an Unserviceable ML2-OFF Part should be scrapped then the Contractor shall store them until disposal instruction is received from the Authority as per the provisions of DEFCON 601 and shall subsequently dispose them in accordance with the provisions of DEFCON 601.

Modules and Parts in the Quarantine Store will be stored and preserved in accordance with EPI's Approved Data. The Contractor shall ensure that these Modules and Parts are clearly identified, tagged and segregated.

Title to these Parts shall remain with the Authority.

The Module, ML1, ML2-ON and ML2-OFF Parts Quarantine Storage Service excludes the following:

- Repair of any Module or Part
- Transportation for any such repair

3.4. Material Co-ordination Service

The Contractor shall provide ML1, ML2-ON and ML2-OFF material co-ordination for the duration of the Contract. This will cover:

- Daily interaction with the Authority's Inventory Manager
- Daily review and analysis of the Parts Transaction Sheet (Airbus Report) for ML1, ML2-ON and ML2-OFF Parts used and remaining stock balances.
- Daily review and analysis of the EPI LRU Repairs Report (EPI Report), engagement with EPI to encourage and hasten necessary progress and prioritization on behalf of the Authority and advising the Authority on any potential impacts and risks, particularly with regard to Authority stock balances.
- Weekly monitoring of the Authority's ML2-OFF Parts stock levels and usage.
- Attendance and provision of advice at the Authority's daily, weekly and monthly Spares Management Meetings
- Engagement with EPI, on behalf of the Authority, to encourage progress of outstanding orders for ML1, ML2-ON and ML2-OFF Parts, advising the Authority on potential impacts and risks
- Capture of appropriate summary data on ML1, ML2-ON and ML2-OFF material usage for future re-provisioning modelling. The Contractor will provide the data to the Authority when requested.
- Provide analysis of performance of actual Part lead time (LT) against CPL Part LTs. The Authority shall provide the LT performance information.
- The Contractor must notify the Authority of an unserviceable repairable item (module or LRU) within 5 working days of occurrence.
- For repairable items to enter the ML3 repair loop, the Contractor is to prepare the item for shipment, including the preparation of the UK export documents. The Contractor shall notify the authority on the completion (ie sending to EPI) of this activity.

The Service will be predominantly performed by the Contractor's Logistics Support Representative (LSR) located at the MOB, and will perform these Services subject to the following availability:

- (a) From 08.00 to 16.30 on Business Days
- (b) The LSR may be absent for annual holiday, training, illness, injury, domestic distress injury or death of any relative of the LSR or any other personal tragedy.

In times of absence there will be no requirement to backfill this position and it will be at the Contractor's discretion as to how to fulfil any requirements during periods of absence.

4. Schedule 4 - Continual Improvement Service

4.1. Continual Improvement Service

- i The Contractor shall embed a mindset of Continual Improvement (CI) through the introduction of a Continual Improvement Plan. This will include a formal review cycle to identify improvement opportunities to enhance the services within the scope of NESC2.5.
- ii The Contractor shall elicit these improvement opportunities and, on a Quarterly Basis, present an up-to-date list via a Continual Improvement Register at the MCRM to identify candidates for the Authority to introduce into a Plan-Do-Check-Act (PDCA) Cycle through the appropriate contract.
- iii An example of a CI register can be found in Annex E of this SoW.
- iv Implementation of improvement opportunities that qualify within the scope of NESC2.5 shall be subject to an agreed By-Event Service (BES) Purchase Order (PO) Form. Progress of agreed activities under BES PO Forms shall be presented monthly at the MCRM. To identify improvement opportunities to enhance the services within the scope of NESC 2.5, the contractor shall embed a mindset of Continual Improvement (CI) throughout the life of the contract. The contractor shall implement a Continual Improvement Plan, including a regular formal review
- v Improvements that have been identified should be documented and evidence in a Continual Improvement Register and presented at the MCRM on a quarterly basis. The Authority will review these opportunities and identify candidates for the Authority to introduce into a Plan-Do-Check-Act (PDCA) Cycle through the appropriate contract.
- vi Implementation of improvement opportunities that qualify within the scope of NESC2.5 shall be subject to an agreed By-Event Service (BES) Purchase Order (PO) Form. Progress of agreed activities under BES PO Forms shall be presented monthly at the MCRM.
- vii An example of a CI register (and CI plan) can be found in Annex E of this SoW.

5. Schedule 5 - Fleet Management Service

5.1. Engine Fleet Modelling & Recommendations

The fleetwide Maintenance Cost Model (MCM) is generated by EPI as part of the Advance Provisioning process, and accounts for unplanned arisings for engines, modules and LRUs. It is updated every 6 months.

It is EPI's responsibility to organise and schedule the Advanced Provisioning process and generate the outputs of the MCM. To perform the Fleet Management Service, Rolls-Royce is dependent on this EPI providing these outputs in a timely manner.

Rolls-Royce will add intelligence to the outputs of the MCM to include planned work, parts recommendations, capacity constraints, updates for any modification standards, etc, to offer the following:

- Make recommendations on the engine pool size required to support planned AFT operations.
- Make recommendations on the module pool sizes required to support ML2-OFF engine repairs.
- Make range and scale recommendations for LRUs and parts to support AFT operations and ML2-OFF engine repairs.
- Provide forecast for engine, module, LRU rejections, repair requirements and a comparison with forecast repair capacities.

The default ML2-OFF Engine Repair facility will be the Contractor's DAOF in Bristol. Planning of engine repair input and output will be undertaken, and in the event that the engine repair load exceeds the capacity at the Contractor's facility, capacity in the EPI network of ML2-OFF facilities will be sought. A recommendation will be provided for the required ML2-OFF engine repairs to be performed at an alternative facility, in a timely manner.

- Identify short and long-term risks and opportunities and advise on risk mitigation actions.

Additionally, this service will include the creation of a separate Rolls-Royce model using our internal modelling capability, with the aim of improving upon the EPI MCM output.

This consists of initially replicating the MCM model for a like-to-like comparison, then creating a second model with the latest information where available – including engine configuration, operating hours and module spares. Where this data is not available, a higher-level model will be provided. This will be updated in line with the internal SORB activities, approximately every 6 months.

Any additional work requested by the Authority, such as but not limited to bespoke scenario modelling, are outside of the scope of this SoW and will be subject to a BES.

Annex B – Military Aviation Authority Regulatory Publications

1. The Contractor shall comply with the following MAA Regulatory Publications (“MRP”) issued by the Military Aviation Authority (“the Regulator”):
 - a. Overarching documents:
 - i. MAA01: MAA Regulatory Policy
 - ii. MAA02: MAA Master Glossary
 - b. Regulatory Articles (RA): See Table 1
 - c. MAA Manuals:
 - i. Manual of Air Safety
 - ii. Manual of Post-Crash Management
 - iii. Manual of Maintenance and Airworthiness Processes (MAP-01)
 - iv. MRP Part 145 Supplement - Requirements Document
2. The Contractor shall comply with the Regulations set out in the below RA by following:
 - a. The acceptable means of compliance (“AMC”) prescribed therein;
 - b. Where there is more than one AMC, an AMC or AMCs agreed by the Contractor with the Regulator; or
 - c. Other alternative means as may be agreed by the Contractor with the Regulator.
3. Complying with the MRP does not reduce or limit any statutory or legal obligation of the Contractor.
4. The contractor will ensure that they remain up to date with any MRP updates and always comply with the latest issue of MRP.

Table 1

RA Number	Title	Additional Notes
1005 (3)	RA1005 Contracting with competent organisations	Applicable for MAOS approval
1223	RA1223 Airworthiness Information Managements	RR will use reasonable endeavours to support the Authority in complying with RA 1223, noting there is an obligation on the Authority to define the requirement
4800 Series	RA4800 Series (MRP Part 145)	RR shall comply with the 4800 series as defined in the RR maintenance exposition

Annex C – Government Furnished Assets List**Item 1 – Maintenance Service****ML2-OFF Engine Repair**

ID No.	Item Name / Description	Location	Date of Supply	Date of Return
1.	TP400 Engine, including Transport Frame and Engine Bag	MOB	As per BES Purchase Order	Completion of Engine repair
2.	Serviceable ML2-OFF Parts	Rolls Royce ML2-OFF Facility, Filton, Bristol	As per BES Purchase Order	Completion of Engine repair
3.	Engine Logbook including: <ul style="list-style-type: none"> a. General Description (Part Number, S/N, denomination, manufacturer); b. Pass Off Test Certificate; c. Airworthiness Directives and Service Bulletins implemented; d. History (installations, removals); e. Life Limited Parts Replaced / Exchanged (Life accumulated and limits); f. Accessory Log Cards where applicable g. Engine Module Log Cards (same chapters as Engine logbook) 	MOB	As per BES Purchase Order	Completion of Engine repair
4.	All relevant information concerning the condition of the Engine including: <ul style="list-style-type: none"> a. Engine rejection signal/removal reason/removal report; b. Event reports of any and all investigation or troubleshooting related to the event causing the Engine rejection and removal; c. Latest borescope inspection report; d. Authority issued limitations or deferred defects: e. Technical Queries: f. Authority issued concessions: 	Rolls Royce ML2-OFF Facility, Filton, Bristol	As per BES Purchase Order	N/A

Pass Off Test for Fault Diagnosis and Pass Off Test following PGB Exchange

ID No.	Item Name / Description	Location	Date of Supply	Date of Return
5.	TP400 Engine, including Transport Frame and Engine Bag	MOB	As per BES Purchase Order	Completion of Pass Off Test
6.	Engine Logbook including: <ul style="list-style-type: none"> a. General Description (Part Number, S/N, denomination, manufacturer...); b. Pass Off Test Certificate; c. Airworthiness Directives and Service Bulletins implemented; d. History (installations, removals); e. Life Limited Parts Replaced / Exchanged (Life accumulated and limits); f. Accessories Log Cards where applicable; g. Engine Modules Log Cards (same chapters as Engine logbook); 	MOB	As per BES Purchase Order	Completion of Pass Off Test
7.	All relevant information concerning the condition of the Engine including: <ul style="list-style-type: none"> a. Engine rejection signal/removal reason/removal report; b. Event reports of any and all investigation or troubleshooting related to the event causing the Engine rejection and removal; c. Latest borescope inspection report; d. Authority issued limitations or deferred defects; e. Technical queries; f. Authority issued concessions. 	Rolls Royce ML2-OFF Facility, Filton, Bristol	As per BES Purchase Order	N/A

AGE Scheduled Maintenance and Calibration Service

ID No.	Item Name / Description	Location	Date of Supply	Date of Return
8.	Quantity two (2) Bleeder, Hydraulic System, Hand Operated (CTP60410G001)	MOB	As required	Completion of maintenance and calibration
9.	Power sources for equipment required to perform the AGE Scheduled Maintenance and Calibration Service	MOB	As required	N/A

Item 2 – Fleet Management Service

ID No.	Item Name / Description	Location	Date of Supply	Date of Return
10.	ML3 Module Repairs Report (EPI Report)	Rolls Royce ML2-OFF Facility, Filton, Bristol	Weekly	Contract completion
11.	Engine fleet status (e.g., Serviceable, Unserviceable scrap, Unserviceable Repairable, Unserviceable quarantine)	Rolls Royce ML2-OFF Facility, Filton, Bristol	Monthly	Contract completion
12.	Engine Configuration (e.g., Clockwise or Anti Clockwise sense of rotation; Accessories Installed / Removed; Engine Oil Tank Drained / Not Drained; Engine Fuel System Preserved / Not Preserved; Any LRUs cannibalised at ML1, etc)	Rolls Royce ML2-OFF Facility, Filton, Bristol	Per arising	Contract completion
13.	Asset operational data (EOH / EFH /RFC) e.g., a/c Flying Hours, a/c Flight Cycles; Engine Operating Hours, Engine Operating Cycles; Engine Flight Hours, Engine Flight Cycles, Reference Flight Cycles	Rolls Royce ML2-OFF Facility, Filton, Bristol	Monthly	Contract completion
14.	Asset maintenance data history, including assets removal or change of disposition (aircraft tail number / engine serial number, date of rejection, P/N, S/N, reason of removal, category of rejection)	Rolls Royce ML2-OFF Facility, Filton, Bristol	On arising	Contract completion
15.	MDAL (flying hours, Statement of Operating Intent & Usage, planned environmental changes (e.g., deployments to the areas of non-European environmental conditions)	Rolls Royce ML2-OFF Facility, Filton, Bristol	As updated	Contract completion
16.	A400M Integrated Through Life Plan – covering UK Fleet Aircraft maintenance and availability	Rolls Royce ML2-OFF Facility, Filton, Bristol	Monthly	Contract completion
17.	Quantity two (2) Engine Turn Over Stands	Rolls Royce ML2-OFF Facility, Filton, Bristol	Contract Award	Contract completion

Item 3 – Material Support Service
Spares Advisory Service

ID No.	Item Name / Description	Location	Date of Supply	Date of Return
18.	Parts Transaction Sheet for ML1, ML2-ON and ML2-OFF Parts (Airbus Report)	MOB	Daily	Contract completion
19.	ML3 Module Repairs Report (EPI Report)	MOB	Weekly	Contract completion
20.	Desk including PC Monitor, access to Rolls Royce network, use of a printer	Building 1300 at MOB	Contract Award	Contract completion

Module Storage and Preservation Service

ID No.	Item Name / Description	Location	Date of Supply	Date of Return
21.	Engine Modules	MOB	As required	Contract completion

Module, ML1, ML2-ON and ML2-Off Parts Quarantine Storage Service

ID No.	Item Name / Description	Location	Date of Supply	Date of Return
22.	Modules, ML1, ML2-ON and ML2-OFF Parts	MOB	As required	Contract completion

Borescope

ID No.	Item Name / Description	Location	Date of Supply	Date of Return
23.	Olympus Borescope Kit	MOB	As required	Contract completion

Annex D Contract Deliverables List

The Contractor shall deliver the following to the Authority:

Item 1 – Maintenance Services

ML2-OFF Engine Repair

1. Shop Visit Report on completion of each ML2-OFF Engine Repair event

Pass Off Test for Fault Diagnosis

1. Pass-Off Test Results, Fault Diagnosis and Recommendation Report on completion of each Pass-Off Test event.

Pass Off Test following PGB Exchange

1. Pass-Off Test Results and Recommendation Report on completion of each Pass-Off Test event.

AGE Scheduled Maintenance and Calibration

1. Calibration Reports on the completion of each AGE maintenance and calibration event.

Item 2 – Fleet Management Service

1. UK Customer Acknowledgement Engine Management Plan by the 30th October 2023 and updates as required
2. Weekly Engine Fleet Status Report
3. Weekly ML2-OFF Engine Repair Status Report
4. Monthly Engine Fleet Management Pack, 5 Business Days after the last calendar day of each month

Item 3 – Material Support Service

1. Weekly ML1, ML2-ON and ML2-OFF Parts Purchase Recommendation Report
2. Parts Policy Document for ML1, ML2-ON and ML2-OFF Parts by the 30th October 2023 and updates as required

Item 4 – Governance Service

1. All applicable reports as required under the Single Source Contract Regulations

No later than 30th October 2023 the following plans and updates to those plans as required

2. Governance Plan
3. Quality Plan
4. Business Continuity Plan
5. Safety, Health, Environment and Fire (SHEF) Plan
6. Security Plan
7. Communications Plan
8. Risk Management Plan
9. Monthly Contract Report Pack, 5 Business Days after the last calendar day of each month
10. Monthly Contract Review Meeting Minutes
11. Monthly Warranty Claim Report, 5 Business Days after the last calendar day of each month

Annex E – Continuous Improvement Register

Reference number	Date	Source of feedback	Improvement Title	Opportunity for Improvement	Actions required	Action Owner	Target Date	Status	Outcome	Review

Annex F – Learner Factors

The TAT are subject to adjustment for learner in line with the learner factors in Table 1 and applicable percentages in Table 2. Both Parties acknowledge that in the event the Parties agree at a future point that any relevant By-Event Service Purchase Orders are to be priced using the firm pricing method set out in Regulation 10 of the SSCR and not in accordance with Clause 4.2 it is the joint intention of the Parties that any such prices will have regard for or be subject to adjustment for learner factors in Table 1 and applicable percentages in Table 2.

Table 1 – Learner Factors

Unit	Learner Factor
1	2.13
2	1.81
3	1.64
4	1.54
5	1.46
6	1.40
7	1.35
8	1.31
9	1.27
10	1.24
11	1.21
12	1.19
13	1.17
14	1.15
15	1.13
16	1.11
17	1.09
18	1.08
19	1.07
20	1.05
21	1.04
22	1.03
23	1.02
24	1.01
25	1.00

Table 2 – Applicable Percentages (FS-Full Strip, BS-Bulk Strip, POT-Pass-off Test).

Depth of Strip	Common Learner %	Bulk SIR Events %	Full SIR Events %	POT Learner Events %	Non-Learner Events %
Propeller Gear Box FS	60.76	0.00	0.00	33.53	5.71
Accessory Gearbox FS	46.12	0.75	22.02	25.00	6.11
Turbine Exhaust Case FS	45.24	2.79	21.51	24.42	6.04
Low Pressure Turbine FS	40.98	12.61	19.06	21.64	5.71
Front Bearing Structure FS	37.81	19.47	17.43	19.79	5.50
Intermediate Pressure Compressor FS	30.42	16.62	32.40	15.57	4.99
Intermediate Pressure Turbine FS	30.30	15.83	33.45	15.45	4.97
Hot Strut FS	28.78	20.93	31.08	14.36	4.85
High Pressure Turbine FS	27.91	23.48	29.97	13.85	4.79

Outer Case and Shroud FS	27.67	24.34	29.57	13.66	4.76
Combustion Chamber FS	27.26	25.61	29.00	13.40	4.73
High Pressure Compressor FS	26.37	24.61	31.47	12.88	4.67
Intermediate Casing FS	25.78	23.78	33.26	12.54	4.64
Turbine Exhaust Case BS	TBC	TBC	0.00	TBC	TBC
Low Pressure Turbine BS	45.67	24.94	0.00	23.46	5.93
Front Bearing Structure BS	46.56	23.51	0.00	23.93	6.00
Intermediate Pressure Turbine BS	42.50	29.30	0.00	22.40	5.80
Hot Strut BS	38.87	35.43	0.00	20.16	5.54
High Pressure Turbine BS	37.13	38.27	0.00	19.18	5.42
Outer Case and Shroud BS	36.21	39.80	0.00	18.63	5.36
Combustion Chamber BS	35.78	40.63	0.00	18.27	5.32
Engine Pass Off Test for Fault Diagnoses	46.61	0.00	0.00	47.97	5.42
Engine Pass Off Test following PGB Exchange	45.97	0.00	0.00	48.31	5.72

The learner calculations can be defined in 5 main groups:

1. Common Learner Events – Those activities that occur at every arising and therefore move down the Learner Curve at each arising.
2. Bulk Strip SIR Events – Those activities associated with a Bulk Strip Event
3. Full Strip SIR Events – Those activities associated with a Full Strip Event
4. POT Learner Events – Those activities that require a Pass of Test
5. Non-Learner Events – Those activities where no learning process occurs.

The SIR learner is split between Bulk Strip and Full Strip. For those modules with a Bulk Strip AND Full Strip percentage, the Full Strip percentage represents the additional work required for Full Strip, over and above a Bulk Strip. Therefore, at a Full Strip event, the Bulk Strip and Full Strip percentages must both be set against the learner curve. Splitting the Bulk Strip and additional Full Strip percentages, enables the “learning” acquired at bulk strip events to be taken into account at the next Full SIR event.

It should be noted that Propeller Gearbox (PGB) SIR learner is not split out into Bulk Strip SIR and Full Strip SIR, as the PGB SIR activity always occurs regardless of work scope. The PGB SIR portion is therefore included in the PGB “Common” Learner. As mentioned previously, PGB SIR always occurs regardless of work scope, therefore, the PGB SIR portion is also included in the common percentage of every work scope.

Examples:

1. An order for a Combustion Chamber Bulk Strip occurs at the 18th Engine to be inducted, the 16th Combustion Chamber Bulk SIR and the 10th POT to be performed at the Contractor’s ML2-Off Facility:
Learner Factor applicable to TAT = $(1.08 \times 35.78\%) + (1.11 \times 40.63\%) + (1.24 \times 18.27\%) + (1.00 \times 5.32\%) = 1.1173$
2. An order for an HPC Full Strip occurs at the 20th Engine to be inducted, 3 previous Bulk Strips, the 2nd Full Strip and the 12th POT to be performed at the Contractor’s ML2-Off Facility:
Learner Factor applicable to TAT = $(1.05 \times 26.37\%) + (1.54 \times 24.61\%) + (1.81 \times 31.47\%) + (1.19 \times 12.88\%) + (1.00 \times 4.67\%) = 1.4247$
3. An order for an Engine POT and Fault Diagnosis occurs at the 22nd Engine to be inducted and the 14th POT to be performed at the Contractor’s ML2-Off Facility:
Learner Factor applicable to TAT = $(1.03 \times 46.61\%) + (1.15 \times 47.97\%) + (1.00 \times 5.42\%) = 1.0840$

The number of events to be utilised in the calculation is the total number of events of that type including all customers and warranty events.

Annex G – Milestone Payment Plan

Initial Contract Period up to Mar 2024 (<i>continued below</i>)						
Milestone Payment	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Line-Item 1	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 2	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 3	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 4	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 5	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 6	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 7	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 8	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Total	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED

Initial Contract Period Apr 2024 to Sep 24

Milestone Payment	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Total
Line-Item 1	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 2	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 3	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 4	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 5	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 6	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 7	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 8	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Total	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED

Cost Plus Line Item
[Please Note this Line is not paid as Milestones]

ROM value [Paid on BES Actuals]	Initial Contract Period ROM	Option period 1 ROM [If Option Enacted]	Option Period 2 ROM [If Option Enacted]
Line-Item 9	REDACTED	REDACTED	REDACTED

Option Period 1 [If Option Enacted]							
Milestone Payment	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Total
Line-Item 1	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 2	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 3	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 4	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 5	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 6	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 7	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 8	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Total	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED

Option Period 2 [If Option Enacted]							
Milestone Payment	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Total
Line-Item 1	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 2	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 3	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 4	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 5	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 6	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 7	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Line-Item 8	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED
Total	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED	REDACTED

Annex H – ADHOC By-Event Service Purchase Order Form

PART 1 Ad-Hoc By-Event Service Purchase Order Request	
Contract Reference	A400M/706920454: NESC 2.5
Ad hoc By-Event Service Purchase Order Reference Number	<i>BES_Template_000</i>
Ad hoc By-Event Service Purchase Order Date	
Urgent Task for which an Incentive Adjustment may be applied <i>[As per Contract ref 4.2.5 ii]</i>	No / Yes
Criteria to be satisfied for the identified Incentive Adjustment to be applied:	
Description / Technical Specification	
Deliverables	
Acceptance Criteria	Provision of Price Breakdown with split of effort between the agreed 16 Reporting Buckets. The Authority acknowledge that some task alignment to buckets is discretionary and reserve the right to request further information as required.
Applicable Performance Indicators (PI)	TAT in accordance with NESC 2.5 - Annex A, Schedule 2
List of attached documents	
Authority's Authorised Representative	Name: Date: Signature:
Contractors Acknowledgement of Receipt	Name: Date: Signature:
PART 2 – Rough Order of Magnitude Ad-Hoc By-Event Service Purchase Order Request	
Commencement Date	
Estimated Completion Date	
Intellectual Property Rights (IPR)	None Deliverable Information Deliverable Software Other:
GFA	None Other:
Price (Estimate)	
Payment	

Specific Conditions / Additional Information																																																							
Contractors Authorised Representative	Name: Date: Signature:																																																						
Authority's Acceptance	Name: Date: Signature:																																																						
PART 3 – Actual Price Ad-Hoc By-Event Service Purchase Order Request																																																							
Updated Completion / Delivery Date																																																							
Final Price (actuals)																																																							
Price breakdown	<table border="1"> <thead> <tr> <th colspan="2">BES Reporting Buckets</th> <th>Hours Booked</th> </tr> </thead> <tbody> <tr><td>1</td><td>Planning & TRC</td><td></td></tr> <tr><td>2</td><td>Induction</td><td></td></tr> <tr><td>3</td><td>Inspection</td><td></td></tr> <tr><td>4</td><td>Engine Strip</td><td></td></tr> <tr><td>5</td><td>Module Husbandry</td><td></td></tr> <tr><td>6</td><td>Engine Preservation</td><td></td></tr> <tr><td>7</td><td>Rebuild</td><td></td></tr> <tr><td>8</td><td>Pass-Off Test</td><td></td></tr> <tr><td>9</td><td>Post-Test Activity</td><td></td></tr> <tr><td>10</td><td>Certification</td><td></td></tr> <tr><td>11</td><td>LRU Preservation</td><td></td></tr> <tr><td>12</td><td>Manufacturing Engineers Support (ME)</td><td></td></tr> <tr><td>13</td><td>TQ/TV (ME Hrs)</td><td></td></tr> <tr><td>14</td><td>TQ/TV (Inspector Hrs)</td><td></td></tr> <tr><td>15</td><td>Customer tasked additional work</td><td></td></tr> <tr><td>16</td><td>Non-AAR <i>[To be excluded from price]</i></td><td></td></tr> <tr> <td colspan="2">Total (excluding Non-AAR)</td> <td></td> </tr> </tbody> </table>	BES Reporting Buckets		Hours Booked	1	Planning & TRC		2	Induction		3	Inspection		4	Engine Strip		5	Module Husbandry		6	Engine Preservation		7	Rebuild		8	Pass-Off Test		9	Post-Test Activity		10	Certification		11	LRU Preservation		12	Manufacturing Engineers Support (ME)		13	TQ/TV (ME Hrs)		14	TQ/TV (Inspector Hrs)		15	Customer tasked additional work		16	Non-AAR <i>[To be excluded from price]</i>		Total (excluding Non-AAR)		
BES Reporting Buckets		Hours Booked																																																					
1	Planning & TRC																																																						
2	Induction																																																						
3	Inspection																																																						
4	Engine Strip																																																						
5	Module Husbandry																																																						
6	Engine Preservation																																																						
7	Rebuild																																																						
8	Pass-Off Test																																																						
9	Post-Test Activity																																																						
10	Certification																																																						
11	LRU Preservation																																																						
12	Manufacturing Engineers Support (ME)																																																						
13	TQ/TV (ME Hrs)																																																						
14	TQ/TV (Inspector Hrs)																																																						
15	Customer tasked additional work																																																						
16	Non-AAR <i>[To be excluded from price]</i>																																																						
Total (excluding Non-AAR)																																																							
Clock stop breakdown																																																							
Additional Information																																																							
Contractors Authorised Representative	Name: Date: Signature:																																																						
Authority's Acceptance	Name: Date: Signature:																																																						



Annex I – Warrant Claim

Contract Reference	A400M/706920454	Date	
Warranty Claim Reference			
Issued by (Authority)		Issued to	Rolls-Royce plc Filton Bristol BS34
Engine Information			
Engine Serial Number		Date of Failure	
Registration Mark			
TSN (in EOH/EFH) Or CSN (in EFC)		TSR (in EOH/EFH) Or CSR (in EFC)	
Purchase Order Ref.			
Invoice Number			
Date of last ML2 visit		Location of ML2 visit	
Date of last installation			

Description of Failure

Fault Code	

Action Taken

Name		Date	
Troubleshooting performed:			
Results of Troubleshooting:			
Measurements of tests if available/applicable			
Attachments			
Test Report Dated:		Pictures Dated:	
Issued by:			
Name: Signature: Date:		For queries contact:	
Abbreviations: SN: Serial Number, TSN: Time Since New, CSN: Cycles Since New, TSR: Time Since Repair, CSR: Cycles Since Repair, EOH: Engine Operating Hours, EFH: Engine Flight Hours, EFC: Engine Flight Cycles, OH: Operating Hours, FH: Flight Hours, FC: Flight cycles			

Annex J – Security Aspects Letter

Date of Issue: 11/09/2023

For the attention of:

Pete Kirk
Security Controller
Rolls-Royce plc,
Security,
PO Box 3,
Bristol,
BS34 7QE

A400M Delivery Team
Defence Equipment & Support
Walnut 2c, #1231
MOD Abbeville Wood

ITT/CONTRACT NUMBER & TITLE: National Engines Support Contract 2.5

- On behalf of the Secretary of State for Defence, I hereby give you notice of the information or assets connected with, or arising from, the referenced Contract that constitute classified material.
- Aspects that constitute OFFICIAL-SENSITIVE for the purpose of DEFCON 660 are specified below. These aspects must be fully safeguarded. The enclosed Security Condition outlines the minimum measures required to safeguard OFFICIAL-SENSITIVE assets and information.

ASPECTS	CLASSIFICATION
Cost Details of the UK contract.	OFFICIAL-SENSITIVE COMMERCIAL The Contractor will not share Cost data. However, Commercial Pricing Data is not classified as Official-Sensitive, and the Contractor is able to share Pricing Data with Airbus and EPI.
Fleet Management Data	Up to OFFICIAL-SENSITIVE - Fleet Management Data means Data unique to the National Engine Support Contract. The Contractor retains the right to share high level UK Fleet Management Data that is not unique to NES Contract, to EPI and its Partner Companies, to ensure that the Engine Program is adequately supported.
Value of Project to UK Operational Capability	OFFICIAL-SENSITIVE
Data Storage/Data Does this contain UK specific Operational Data – a. No Operational Data b. UK Operational Data	OFFICIAL OFFICIAL-SENSITIVE

Programme Details, timelines and performance Data	OFFICIAL-SENSITIVE - This includes project/programme review meetings, associated meeting minutes and any performance data related to UK engines. This must not contain UK specific Operational Data beyond OS.
Spares Model and Scaling. a. Should not contain UK specific operational data.	According to content but not higher than OFFICIAL-SENSITIVE.
Engine Performance and Technical Data - This does not include Pass Off Test Certificates which are exempt.	OFFICIAL and only for the following data: Engine Flying Hours (EFH) Engine Operating Hours (EOH) Damage/ fault description Repair description Related aircraft/ engine position on aircraft Shop Processing Time Service Bulletins embodied Airworthiness Directives embodied Component/ part information e.g., PN, SN, description

3. Your attention is drawn to the provisions of the Official Secrets Act 1911-1989 in general, and specifically to the provisions of Section 2 of the Official Secrets Act 1911 (as amended by the Act of 1989). In particular you should take all reasonable steps to make sure that all individuals employed on any work in connection with this Contract have notice of the above specified aspects and that the aforementioned statutory provisions apply to them and will continue to apply after completion or earlier termination of the contract
4. Will you please confirm that:
 - a. This definition of the classified aspects of the referenced Contract has been brought to the attention of the person directly responsible for security of classified material.
 - b. The definition is fully understood.
 - c. Measures can, and will, be taken to safeguard the classified aspects identified herein in accordance with applicable national laws and regulations. [The requirement and obligations set out above and in any contractual document can and will be met and that the classified information shall be protected in accordance with applicable national laws and regulations.]
 - d. All employees of the company who will have access to classified information have either signed the OSA Declaration Form in duplicate and one copy is retained by the Company Security Officer or have otherwise been informed that the provisions of the OSA apply to all classified information and assets associated with this contract.
5. If you have any difficulty either in interpreting this definition of the classified aspects or in safeguarding them, will you please let me know immediately.
6. Classified Information associated with this Contract must not be published or communicated to anyone without the approval of the MOD Contracting Authority.
7. Any access to classified information or assets on MOD premises that may be needed will be subject to MOD security regulations under the direction of the MOD Project Officer in accordance with DEFCON 76.

Yours faithfully

Copy via email to:

ISAC-Group (MULTIUSER)

COO-DSR-IIPCSy (MULTIUSER)

UKStratComDD-CyDR-CySAAS-021

UK OFFICIAL AND UK OFFICIAL-SENSITIVE CONTRACTUAL SECURITY CONDITIONS

Purpose

1. This document provides guidance for Contractors where classified material provided to or generated by the Contractor is graded UK OFFICIAL or UK OFFICIAL-SENSITIVE. Where the measures requested below cannot be achieved or are not fully understood, further advice should be sought from the UK Designated Security Authority (Email: COO-DSR-IIPCSy@mod.gov.uk).

Definitions

2. The term "*Authority*" for the purposes of this Annex means the HMG Contracting Authority.
3. The term "*Classified Material*" for the purposes of this Annex means classified information and assets.

Security Grading

4. The SENSITIVE caveat is used to denote UK OFFICIAL material that is of a particular sensitivity and where there is a need to reinforce the 'need to know'. The Security Aspects Letter, issued by the Authority shall define the UK OFFICIAL-SENSITIVE material that is provided to the Contractor, or which is to be developed by it, under this Contract. The Contractor shall mark all UK OFFICIAL-SENSITIVE documents which it originates or copies during the Contract with the applicable security grading. The Contractor is not required to mark documents graded UK OFFICIAL unless they are transmitted overseas or generated by a Contractor based outside the UK in a third-party country.

Security Conditions

5. The Contractor shall take all reasonable steps to adhere to the provisions specified in the Contract or listed in this Annex. The Contractor shall make sure that all individuals employed on any work in connection with the Contract have notice that these provisions apply to them and shall continue so to apply after the completion or earlier termination of the Contract. The Authority must state the data retention periods to allow the Contractor to produce a data management policy. If you are a Contractor located in the UK your attention is also drawn to the provisions of the Official Secrets Acts 1911 to 1989 in general, and to the provisions of Section 2 of the Official Secrets Act 1911 (as amended by the Act of 1989) in particular.

Protection of UK OFFICIAL and UK OFFICIAL-SENSITIVE Classified Material

6. The Contractor shall protect UK OFFICIAL and UK OFFICIAL-SENSITIVE material provided to or generated by it in accordance with the requirements detailed in this Security Condition and any other conditions that may be specified by the Authority. The Contractor shall take all reasonable steps to prevent the loss or compromise of classified material whether accidentally or from deliberate or opportunist attack.
7. Once the Contract has been awarded, where Contractors are required to store or process UK MOD classified information electronically, they are required to comply with the accreditation requirements

specified in ISNs, Defence Condition 658 and Defence Standard 05-138. Details can be found at the links below:

<https://www.gov.uk/government/publications/industry-security-notice-isns>.

<http://dstan.gateway.isg-r.r.mil.uk/standards/defstans/05/138/000002000.pdf>

<https://www.gov.uk/government/publications/defence-condition-658-cyber-flow-down>

8. All UK classified material including documents, media and other assets must be physically secured to prevent unauthorised access. When not in use UK classified material shall be handled with care to prevent loss or inappropriate access. As a minimum UK OFFICIAL-SENSITIVE material shall be stored under lock and key and shall be placed in a lockable room, cabinets, drawers or safe and the keys/combinations shall be controlled.
9. Disclosure of UK classified material must be strictly controlled in accordance with the "need to know" principle. Except with the written consent of the Authority, the Contractor shall not disclose the Contract or any provision thereof to any person other than to a person directly employed by the Contractor or sub-Contractor.
10. Except with the consent in writing of the Authority the Contractor shall not make use of the Contract or any classified material issued or provided by or on behalf of the Authority otherwise than for the purpose of the Contract, and, same as provided for in paragraph 8 above, the Contractor shall not make use of any article or part thereof similar to the articles for any other purpose.
11. Subject to any intellectual property rights of third parties, nothing in this Security Condition shall restrict the Contractor from using any specifications, plans, drawings and other documents generated outside of this Contract.
12. Any samples, patterns, specifications, plans, drawings or any other documents issued by or on behalf of the Authority for the purposes of the Contract remain the property of the Authority and must be returned on completion of the Contract or, if directed by the Authority, destroyed in accordance with paragraph 34.

Access

13. Access to UK classified material shall be confined to those individuals who have a "need-to-know", have been made aware of the requirement to protect the material and whose access is essential for the purpose of their duties.
14. The Contractor shall ensure that all individuals requiring access to UK OFFICIAL-SENSITIVE material have undergone basic recruitment checks. This should include establishing proof of identity; confirming that they satisfy all legal requirements for employment by the Contractor; and verification of their employment record. Criminal record checks should also be undertaken where permissible under national/local laws and regulations. This is in keeping with the core principles set out in the UK Government (HMG) Baseline Personnel Security Standard (BPSS) which can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/714002/HMG_Baseline_Personnel_Security_Standard_-_May_2018.pdf

Hard Copy Distribution

15. UK OFFICIAL and UK OFFICIAL-SENSITIVE documents may be distributed internally and externally of Contractor premises. To maintain confidentiality, integrity and availability, distribution is to be controlled such that access to documents is only by authorised personnel. They may be sent by ordinary post in a single envelope. The words UK OFFICIAL or UK OFFICIAL-SENSITIVE must not appear on the envelope. The envelope must bear a stamp or marking that clearly indicates the full address of the office from which it was sent. Commercial Couriers may be used.

16. Advice on the distribution of UK OFFICIAL-SENSITIVE documents abroad or any other general advice including the distribution of UK OFFICIAL-SENSITIVE shall be sought from the Authority.

Electronic Communication and Telephony and Facsimile Services

17. UK OFFICIAL information may be emailed unencrypted over the internet. UK OFFICIAL-SENSITIVE information shall normally only be transmitted over the internet encrypted using either a National Cyber Security Centre (NCSC) Commercial Product Assurance (CPA) cryptographic product or a UK MOD approved cryptographic technique such as Transmission Layer Security (TLS). In the case of TLS both the sender and recipient organisations must have TLS enabled. Details of the required TLS implementation are available at:

<https://www.ncsc.gov.uk/guidance/tls-external-facing-services>

Details of the CPA scheme are available at:

<https://www.ncsc.gov.uk/scheme/commercial-product-assurance-cpa>

18. Exceptionally, in urgent cases UK OFFICIAL-SENSITIVE information may be emailed unencrypted over the internet where there is a strong business need to do so, but only with the prior approval of the Authority. However, it shall only be sent when it is known that the recipient has been made aware of and can comply with the requirements of these Security Conditions and subject to any explicit limitations that the Authority require. Such limitations including any regarding publication, further circulation or other handling instructions shall be clearly identified in the email sent with the information.
19. UK OFFICIAL information may be discussed on fixed and mobile telephones with persons located both within the country of the Contractor and overseas. UK OFFICIAL-SENSITIVE information may be discussed on fixed and mobile telephones only where there is a strong business need to do so.
20. UK OFFICIAL information may be faxed to recipients located both within the country of the Contractor and overseas, however UK OFFICIAL-SENSITIVE information may be transmitted only where there is a strong business case to do so and only with the prior approval of the Authority.

Use of Information Systems

21. The detailed functions that must be provided by an IT system to satisfy the minimum requirements cannot all be described here in specific detail; it is for the implementers to identify possible means of attack and ensure proportionate security mitigations are applied to prevent a successful attack.
22. The Contractor should ensure 10 Steps to Cyber Security (Link below) is applied in a proportionate manner for each IT and communications system storing, processing or generating UK OFFICIAL or UK OFFICIAL-SENSITIVE information. The Contractor should ensure competent personnel apply 10 Steps to Cyber Security.

<https://www.ncsc.gov.uk/guidance/10-steps-cyber-security>.

23. As a general rule, any communication path between an unauthorised user and the data can be used to carry out an attack on the system or be used to compromise or ex-filtrate data.
24. Within the framework of the 10 Steps to Cyber Security, the following describes the minimum security requirements for processing and accessing UK OFFICIAL-SENSITIVE information on IT systems.

- a. Access. Physical access to all hardware elements of the IT system is to be strictly controlled. The principle of “*least privilege*” will be applied to System Administrators. Users of the IT System (Administrators) should not conduct ‘standard’ User functions using their privileged accounts.
- b. Identification and Authentication (ID&A). All systems are to have the following functionality:

- 1) Up-to-date lists of authorised users.
- 2) Positive identification of all users at the start of each processing session.
- c. Passwords. Passwords are part of most ID&A security measures. Passwords are to be “strong” using an appropriate method to achieve this, e.g. including numeric and “special” characters (if permitted by the system) as well as alphabetic characters.
- d. Internal Access Control. All systems are to have internal Access Controls to prevent unauthorised users from accessing or modifying the data.
- e. Data Transmission. Unless the Authority authorises otherwise, UK OFFICIAL-SENSITIVE information may only be transmitted or accessed electronically (e.g. point to point computer links) via a public network like the Internet, using a CPA product or equivalent as described in paragraph 17 above.
- f. Security Accounting and Audit. Security relevant events fall into two categories, namely legitimate events and violations.

- 1) The following events shall always be recorded:
 - (a) All log on attempts whether successful or failed,
 - (b) Log off (including time out where applicable),
 - (c) The creation, deletion or alteration of access rights and privileges,
 - (d) The creation, deletion or alteration of passwords.
- 2) For each of the events listed above, the following information is to be recorded:
 - (a) Type of event,
 - (b) User ID,
 - (c) Date & Time,
 - (d) Device ID.

The accounting records are to have a facility to provide the System Manager with a hard copy of all or selected activity. There also must be a facility for the records to be printed in an easily readable form. All security records are to be inaccessible to users without a need to know. If the operating system is unable to provide this then the equipment must be protected by physical means when not in use i.e. locked away or the hard drive removed and locked away.

- g. Integrity & Availability. The following supporting measures are to be implemented:
 - 1) Provide general protection against normally foreseeable accidents/mishaps and known recurrent problems (e.g. viruses and power supply variations),
 - 2) Defined Business Contingency Plan,
 - 3) Data backup with local storage,
 - 4) Anti-Virus Software (Implementation, with updates, of an acceptable industry standard Anti-virus software),
 - 5) Operating systems, applications and firmware should be supported,
 - 6) Patching of Operating Systems and Applications used are to be in line with the manufacturers recommended schedule. If patches cannot be applied an understanding of the resulting risk will be documented.
- h. Logon Banners. Wherever possible, a “Logon Banner” will be provided to summarise the requirements for access to a system which may be needed to institute legal action in case of any breach occurring. A suggested format for the text (depending on national legal requirements) could be:

“Unauthorised access to this computer system may constitute a criminal offence”

- i. Unattended Terminals. Users are to be automatically logged off the system if their terminals have been inactive for some predetermined period of time, or systems must activate a password protected screen saver after 15 minutes of inactivity, to prevent an attacker making use of an unattended terminal.
- j. Internet Connections. Computer systems must not be connected direct to the Internet or “*un-trusted*” systems unless protected by a firewall (a software based personal firewall is the minimum but risk assessment and management must be used to identify whether this is sufficient).
- k. Disposal. Before IT storage media (e.g. disks) are disposed of, an erasure product must be used to overwrite the data. This is a more thorough process than deletion of files, which does not remove the data.

Laptops

- 25. Laptops holding any UK OFFICIAL-SENSITIVE information shall be encrypted using a CPA product or equivalent as described in paragraph 17 above.
- 26. Unencrypted laptops and drives containing personal data are not to be taken outside of secure sites¹. For the avoidance of doubt the term “drives” includes all removable, recordable media e.g. memory sticks, compact flash, recordable optical media (CDs and DVDs), floppy discs and external hard drives.
- 27. Any token, touch memory device or password(s) associated with the encryption package is to be kept separate from the machine whenever the machine is not in use, left unattended or in transit.
- 28. Portable CIS devices holding the Authorities’ data are not to be left unattended in any public location. They are not to be left unattended in any motor vehicles either in view or in the boot or luggage compartment at any time. When the vehicle is being driven the CIS is to be secured out of sight in the glove compartment, boot or luggage compartment as appropriate to deter opportunist theft.

Loss and Incident Reporting

- 29. The Contractor shall immediately report any loss or otherwise compromise of any Defence Related Classified Material to the Authority. The term Defence Related Classified Material includes MOD Identifiable Information (MODDII) (as defined in ISN2016/05) and any information or asset that has been given a security classification by the UK MOD. The term also includes classified information and assets held by UK Defence Contractors which are owned by a third party e.g. NATO or a another country for which the UK MOD is responsible.
- 30. In addition, any loss or otherwise compromise of Defence Related Classified Material is to be immediately reported to the UK MOD Defence Industry Warning, Advice and Reporting Point (WARP). This will assist the UK MOD in formulating a formal information security reporting process and the management of any associated risks, impact analysis and upward reporting to the UK MOD’s Chief Information Officer (CIO) and, as appropriate, the Contractor concerned. The UK MOD Defence Industry WARP will also advise the Contractor what further action is required to be undertaken.

UK MOD Defence Industry WARP Contact Details

Email: DefenceWARP@mod.gov.uk (OFFICIAL with no NTK restrictions)

RLI Email: defencewarp@modnet.r.mil.uk (MULTIUSER)

Telephone (Office hours): +44 (0) 30 6770 2185

Mail: Defence Industry WARP, DE&S PSyA Office

MOD Abbey Wood, NH2 Poplar-1 #2004, Bristol, BS34 8JH

¹ Secure Sites are defined as either Government premises or a secured office on the contractor premises.

31. Reporting instructions for any security incidents involving Defence Related Classified Material can be found in the Incident Reporting Industry Security Notice at:

<https://www.gov.uk/government/publications/industry-security-notice-isns>

Sub-Contracts

32. Where the Contractor wishes to sub-contract any elements of a Contract to sub-Contractors within its own country or to Contractors located in the UK such sub-contracts will be notified to the Contracting Authority. The Contractor shall ensure that these Security Conditions are incorporated within the sub-contract document.
33. The prior approval of the Authority shall be obtained should the Contractor wish to sub-contract any UK OFFICIAL-SENSITIVE elements of the Contract to a sub-Contractor facility located in another (third party) country. The first page of Annex A (MOD Form 1686 (F1686) of ISN 2022/08 is to be used for seeking such approval. The MOD Form 1686 can be found at:
[ISN 2022-08 Subcontracting or Collaborating on Classified MOD Programmes.pdf](https://publishing.service.gov.uk/government/publications/industry-security-notice-isns/ISN-2022-08-Subcontracting-or-Collaborating-on-Classified-MOD-Programmes-pdf)
(publishing.service.gov.uk)
34. If the sub-contract is approved, the Contractor shall flow down the Security Conditions in line with paragraph 32 above to the sub-Contractor. Contractors located overseas may seek further advice and/or assistance from the Authority with regards the completion of F1686.

Physical Destruction

35. As soon as no longer required, UK OFFICIAL and UK OFFICIAL-SENSITIVE material shall be destroyed in such a way as to make reconstitution very difficult or impossible, for example, by burning, shredding or tearing into small pieces. Advice shall be sought from the Authority when the classified material cannot be destroyed or, unless already authorised by the Authority, when its retention is considered by the Contractor to be necessary or desirable. Unwanted UK OFFICIAL-SENSITIVE classified material which cannot be destroyed in such a way shall be returned to the Authority.

Private Venture Activities

36. Private Venture (PV) funded (i.e., non-MOD funded) defence related projects and technology fall within one of the following three categories:
- Variants. Variants of standard defence equipment under research, development or in production, e.g., aircraft, military vehicles or ships, etc. with non-standard equipment or fitments, offered to meet special customer requirements or to avoid security or commercial difficulties associated with the sale of an item in-Service with UK Armed Forces;
 - Derivatives. Equipment for military or civil use that is not based on standard Service designs but is dependent upon expertise or technology acquired in the course of defence contracts;
 - Freelance. Equipment of defence importance that is in no way based on information gained from defence contracts;
37. UK Contractors shall ensure that any PV activity that falls into one of the above categories has been formally security graded by the MOD Directorate of Security and Resilience. Please see PV guidance on the following website further information:

<https://www.gov.uk/government/publications/private-venture-pv-grading-and-exhibition-clearance-information-sheets>

Publicity Material

38. Contractors wishing to release any publicity material or display assets that arises from a Contract to which these Security Conditions apply must seek the prior approval of the Authority. Publicity material includes open publication in the Contractor's publicity literature or website or through the media; displays at exhibitions in any country; lectures or symposia; scientific or technical papers, or any other occasion where members of the general public may have access to the information even if organised or sponsored by the UK Government.
39. For UK Contractors where the exhibition assets relate to multiple Delivery Teams or for Private Venture defence related material where there is no defined Delivery Team, the Contractor shall request clearance for exhibition from the Directorate of Security and Resilience when it concerns Defence Related Material. See the MOD Exhibition Guidance on the following website for further information: <https://www.gov.uk/government/publications/private-venture-pv-grading-and-exhibition-clearance-information-sheets>

Export sales/promotion

40. The MOD Form 680 (F680) security procedure enables HMG to control when, how, and if defence related classified material is released by UK Contractors to foreign entities for the purposes of promotion or sales of equipment or services. Before undertaking any targeted promotion or demonstration or entering into any contractual commitments involving the sale or release of defence equipment, information or technology classified UK OFFICIAL-SENSITIVE or above to a foreign entity, a UK Contractor shall obtain F680 approval from the Export Control Joint Unit (ECJU) MOD Team. This includes assets classified UK OFFICIAL-SENSITIVE or above either developed to meet a UK MOD requirement or Private Venture (PV) equipment, as formally advised in a Security Aspects Letter (SAL) issued by the relevant Contracting Authority, or PV Security Grading issued by the MOD Directorate of Security and Resilience. Guidance regarding the F680 procedure issued by ECJU can be found at:

<https://www.gov.uk/government/publications/ministry-of-defence-form-680-procedure-guidance>

41. If a Contractor has received an approval to sub-contract, under an MOD Form 1686 (F1686), for development/production of parts of an equipment, that approval also permits the production of additional quantities for supply to an export customer, when the Contractor has MOD Form 680 approval for supply of the complete equipment, as long as:
- a. they are identical, except for component obsolescence, to items produced under the UK programme that the approval to subcontract relates to; and
 - b. no additional OFFICIAL-SENSITIVE or above material is required to be released to the overseas subcontractor.

Interpretation/Guidance

42. Advice regarding the interpretation of the above requirements should be sought from the Authority.
43. Further requirements, advice and guidance for the protection of UK classified material at the level of UK OFFICIAL and UK OFFICIAL-SENSITIVE may be found in Industry Security Notices at:

<https://www.gov.uk/government/publications/industry-security-notices-isns>

Audit

44. Where considered necessary by the Authority the Contractor shall provide evidence of compliance with this Security Condition and/or permit the inspection of the Contractor's processes and facilities by representatives of the Contractor's National/Designated Security Authorities or the Authority to ensure compliance with these requirements.

Annex K - Commercially Sensitive Information Form

Contract No: A400M/706920454

Description of Tenderer's Commercially Sensitive Information:

All Prices

Cross Reference(s) to location of sensitive information in Tender:

Clause 4

Explanation of Sensitivity:

Competitive information

Details of potential harm resulting from disclosure:

Loss of business

Period of Confidence (if applicable):

Forever

Contact Details for Transparency / Freedom of Information matters:

Name: Selena Sadler

Position: Commercial Manager

Address: PO Box 3, Filton, Bristol

Telephone Number: 07918360390

Email Address: Selena.sadler@rolls-royce.com

Annex L – Transfer of Undertakings (Protection of Employment) - TUPE

TRANSFER REGULATIONS

EMPLOYEE TRANSFER ARRANGEMENTS ON EXIT

1. Definitions

- 1.1. In this Annex L, save where otherwise provided, words and terms defined in DEFCON 501 and Condition 1.3 (Definitions) of the Contract shall have the meaning ascribed to them in DEFCON 501 and Condition 1.3 (Definitions) of the Contract.
- 1.2. Without prejudice to DEFCON 501 and Condition 1.3 (Definitions) of the Contract unless the context otherwise requires:

"Data Protection Legislation" means:

- i. any legislation in force from time to time in the United Kingdom which implements the European Community's Directive 95/46/EC and Directive 2002/58/EC, including but not limited to the Data Protection Act 1998 and the Privacy and Electronic Communications (EC Directive) Regulations 2003;
- ii. from 25 May 2018 only, Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the **"General Data Protection Regulation"**);
- iii. any other legislation in force from time to time in the United Kingdom relating to privacy and/or the processing of Personal Data; and
- iv. any guidance or statutory codes of practice issued by the Information Commissioner or the European Data Protection set up under the General Data Protection Regulation in relation to such legislation;

"Employee Liability Information" has the same meaning as in Regulation 11(2) of the Transfer Regulations;

"Employing Sub-Contractor" means any sub-contractor of the Contractor providing all or any part of the Services who employs or engages any person in providing the Services;

"New Provider" means any replacement service provider or providers (including any sub-contractor of such provider(s)) engaged to provide the Services (or part thereof) or substantially similar services or the Authority itself where the Services or substantially similar services or part thereof continue to be provided by the Authority after partial termination, termination or expiry of this Contract;

"Subsequent Relevant Transfer" means a transfer of the employment of Subsequent Transferring Employees from the Contractor or any Employing Sub-Contractor to a New Provider or the Authority under the Transfer Regulations;

"Subsequent Transfer Date" means the date on which the transfer of a Subsequent Transferring Employee takes place under the Transfer Regulations;

"Subsequent Transferring Employee" means an employee wholly or mainly employed or otherwise assigned to the Services (or in respect of partial termination, the relevant part of the Services) whose employment transfers under the Transfer Regulations from the Contractor or any Employing Sub-Contractor to a New Provider;

"Transfer Regulations" means the Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended from time to time and/or the Service Provision Change (Protection of Employment) Regulations (Northern Ireland) 2006 (as amended from time to time), as appropriate and/or any successor legislation which has the same or similar effect.

2. EMPLOYMENT

2.1. Information on Re-tender, Partial Termination, Termination or Expiry

2.1.1. No earlier than two years preceding the termination, partial termination or Expiry of this Contract or a potential Subsequent Transfer Date or at any time after the service of a notice to terminate this Contract or the provision of any of the Services (whether in whole or part) or on receipt of a written request by the Authority, the Contractor shall (and shall procure that any Employing Sub-Contractor shall):

- a. supply to the Authority such information as the Authority may reasonably require in order to consider the application of the Transfer Regulations on the termination, partial termination or expiry of this Contract;
- b. supply to the Authority such full and accurate and up-to-date information as may be requested by the Authority including the information listed in Appendix 1 to this Annex L relating to the employees who are wholly or mainly employed, assigned or engaged in providing the Services or part of the Services under this Contract who may be subject to a Subsequent Relevant Transfer;
- c. provide the information promptly and in any event not later than three months from the date when a request for such information is made and at no cost to the Authority;
- d. acknowledge that the Authority will use the information for informing any prospective New Provider for any services which are substantially the same as the Services or part of the Services provided pursuant to this Contract;
- e. inform the Authority of any changes to the information provided under paragraph 2.1.1(a) or 2.1.1(b) up to the Subsequent Transfer Date as soon as reasonably practicable.

2.1.2. Three months preceding the termination, partial termination or expiry of this Contract or on receipt of a written request from the Authority the Contractor shall (and shall procure that any Employing Sub-Contractor shall):

- a. ensure that Employee Liability Information and such information listed in Part A of Appendix 2 of this Annex L (Personnel Information) relating to the Subsequent Transferring Employees is provided to the Authority and/or any New Provider;
- b. inform the Authority and/or any New Provider of any changes to the information provided under this Paragraph 2.1.2 up to any Subsequent Transfer Date as soon as reasonably practicable;
- c. enable and assist the Authority and/or any New Provider or any sub-contractor of a New Provider to communicate with and meet those employees and their trade union or other employee representatives.

2.1.3. No later than 28 days prior to the Subsequent Transfer Date the Contractor shall (and shall ensure that any Employing Sub-Contractors shall) provide the Authority and/or any New Provider with a final list of the Subsequent Transferring Employees together with the information listed in Part B of Appendix 2 of this Annex L (Personnel Information) relating to the Subsequent Transferring Employees. The Contractor shall (and shall ensure that any Employing Sub-Contractors shall) inform the Authority and/or New Provider of any changes to this list or information up to the Subsequent Transfer Date

2.1.4. Within 14 days following the Subsequent Transfer Date the Contractor shall provide to the Authority and/or any New Provider the information set out in Part C of Appendix 2 of Part 2 of this Annex L in respect of Subsequent Transferring Employees.

- 2.1.5. Paragraphs 2.1.1 and 2.1.2 of this Appendix are subject to the Contractor's and any Employing Sub-Contractor's obligations in respect of the Data Protection Legislation and the Contractor shall use its best endeavours to obtain the consent of its employees (and shall use best endeavours to procure that its Employing Sub-Contractors use their best endeavours to obtain the consent of their employees) to the extent necessary under the Data Protection Legislation or provide the data in an anonymous form in order to enable disclosure of the information required under paragraphs 2.1.1 and 2.1.2. Notwithstanding this paragraph 2.1.5, the Contractor acknowledges (and shall use best endeavours to procure that its Employing Sub-Contractors acknowledge) that they are required to provide sufficient information to the Authority to enable the Authority to determine the nature of the activities being undertaken by employees engaged in providing the Services, to assess whether there is an organised grouping for the purposes of the Transfer Regulations and to assess who is assigned to such organised grouping. To the extent that anonymous data has been provided by the Contractor or any Employing Sub-Contractor pursuant to the obligations under Paragraph 2.1.1 or 2.1.2 above, the Contractor shall (and shall use best endeavours to procure that its Employing Sub-Contractors shall) provide full data to the Authority no later than 28 days prior to the Subsequent Transfer Date.
- 2.1.6. On notification to the Contractor by the Authority of a New Provider or within the period of six months prior to the Termination Date or after service of a notice to terminate this Contract (whether in whole or in part), whichever is earlier, and in any event on receipt of a written request by the Authority, the Contractor shall not and shall procure that an Employing Sub-Contractor shall not:
- a. materially amend or promise to amend the rates of remuneration (save for any increase arising from an annual pay review) or other terms and conditions of employment of any person wholly or mainly employed or engaged in providing the Services under this Contract; or
 - b. replace or re-deploy from the Services any person wholly or mainly employed or engaged in providing the Services, or materially increase or decrease the number of persons performing the Services under this Contract or the working time spent on the Services (or any part thereof); or
 - c. reorganise any working methods or assign to any person wholly or mainly employed or engaged in providing the Services (or any part thereof) any duties unconnected with the Services (or any part thereof) under this Contract; or
 - d. terminate or give notice to terminate the employment of any person wholly or mainly employed or engaged in providing the Services (or any part thereof) under this Contract other than in the case of serious or repeated misconduct or for poor performance or capability,

save in the ordinary course of business and with the prior written consent of the Authority (not to be unreasonably withheld or delayed) and subject to paragraph 2.1.8 the Contractor shall indemnify and keep indemnified the Authority in respect of any reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with any breach of paragraphs 2.1.1, 2.1.2, 2.1.3 or 2.1.6 of this Annex L.

2.1.7. The Authority may at any time prior to the period set out in paragraph 2.1.6 of this Annex L request from the Contractor any of the information in sections 1(a) to (d) of Appendix 1 and the Contractor shall and shall procure that any Employing Sub-Contractor will provide the information requested within 28 days of receipt of that request.

2.1.8. If the Authority submits an indemnity claim to the Contractor pursuant to the indemnity at paragraph 2.1.6 above, the Authority will supply to the Contractor such further information as the Contractor may reasonably require in order to verify such a claim. Where the Authority fails to do so, the dispute resolution provisions at DEFCON 530 of this Contract shall apply.

2.2. Obligations in Respect of Subsequent Transferring Employees

2.2.1. To the extent that the Transfer Regulations apply on expiry, termination or partial termination of this contract, including for the avoidance of doubt any amendment to the Services, the Contractor shall and shall procure that any Employing Sub-Contractor shall and the Authority shall and shall procure that a New Provider shall in such circumstances:

- a. before and in relation to the Subsequent Transfer Date liaise with each other and shall co-operate with each other in order to implement effectively the smooth transfer of the Subsequent Transferring Employees to the Authority and/or a New Provider; and
- b. comply with their respective obligations under the Transfer Regulations including their obligations to inform and consult under Regulation 13 of the Transfer Regulations.

2.3. Unexpected Subsequent Transferring Employees

2.3.1. If a claim or allegation is made by an employee or former employee of the Contractor or any Employing Sub-Contractor who is not named on the list of Subsequent Transferring Employees provided under paragraph 2.1.3 (an **"Unexpected Subsequent Transferring Employee"**) that he has or should have transferred to the Authority and/or New Provider by virtue of the Transfer Regulations, the Party receiving the claim or allegation shall notify the other Party (or the Contractor shall notify the Authority on the Employing Sub-Contractor's behalf and the Authority shall notify the Contractor on the New Provider's behalf) in writing as soon as reasonably practicable and no later than ten (10) Business Days after receiving notification of the Unexpected Subsequent Transferring Employee's claim or allegation, whereupon:

- a. the Contractor shall (or shall procure that the Employing Sub-Contractor shall), as soon as reasonably practicable, offer and/or confirm continued employment to the Unexpected Subsequent Transferring Employee or take such other steps so as to effect a written withdrawal of the claim or allegation; and
- b. if the Unexpected Subsequent Transferring Employee's claim or allegation is not withdrawn or resolved the Contractor shall notify the Authority (who will notify any New Provider who is a party to such claim or allegation), and the Authority (insofar as it is permitted) and/or New Provider (as appropriate) shall as soon as is reasonably practicable employ the Unexpected Subsequent Transferring Employee or as soon as reasonably practicable, (subject to paragraph 2.3.1(c)(iii)) serve notice to terminate the Unexpected Subsequent Transferring Employee's employment in accordance with their contract of employment and any relevant statutory rights and
- c. subject to paragraphs 2.3.2 and 2.3.3, the Contractor shall indemnify the Authority against all reasonable costs (including reasonable legal costs) losses and expenses

and all damages, compensation, fines and liabilities arising out of or in connection with any of the following liabilities incurred by the Authority or New Provider in dealing with or disposing of the Unexpected Subsequent Transferring Employee's claim or allegation:

- i any additional costs of employing the Unexpected Subsequent Transferring Employee up to the date of dismissal where the Unexpected Subsequent Transferring Employee has been dismissed in accordance with paragraph 2.3.1(b);
- ii any liabilities acquired by virtue of the Transfer Regulations in relation to the Unexpected Subsequent Transferring Employee;
- iii any liabilities relating to the termination of the Unexpected Subsequent Transferring Employee's employment in accordance with paragraph 2.3.1(b) but excluding such proportion or amount of any liability for unfair dismissal, breach of contract, or discrimination, or any other claims or allegations attributable:
 - (a) to a failure by the Authority or a New Provider to act reasonably to mitigate the costs of dismissing such person;
 - (b) directly or indirectly to the procedure followed by the Authority or a New Provider in dismissing the Unexpected Transferee which includes any failure to comply with a relevant statutory code or procedure; or
 - (c) to the acts/omissions of the Authority or a New Provider not wholly connected to the dismissal of that person;
- iv any liabilities incurred under a settlement of the Unexpected Subsequent Transferring Employee's claim which was reached with the express prior permission of the Contractor or the Employing Sub-Contractor (not to be unreasonably withheld or delayed);
- v reasonable administrative costs incurred by the Authority, Central Government Body or New Provider in dealing with the Unexpected Subsequent Transferring Employee's claim or allegation, subject to a cap per Unexpected Subsequent Transferring Employee of **REDACTED**; and
- vi legal and other professional costs reasonably incurred in dealing with the Unexpected Subsequent Transferring Employee's claim or allegation;

2.3.2. The Authority shall be deemed to have waived its right to an indemnity under paragraph 2.3.1(c) if it fails without reasonable cause to take or fails without reasonable cause to procure any New Provider takes, any action in accordance with any of the timescales referred to in this paragraph 2.3.

2.3.3. If the Authority submits an indemnity claim to the Contractor pursuant to the indemnity at paragraph 2.3.1 above, the Authority will supply to the Contractor such further information as the Contractor may reasonably require in order to verify such a claim. Where the Authority fails to do so, the dispute resolution provisions at DEFCON 530 of this Contract shall apply.

2.4. Indemnities on Subsequent transfer under the Transfer Regulations on Partial Termination, Termination or Expiry of the Contract

2.4.1. If on the expiry, termination or partial termination of the Contract, including for the avoidance of doubt any amendment to the Services, there is a Subsequent Relevant Transfer, the Contractor shall indemnify the Authority and any New Provider against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of or in connection with any claim by any employee or trade union representative or employee representative arising whether before or after the Subsequent Transfer Date out of any alleged failure by the Contractor or any Employing Sub-Contractor to comply with their obligations under Regulation 13 of the Transfer Regulations in relation to any Subsequent Transferring Employee or any other employee of the Contractor or any Employing Sub-Contractor affected by the Subsequent Relevant Transfer (as defined by Regulation 13 of the Transfer Regulations), save to the extent that any of those reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities are a result of the act or omission of the Authority or the New Provider.

2.4.2. If there is a Subsequent Relevant Transfer, the Authority shall indemnify the Contractor and any Employing Sub-Contractor against all reasonable costs (including reasonable legal costs) losses and expenses and all damages, compensation, fines and liabilities arising out of, or in connection with:

- a. any allegation, claim or claims by a Subsequent Transferring Employee at any time on or after the Subsequent Transfer Date which arise as a result of an act or omission of the Authority or a New Provider or a sub-contractor of a New Provider during the period from and including the Subsequent Transfer Date;
- b. subject to paragraph 2.4.1 any allegation or claim by any employee or trade union representative or employee representative arising whether before or after the Subsequent Transfer Date out of any alleged failure by the Authority or a New Provider or a sub-contractor of a New Provider to comply with their obligations under Regulation 13 of the Transfer Regulations in relation to any Subsequent Transferring Employee or any other employee engaged wholly or mainly in connection with the Services by the New Provider or any other employee of the Authority or any New Provider affected by the Subsequent Relevant Transfer (as defined by Regulation 13 of the Transfer Regulations),

save to the extent that any of those reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and liabilities are a result of the act or omission of the Contractor or any Employing Sub-Contractor.

2.4.3. In the event of a Subsequent Relevant Transfer, the Authority shall indemnify the Contractor and any Employing Sub-Contractor in respect of all reasonable costs (including reasonable legal costs), losses and expenses and all damages, compensation, fines and other liabilities arising out of any act or proposal by a New Provider or any sub-contractor of a New Provider which is alleged to amount to a repudiatory breach of contract as referred to in Regulation 4(11) of the Transfer Regulations and/or a substantial change to the working conditions of any Subsequent Transferring Employee to the material detriment of any such Subsequent Transferring Employee. For the purposes of this paragraph 2.4.3, the expressions "substantial change" and "material detriment" shall have the meanings as are ascribed to them for the purposes of Regulation 4(9) of the Transfer Regulations.

2.5. Contracts (Rights of Third Parties) Act 1999

2.5.1. A New Provider may enforce the terms of paragraph 2.3 and 2.4 against the Contractor in accordance with the Contracts (Rights of Third Parties) Act 1999.

2.5.2. The consent of a New Provider (save where the New Provider is the Authority) is not required to rescind, vary or terminate this Contract.

2.5.3. Nothing in this paragraph 2.5 shall affect the accrued rights of the New Provider prior to the rescission, variation, expiry or termination of this Contract.

2.6. General

2.6.1. The Contractor shall not recover any costs and/or other losses under this Annex L where such costs and/or losses are recoverable by the Contractor elsewhere in this Contract and/or are recoverable under the Transfer Regulations or otherwise.

Appendix 1

CONTRACTOR PERSONNEL-RELATED INFORMATION TO BE RELEASED UPON RE-TENDERING WHERE THE TRANSFER REGULATIONS APPLIES

1. Pursuant to paragraph 2.1.1(b) of this Annex L, the following information will be provided:
 - a. The total number of individual employees (including any employees of Sub-Contractors) that are currently engaged, assigned or employed in providing the Services and who may therefore be transferred. Alternatively, the Contractor should provide information why any of their employees or those of their Sub-Contractors will not transfer;
 - b. The total number of posts or proportion of posts expressed as a full-time equivalent value that currently undertakes the work that is to transfer;
 - c. The preceding 12 months total pay costs – (Pay, benefits employee/employer ERNIC and Overtime);
 - d. Total redundancy liability including any enhanced contractual payments;
2. In respect of those employees included in the total at 1(a), the following information:
 - a. Age (not date of Birth);
 - b. Employment Status (i.e., Fixed Term, Casual, Permanent);
 - c. Length of current period of continuous employment (in years, months) and notice entitlement;
 - d. Weekly conditioned hours of attendance (gross);
 - e. Standard Annual Holiday Entitlement (not "in year" holiday entitlement that may contain carry over or deficit from previous leave years);
 - f. Pension Scheme Membership;
 - g. Pension and redundancy liability information;
 - h. Annual Salary;
 - i. Details of any regular overtime commitments (these may be weekly, monthly or annual commitments for which staff may receive an overtime payment);
 - j. Details of attendance patterns that attract enhanced rates of pay or allowances;
 - k. Regular/recurring allowances;
 - l. Outstanding financial claims arising from employment (i.e., season ticket loans, transfer grants);
3. The information to be provided under this Appendix 1 should not identify an individual employee by name or other unique personal identifier unless such information is being provided 28 days prior to the Subsequent Transfer Date.
4. The Contractor will provide (and will procure that the Sub-Contractors provide) the Authority/tenderers with access to the Contractor's and Sub-Contractor's general employment terms and conditions applicable to those employees identified at paragraph 1(a) of this Appendix 1.

Appendix 2

PERSONNEL INFORMATION TO BE RELEASED PURSUANT TO THIS CONTRACT

Part A

1. Pursuant to paragraph 2.1.2 of this Annex L, the written statement of employment particulars as required by section 1 of the Employment Rights Act 1996 together with the following information (save where that information is included within that statement) which will be provided to the extent it is not included within the written statement of employment particulars:

1.1. Personal, Employment and Career

- a. Age;
- b. Security Vetting Clearance;
- c. Job title;
- d. Work location;
- e. Conditioned hours of work;
- f. Employment Status;
- g. Details of training and operating licensing required for Statutory and Health and Safety reasons;
- h. Details of training or sponsorship commitments;
- i. Standard Annual leave entitlement and current leave year entitlement and record;
- j. Annual leave reckonable service date;
- k. Details of disciplinary or grievance proceedings taken by or against transferring employees in the last two years;
- l. Information of any legal proceedings between employees and their employer within the previous two years or such proceedings that the transferor has reasonable grounds to believe that an employee may bring against the transferee arising out of their employment with the transferor;
- m. Issue of Uniform/Protective Clothing;
- n. Working Time Directive opt-out forms; and
- o. Date from which the latest period of continuous employment began.

1.2. Performance Appraisal

- a. The current year's Performance Appraisal;
- b. Current year's training plan (if it exists); and
- c. Performance Pay Recommendations (PPR) forms completed in the current reporting year, or where relevant, any bonus entitlements.

1.3. Superannuation and Pay

- a. Maternity leave or other long-term leave of absence (meaning more than 4 weeks) planned or ongoing;
- b. Annual salary and rates of pay band/grade;
- c. Shifts, unsociable hours or other premium rates of pay;
- d. Overtime history for the preceding twelve-month period;
- e. Allowances and bonuses for the preceding twelve-month period;
- f. Details of outstanding loan, advances on salary or debts;
- g. Cumulative pay for tax and pension purposes;
- h. Cumulative tax paid;
- i. National Insurance Number;
- j. National Insurance contribution rate;
- k. Other payments or deductions being made for statutory reasons;
- l. Any other voluntary deductions from pay;

- m. Pension Scheme Membership;
- n. For pension purposes, the notional reckonable service date;
- o. Pensionable pay history for three years to date of transfer;
- p. Percentage of any pay currently contributed under additional voluntary contribution arrangements; and
- q. Percentage of pay currently contributed under any added years arrangements.

1.4. Medical

- a. Details of any sickness absence for periods of three months or more in the preceding period of twelve months; and
- b. Details of any active restoring efficiency case for health purposes.

1.5. Disciplinary

- a. Details of any active restoring efficiency case for reasons of performance; and
- b. Details of any active disciplinary cases where corrective action is on-going.

1.6. Further information

- a. Information about specific adjustments that have been made for an individual under the Disability Discrimination Act 1995 or the Equality Act 2010;
- b. Short term variations to attendance hours to accommodate a domestic situation;
- c. Individuals that are members of the Reserves, or staff that may have been granted special leave as a School Governor; and
- d. Information about any maternity or other statutory leave or other absence from work.

Part B

1.7. Information to be provided 28 days prior to the Subsequent Transfer Date:

- a. Employee's full name;
- b. Date of Birth
- c. Home address;
- d. Bank/building society account details for payroll purposes Tax Code.

Part C

1.8. Information to be provided within 14 days following a Relevant Transfer Date:

- a. Performance Appraisal
 - i. The current year's Performance Appraisal;
 - ii. The current year's training plan (if it exists); and
 - iii. Performance Pay Recommendations forms completed in the current reporting year or, where relevant, any bonus entitlements.
- b. Superannuation and Pay
 - i. Cumulative pay for tax and pension purposes;
 - ii. Cumulative tax paid;
 - iii. National Insurance Number;
 - iv. National Insurance contribution rate;
 - v. Other payments or deductions being made for statutory reasons;
 - vi. Any other voluntary deductions from pay.

Contract 706920454 for the Provision of A400M National Engine Support (NESC) 2.5

This Contract shall come into effect on the date of signature by both parties.

For and on behalf of the Company

Name, Title and Company	Selena Sadler
Position	Commercial Manager TP400, Rolls Royce plc
Signature	<i>S J Sadler</i> [Electronically Signed]
Date	30/09/2023

For and on behalf of the Secretary of State for Defence

Name and Title	Matthew Jones, DES A400M-CM5
Signature	<i>Matthew Jones</i> [Electronically Signed]
Date	30/09/2023