



Ministry
of Defence

MHP Delivery Team

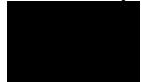
CP&F Contract Number: 708957450

MHP Ref Number: MHP/001

Procurement of Jupiter HC Mk2 & Aviation Support to British Armed Forces Brunei & Cyprus

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

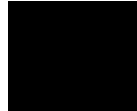
Team Name and address:
Defence Equipment and Support
MoD Abbey Wood South



Email Address: [REDACTED]
Telephone Number: [REDACTED]

And

Contractor Name and Address
Airbus Helicopters UK Limited



Email Address: [REDACTED]
Telephone Number: REDACTED

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2 GENERAL CONDITIONS

The following DEFCONs shall apply:

DEFCON 501 (EDN 10/21) DEFINITIONS AND INTERPRETATIONS

NOTE: For the purpose of DEFCON 501, Condition 1.i) the Authority's Commercial Officer, and Condition 1.t) the Authority's Project Manager, shall be as identified in Schedule 14 (DEFFORM 111).

DEFCON 515 (EDN 06/21) BANKRUPTCY AND INSOLVENCY

DEFCON 516 (EDN 04/12) EQUALITY

DEFCON 518 (EDN 02/17) TRANSFER

DEFCON 520 (EDN 10/23) CORRUPT GIFTS AND PAYMENTS OF COMMISSION

DEFCON 526 (EDN 08/02) NOTICES

DEFCON 527 (EDN 09/97) WAIVER

DEFCON 528 (EDN 10/23) IMPORT AND EXPORT LICENCES

NOTE: For the purpose of paragraph 16 of this DEFCON the notice period shall be ten (10) business days.

DEFCON 529 (EDN 09/97) LAW (ENGLISH)

DEFCON 530 (EDN 12/14) DISPUTE RESOLUTION (ENGLISH LAW)

DEFCON 531 (EDN 09/21) DISCLOSURE OF INFORMATION

DEFCON 532A (EDN 05/22) PROTECTION OF PERSONAL DATA

DEFCON 537 (EDN 12/21) RIGHTS OF THIRD PARTIES

DEFCON 538 (EDN 06/02) SEVERABILITY

DEFCON 539 (EDN 01/22) TRANSPARENCY

DEFCON 540 (EDN 05/23) CONFLICT OF INTEREST

DEFCON 550 (EDN 02/14) CHILD LABOUR AND EMPLOYMENT LAW

DEFCON 566 (EDN 10/20) CHANGE OF CONTROL OF CONTRACTOR

DEFCON 621B (EDN 10/04) TRANSPORT (IF CONTRACTOR IS RESPONSIBLE FOR TRANSPORT)

DEFCON 656B (EDN 08/16) TERMINATION FOR CONVENIENCE – OVER £5M

NOTE: For the purpose of this DEFCON, the notice period shall be two calendar months.

DEFCON 658 (EDN 10/22) CYBER

NOTE: Further to DEFCON 658 the Cyber Risk Profile of the Contract is Very Low, as defined in Def Stan 05-138. The Risk Assessment Reference (RAR) is 571373331.

DEFCON 660 (EDN 12/15) OFFICIAL SENSITIVE SECURITY REQUIREMENTS

DEFCON 675 (EDN 03/21) ADVERTISING SUBCONTRACTS (DEFENCE AND SECURITY PUBLIC CONTRACTS REGULATIONS 2011 ONLY)

DEFCON 800 (EDN 12/14) QUALIFYING DEFENCE CONTRACT

DEFCON 802 (EDN 12/14) QDC: OPEN BOOK ON SUB-CONTRACTS THAT ARE NOT QUALIFYING SUB-CONTRACTS

DEFCON 804 (EDN 03/15) QDC: CONFIDENTIALITY OF SINGLE SOURCE CONTRACT REGULATIONS INFORMATION

GENERAL

The Contractor shall comply with all applicable Legislation, whether specifically referenced in this Contract or not.

The Contractor warrants and represents, that:

(1) they have the full capacity and authority to enter into, and to exercise their rights and perform their obligations under, the Contract;

(2) 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 the arbitration), administrative or adjudication or mediation proceedings before any court, tribunal, arbitrator, administrator or adjudicator or mediator or relevant authority against themselves or a Subcontractor which would adversely affect the Contractor's ability to perform their obligations under the Contract;

(3) as at the Effective Date of Contract no proceedings or other steps have been taken and not discharged (nor, to the best of the knowledge of the Contractor, threatened) for the winding-up of

the company 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;
(4) for so long as the Contract remains in force they 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 the winding-up of the company or dissolution or for the appointment of a receiver, administrator, liquidator, trustee or similar officer in relation to any of its assets or revenues

Unless the context otherwise requires:

- (1) The singular includes the plural and vice versa, and the masculine includes the feminine and vice versa.
- (2) The words “include”, “includes”, “including” and “included” are to be construed as if they were immediately followed by the words “without limitation”, except where explicitly stated otherwise.
- (3) The expression “person” means any individual, firm, body corporate, unincorporated association or partnership, government, state or agency of a state or joint venture.
- (4) References to any statute, enactment, order, regulation, or other similar instrument shall be construed as a reference to the statute, enactment, order, regulation, or instrument as amended, supplemented, replaced or consolidated by any subsequent statute, enactment, order, regulation, or instrument.
- (5) The heading to any Contract provision shall not affect the interpretation of that provision.
- (6) Any decision, act or thing which the Authority is required or authorised to take or do under the Contract may be taken or done only by the person (or its nominated deputy) authorised in DEFFORM 111 (Appendix Addresses and Other Information) to take or do that decision, act, or thing on behalf of the Authority.
- (7) Unless excluded within the Conditions of the Contract or required by law, references to submission of documents in writing shall include electronic submission.

ENTIRE AGREEMENT

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.

2.1 DURATION

- 2.1.1 The Contract shall be effective from **date of signature** and shall expire on **31st March 2028**, unless it is otherwise terminated in accordance with the provisions of this Contract or otherwise lawfully terminated.
- 2.1.2 The Authority shall have an option to extend the duration for an additional 6-month period, solely to cover any delay to setting up a follow-on support service. Should the Authority decide to invoke this option, the Contractor will be notified no later than 6-months prior to contract expiry at Condition 2.1.1 to request a FIRM price £GBP subject to a value for money assessment. The Authority shall not be obliged to exercise any costed or uncosted options.

2.2 PLACE OF WORK

- 2.2.1 Any changes to the Contractor's or major Sub-Contractor(s) place(s) of work during the Contract shall be promptly notified to the Authority's Commercial Officer.

2.3 CONTRACTOR'S RESPONSIBILITY

- 2.3.1 The Contractor shall be wholly responsible for the performance of the Contract. In pursuance of this obligation, the Contractor shall include in any sub-contract the same conditions as are included in the Contract modified so far as may be appropriate for application to a sub-contract.

- 2.3.2 The Contractor is responsible for the management of the Contract in the most efficient and cost-effective manner including, but not limited to, the control of resources, programming, supervision, preparation and control of documentation, monitoring output and liaison with the Authority.
- 2.3.3 The Contractor shall be wholly responsible for the efficient and proper functioning as required by the Contract of all Articles supplied under it and for ensuring that any design is wholly complete, accurate and meets the needs and specifications of the Contract, such that Articles manufactured to such Design shall similarly meet the Technical Specifications and other requirements of the Contract.

2.4 PUBLICITY AND PUBLIC RELATIONS

- 2.4.1 Neither the Contractor nor any appointed agent or sub-contractor shall, without prior written consent of the Authority, advertise or publicly announce that work is being undertaken for the Authority.
- 2.4.2 The responsibility for communicating with representatives of the general and technical press, radio, television and other communications media on all matters is borne by the Authority's Project Manager.
- 2.4.3 The Contractor and their staff and sub-contractors shall not communicate on these matters with any communications media representative unless specifically granted permission to do so, in writing, by the Authority's Project Manager. Information deriving from the Contract relating to the MOD may not be communicated to any third party without specific permission to do so in writing, from the Authority's Project Manager.

2.5 BUSINESS CONTINUITY & DISASTER RECOVERY (BCDR)

- 2.5.1 The Contractor shall maintain a corporate Business Continuity and Disaster Recovery (BCDR) Plan for the duration of this Contract in accordance with the Statement of Requirement (Technical) (Schedule 2).
- 2.5.2 The Contractor shall preserve the integrity of the data it requires to perform this Contract and prevent the corruption or loss of such data and shall perform secure back-ups of this data in accordance with their corporate BCDR Plan.
- 2.5.3 The BCDR Plan shall detail the processes and arrangements which the Contractor shall follow to ensure continuity and recovery of the business processes and operations following any failure or disruption in the Contractor's services in the event of a disaster.
- 2.5.4 Should a suitable BCDR plan not be provided or maintained, and there is an event where the plan should have been implemented, the Contractor shall be required to provide a Rectification Plan.

2.6 RISK

- 2.6.1 The Contractor acknowledges that any risk assessment which has been, or may be, undertaken in connection with this Contract has been, or will be, a project management function only. Such risk assessment does not affect the legal relationship between the parties. The issuing of any risk assessment questionnaire and the process of risk assessment generally, including, without limitation, the identification of (or failure to identify):
- i. particular risks and their impact; or
 - ii. risk reduction measures, contingency plans and remedial actions,

shall not in any way limit or exclude the Contractor's obligations under this Contract and shall be entirely without prejudice to the Authority's rights, privileges and powers under this contract.

- 2.6.2 The risks identified as a result of any risk assessment questionnaire and risk assessment process generally, remain the risks of the Contractor and are not assumed by the Authority except to the extent that the Authority expressly and unequivocally accepts those risks under the Contract. Any risk assessment questionnaire that has been or will be issued by the Authority is or will be released solely on this basis.

2.7 PLACING OF SUB-CONTRACTS

- 2.7.1 The Contractor shall bear full responsibility for the proper performance of all sub-contractors. The appointment by the Contractor of sub-contractors shall not derogate in any way from the Contractor's responsibilities as Prime Contractor.
- 2.7.2 The Contractor shall ensure that the terms and conditions of the Contract are reflected in all sub-contracts, at whatever level, to the extent necessary to enable the Contractor to fully meet their obligations to the Authority under the Contract.
- 2.7.3 The Contractor shall furnish the Authority's Commercial Officer and the Authority's Project Manager with copies of, or relevant extracts from, sub-contracts and tenders, if so required by the Authority.

2.8 CONFLICT OF INTEREST

- 2.8.1 The Contractor shall take appropriate steps to ensure that neither the Contractor nor any Staff are placed in a position where, in the reasonable opinion of the Authority, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Contractor and the duties owed to the Authority under the provisions of this Contract. The Contractor will disclose to the Authority full particulars of any such conflict of interest which may arise.
- 2.8.2 The Authority reserves the right to terminate this Contract immediately by notice in writing and/or to take such other steps it deems necessary where, in the reasonable opinion of the Authority, there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Contractor and the duties owed to the Authority under the provisions of this Contract. The actions of the Authority pursuant to this Condition 2.9 shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereafter accrue to the Authority.
- 2.8.3 Any notice to terminate this Contract, as a result of a breach of this Condition 2.9, shall be issued in accordance with DEFCON 514 (Material Breach) and the Authority shall be entitled to claim such damages as specified therein.

2.9 PRECEDENCE

- 2.9.1. In the event of any discrepancy, inconsistency, divergence or anomaly arising between the provisions of this Contract, the order of priority shall be as follows (save where expressly provided to the contrary):
- i. Terms and Conditions of this Contract;
 - ii. Schedule 2: Statement of Requirement (Technical); then
 - iii. Other Schedules to this Contract.

2.10 CYBER SECURITY

- 2.10.1 In accordance with the Defence Cyber Security Model (CSM) requirements in correlation to the defined Cyber Risk Profile and Risk Assessment Rating for the Contract, the Authority requires the Contractor to maintain the required Cyber Essentials Certification throughout the duration of the Contract. These requirements are in conjunction with DEFCON 658, DEFSTAN 05-138 and will be measured as a Deliverable on the Contract. Failure to meet or uphold the Cyber Security requirements will result in the agreement of a Cyber Implementation Plan (CIP).

2.11 INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS16)

- 2.11.1 The Contractor will be obliged to notify the Authority as soon as reasonably possible, if at any point during the term of the contract there is a need for them to acquire an asset(s), as defined by IFRS16, in order to fulfil the obligations and deliverable(s) of the contract.
- 2.11.2 Should an asset(s) acquired by the Contractor be considered a shared resource, and not solely obtained to satisfy this contract, this will be classified as a lease if utilised for 80% or more of its intended use for MOD purposes, and therefore will be subject to IFRS16 reporting.

2.12 EXIT MANAGEMENT

- 2.12.1 The Contractor shall deliver an Outline Exit Management Plan to the Authority in accordance with the Statement of Requirement (Technical) at Schedule 2. The Contractor shall deliver a detailed Exit Management Plan to the Authority no later than 12 months prior to the contract end date.
- 2.12.2 The Exit Management Plan, once agreed by the Authority, will become a Schedule to the contract by Contract Amendment in accordance with Condition 9. The Contractor's proposed Exit Management Plan should clearly set out how the Contractor will complete the service and deliver an orderly demobilisation transition of services from the Contractor to the Authority and/or a successor contract service provider (transition period) if required. The activities within the Exit Management Plan are to be concluded within six (6) weeks after the end of this contract.
- 2.12.3 The Exit Management Plan shall include, but not be limited to, the following:
- a) A list, by reference to each part of the services, of the staff resources and key personnel (if any) used to provide such services, including any TUPE considerations if applicable.
 - b) The management structure to be employed during either cessation and/or any transfer of the services, identifying any posts to deliver the demobilisation and plans for communication with the Contractor's and the Authority's staff, suppliers and any service users to avoid any detrimental impact on the Authority's operations as a result of undertaking the transfer.
 - c) A detailed programme of the transfer process for use in conjunction with the Authority and/or (as the case may be) a successor contract service provider in the event that the services (or their equivalent or any part thereof) are to be transferred to the Authority and/or (as the case may be) a successor contract service provider, including details of:
 - i. The means to be used to ensure an orderly and prompt transfer of responsibility for providing the relevant services to the successor contract services provider while maintaining continuing provision of the services throughout the transfer process or until the cessation of the services (or their equivalent or any part thereof);
 - ii. A detailed description of the cessation and/or any transfer processes, including a schedule of activities;
 - iii. The process for handing responsibility for any work in progress and/or ongoing liabilities to the successor contract service provider (where applicable);
 - iv. Documentation illustrating how the services will transfer to a successor contract service provider and/or the Authority, including details of the processes, documentation, data transfer, systems migration, security and the segregation of

- the Authority's technology components from any technology components operated by the Contractor or its Sub-contractors (where applicable);
- v. The scope of the demobilisation services that are required for the benefit of the Authority and detail how such services will be provided. In addition, the Contractor is required to demonstrate that the Exit Management Plan delivers the optimum value for money which minimises both cost and risk to the Authority;
- vi. Arrangements for the assignment or novation of contracts of the Contractor to the Authority or, if the Authority so directs, the successor contract service provider;
- vii. Identification of the transition of the services from the Contractor to the Authority and/or successor contract service provider whilst ensuring that all contractual requirements are met in full; and
- viii. Identification of critical issues and risks for providing the demobilisation activities; and
- d) Rules and procedures which will be adopted by the Contractor to ensure that it does not make inappropriate use of, or gain an unfair advantage as a result of, any information gained by the Contractor during any process for the re-tender of the services (or their equivalent or any part thereof).

2.12.4 Following receipt of the Exit Management Plan, the Authority and the Contractor will meet to review and agree both the Exit Management Plan and associated costs of implementation. The Contractor acknowledges that prior to any agreement of the Exit Management Plan further financial approvals may be required and the Contractor agrees that it shall not begin any execution work related to the Exit Management Plan until the Authority confirms that financial approval has been given. Any work undertaken by the Contractor prior to such confirmation shall be undertaken at their own risk.

Note: The cost of preparation of the Exit Management Plan is to be included within the price for Line Item 5 (Schedule 1) and shall not be at an additional cost to the Authority.

2.12.5 Within the Exit Management Plan the Contractor shall propose a milestone payment schedule, which shall be linked to key events defined in the exit management plan. A key milestone to be included will be the successful completion of demobilisation.

2.12.6 During the transition period, as defined in 2.12.2, the Contractor shall, without prejudice to any other provisions in this Contract:

- a) Provide such assistance, in accordance with such timetable as the Authority may reasonably require, for facilitating an efficient, effective and fair retender of the provision of the services (or any part of them), such assistance to include effective co-operation with a gradual hand over from the Contractor to the Authority or a successor contract service provider in the three (3) months prior to termination or expiry of this Contract; and
- b) Take all reasonable steps to ensure that on the termination or expiry of this Contract: there is an efficient and seamless transfer of the services (or any applicable part of them) to the Authority or a successor contract services provider; or at the request of the Authority, there is an orderly cessation of the services (or any applicable part of them); and implement and comply with the Exit Management Plan as and when required to do so by the Authority.
- c) On the expiry or termination of this Contract (howsoever caused) or if earlier when required in accordance with the Exit Management Plan the Contractor shall deliver (whether in hard copy or electronic format) to the Authority at such location or locations as the Authority may nominate:
 - i. All stocks of any booklets, leaflets or information packs of the Authority which are held by or on behalf of the Contractor and/or any of its sub-contractors;
 - ii. Any software provided by the Authority to the Contractor and/or any of its sub-contractors for use in connection with the services; and
 - iii. Any data concerning any service users, and which are obtained by the Contractor and/or any of its sub-contractors during the delivery of the services.

2.13 RUSSIAN AND BELARUSIAN EXCLUSION

- 2.13.1. The Contractor shall, and shall procure that their Sub-contractors shall, notify the Authority in writing as soon as they become aware that:
- a) the Contract Deliverables and/or Services contain any Russian/Belarusian products and/or services; or
 - b) that the Contractor or any part of the Contractor's supply chain is linked to entities who are constituted or organised under the law of Russia or Belarus, or under the control (full or partial) of a Russian/Belarusian person or entity. Please note that this does not include companies:
 - (1) registered in the UK or in a country with which the UK has a relevant international agreement providing reciprocal rights of access in the relevant field of public procurement; and/or
 - (2) which have significant business operations in the UK or in a country with which the UK has a relevant international agreement providing reciprocal rights of access in the relevant field of public procurement.
- 2.13.2. The Contractor shall, and shall procure that their Sub-contractors shall, include in such notification (or as soon as reasonably practicable following the notification) full details of the Russian products, services and/or entities and shall provide all reasonable assistance to the Authority to understand the nature, scope and impact of any such products, services and/or entities on the provision of the Contract Deliverables and/or Services.
- 2.13.3. The Authority shall consider the notification and information provided by the Contractor and advise the Contractor in writing of any concerns the Authority may have and/or any action which the Authority will require the Contractor to take. The Contractor shall be required to submit a response to the concerns raised by the Authority, including any plans to mitigate those concerns, within 14 business days of receipt of the Authority's written concerns, for the Authority's consideration.
- 2.13.4. The Contractor shall include provisions equivalent to those set out in this clause in all relevant Sub-contracts.

3 SPECIFICATIONS, PLANS, ETC

The following DEFCONs shall apply:

DEFCON 68 (EDN 10/22)	SUPPLY OF DATA FOR HAZARDOUS ARTICLES, MATERIALS & SUBSTANCES
DEFCON 82 (EDN 06/21)	SPECIAL PROCEDURES FOR INITIAL SPARES
DEFCON 117 (EDN 07/21)	SUPPLY OF INFORMATION FOR NATO CODIFICATION PURPOSES
DEFCON 565 (EDN 07/23)	SUPPLY CHAIN RESILIENCE AND RISK AWARENESS
DEFCON 601 (EDN 04/14)	REDUNDANT MATERIAL
DEFCON 602A (EDN 04/23)	QUALITY ASSURANCE (WITH QUALITY DELIVERABLE PLAN)
DEFCON 603 (EDN 10/04)	AIRCRAFT INTEGRATION AND CLEARANCE PROCEDURE
DEFCON 607 (EDN 05/08)	RADIO TRANSMISSIONS
DEFCON 608 (EDN 07/21)	ACCESS AND FACILITIES TO BE PROVIDED BY THE CONTRACTOR
DEFCON 624 (EDN 08/22)	USE OF ASBESTOS
DEFCON 627 (EDN 11/21)	QUALITY ASSURANCE - REQUIREMENT FOR CERTIFICATE OF CONFORMITY
DEFCON 638 (EDN 11/22)	FLIGHTS LIABILITY AND INDEMNITY
DEFCON 649 (EDN 12/21)	VESTING
DEFCON 684 (EDN 01/04)	LIMITATION UPON CLAIMS IN RESPECT OF AVIATION PRODUCTS
DEFCON 691 (EDN 03/15)	TIMBER AND WOOD DERIVED PRODUCTS

3.1 SCOPE

- 3.1.1 The Contract covers the activities detailed in the Schedule of Requirements at Schedule 1. All work shall be undertaken and completed in accordance with the Terms and Conditions of

this Contract, the Statement of Requirement (Technical) at Schedule 2 and to the reasonable satisfaction of the Authority, at all times on and subject to the Dependencies, Assumptions and Exclusions set out within Schedule 4 of this Contract.

3.2 QUALITY ASSURANCE & CONTROL

- 3.2.1 The Quality Assurance Representative identified in DEFFORM 111 shall be the point of contact for all matters affecting quality. Unless otherwise directed by the Authority, the Contractor shall interpret all references to QAA or QAR in Defence Standards, DEFCONs, etc., as reference to this point of contact.
- 3.2.2 The Contractor shall comply with the Quality Standards below to the extent that they are applicable to the activities to be undertaken by the Contractor under the Schedule of Requirements.
- a. AQAP 2310, Edn B Version 2 – NATO Quality Management System Requirements for Aviation, Space and Defence Suppliers.
 - b. AQAP 2105, Edn C Version 1 – NATO Requirements for Deliverable Quality Plans. A software quality plan is also required.
 - c. AQAP 2210, Edition A Version 2 – NATO Supplementary Software Quality Assurance Requirements.
 - d. Def Stan 05-061, Part 1 Issue 7 – Quality Assurance Procedural Requirements – Concessions.
 - e. Def Stan 05-061, Part 4 Issue 4 – Quality Assurance Procedural Requirements – Contractor Working Parties.
 - f. Def Stan 05-061, Part 9 Issue 6 – Quality Assurance Procedural Requirements – Independent Inspection Requirements for Safety Critical Items.
 - g. Def Stan 05-135, Issue 2 – Avoidance of Counterfeit Materiel.
 - h. Regulatory Article (RA) 4814 Occurrence Reporting MRP 145.A.60.
 - i. Regulatory Article (RA) 4815 Maintenance Procedures and Safety and Quality Policy MRP 145.A.65.
 - j. DEFCON 602a Quality Assurance (With a Delivery Plan)
 - k. DEFCON 627 Quality Assurance – Requirement for a Certificate of Conformity – (applicable where a CAA Form 1 is not used).
 - l. CAA Reg 145.A.42(a) (Use of CAA Form 1) – (applicable when CoC under DEFCON 627 is not provided).

3.3 NATO QUALITY MANAGEMENT SYSTEM REQUIREMENTS FOR AVIATION, SPACE AND DEFENCE SUPPLIERS

- 3.3.1 For the purposes of the Contract, AQAP 2310 Edition B Version 2 entitled "NATO Quality Management System Requirements for Aviation, Space and Defence Suppliers" shall apply. Certificates of Conformity shall be provided in accordance with DEFCON 627.
- 3.3.2 The Contractor shall maintain their BS EN 9100, 9110 & 9120 status and certification throughout the term of the contract. This will be at no cost to the Authority. The scope of the certification shall be appropriate to the requirements of this contract. The Contractor shall immediately inform the Authority of any amendments to its BS EN 9100, 9110 & 9120 certification or if its revoked or suspended with immediate effect.
- 3.3.3 It is the responsibility of the Prime Contractor to ensure their supply chain is robust and effective Quality Management Systems are in place throughout the supply chain. The Contractor shall ensure that all work under the Contract is carried out in accordance with all the required Quality Assurance Conditions specified in the Contract.

3.4 SAFETY

- 3.4.1 All safety activities undertaken on the Project shall be conducted in accordance with the principles outlined in DEFSTAN 00-56 (Safety Management Requirements for Defence Systems), Part 1 Issue 8, and Part 2 Issue 6.
- a) The Contractor shall ensure that the Equipment/System is safe to operate and maintain, and that all relevant statutory requirements, and the requirements stipulated in the Contract for the safety of the Equipment/System, are met in full.
 - b) In performing the Contract, the Contractor shall comply with all their statutory duties and obligations relating to safety and shall be responsible for ensuring that none of the Specifications or other Contract requirements causes them to be in breach of any statutory duty or obligation relating to safety.
 - c) If, after the Contract is made, it appears that any specification or other contract condition agreed between the Contractor and the Authority may render the Contractor in breach of any statutory duty or obligation relating to safety, they shall immediately draw that fact to the attention of the Authority.
 - d) The Authority may, without prejudice to any of its rights which may have arisen under Condition 3.4.3 require the Contractor to vary each such specification or condition in a manner acceptable to the Authority and which will not render the Contractor in breach of any statutory duty or obligation relating to safety.
- 3.4.2 Nothing in the Contract, or in any other document created or signed on behalf of the Authority in connection with it, shall constitute a written undertaking for the purposes of Section 6(8) of the Health and Safety at Work Act 1974 relieving the Contractor of any of their duties under Section 6 of that Act.
- 3.4.3 The Authority shall be entitled to reject the Equipment, Service Provision or Ad-Hoc Tasking if any relevant statutory safety requirements, or any of the safety requirements set out in the Contract, are not met in full.
- 3.4.4 For the purposes of this Contract, the Contractor shall confirm to the Authority, in accordance with DEFCON 68, any changes, during the life of this Contract, to the statement made at Schedule 7 regarding hazardous materials of substances supplied.

3.5 SAFETY & ENVIRONMENTAL

- 3.5.1 The Contractor shall provide access to records, including sub-contractor records, for contract purposes; to enable the MOD appointed Independent Safety Auditor to carry out safety audits and other assessment activities to meet MOD safety requirements.
- 3.5.2 The safety and environmental management requirements for MOD contracts are contained in the following Defence Standards (Def Stan):
- a. Def Stan 00-056 - Safety Management Requirements for Defence Systems.
 - b. Def Stan 00-055 – Requirements for Safety of Programmable Elements (PE) in Defence Systems.
 - c. Def Stan 00-051 – Environmental Management Requirements for Defence Systems.

3.6 MAA REGULATORY PUBLICATIONS

- 3.6.1 The Contractor shall comply with the following MAA Regulatory Publications (“MRP”) issued by the Military Aviation Authority (“the Regulator”):
- a. Overarching documents:
 - MAA01: MAA Regulatory Policy
 - MAA02: MAA Master Glossary
 - b. Regulatory Articles (RA) (in accordance with Schedule 2 Appendix 5)
 - c. MAA Manuals

- 3.6.2 The Contractor shall comply with the Regulations set out in the above 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.

- 3.6.3 Complying with the MRP does not reduce or limit any statutory or legal obligation of the Contractor.

3.7 INTERCHANGEABILITY

- 3.7.1 The Contractor shall ensure that all substitute Articles supplied under the Contract are completely mechanically and electronically interchangeable with the part they are designed to replace. The Contractor, at no cost to the Authority, shall replace any Article supplied that is not so interchangeable.

3.8 INSURANCE

- 3.8.1 Without prejudice to its liability to indemnify or otherwise be liable to the Authority under this Contract, the Contractor shall for the periods specified in Schedule 12 (Insurance Annex) take out and maintain or procure the taking out and maintenance of the insurances as set out under this Condition 3.8 (Insurance) and Schedule 12 (Insurance Annex) and any other insurances as may be required by law (together the Required Insurances). The Contractor shall ensure that each of these Required Insurances are effective in each case not later than the date on which the relevant risk commences.
- 3.8.2 The Required Insurances shall be taken out and maintained with insurers who are of good financial standing and of good repute in the international insurance market.
- 3.8.3 Where specified in Schedule 12 (Insurance Annex), the Contractor shall ensure that the relevant policy of insurance:
- (a) shall contain an indemnity to principals Condition or additional insured equivalent, under which the Authority shall be indemnified in respect of claims made against the Authority arising from death or bodily injury or third party property damage, and for which the Contractor is legally liable in respect of this Contract;
 - (b) names the Authority as co-insured for its separate interest with attendant non vitiation, waiver of subrogation and notice of cancellation provisions.
- 3.8.4 Where any of the Required Insurances are placed in the United Kingdom, the Contractor shall discharge in full all duties and obligations in respect of the Insurance Act 2015 when procuring, maintaining or amending any insurance(s) required by this Contract, including in circumstances where the Contractor is required to name the Authority on.
- 3.8.5 Where the minimum limit of indemnity required in relation to any of the Required Insurances is specified as being "in the aggregate" and a claim or claims which do not relate to this Contract are notified to the insurers which, given the nature of the allegations and/or the quantum claimed by the third party(ies), is likely to result in a claim or claims being paid by the insurers which could reduce the level of cover available below that minimum, the Contractor shall ensure that the insurance cover is reinstated to maintain at all times the minimum limit of indemnity specified for claims relating to this Contract.
- 3.8.6 The Contractor shall not take any action or fail to take any action or (insofar as is reasonably within its power) permit anything to occur in relation to it which would entitle any insurer to refuse to pay any claim under any of the Required Insurances.

- 3.8.7 The Authority may elect (but shall not be obliged), where notice has been provided to the Contractor, to purchase any insurance which the Contractor is required to maintain pursuant to this Contract, but has failed to maintain in full force and effect, and the Authority shall be entitled to recover the premium and other reasonable costs incurred in connection therewith as a debt due from the Contractor.
- 3.8.8 The Contractor shall, upon the date of this Contract and within fifteen (15) days after the renewal of any of the Required Insurances, provide evidence, in a form satisfactory to the Authority, that the Required Insurances are in force and effect and meet the requirements of this Condition 3.8 and Schedule 12 (Insurance Annex). The supply to the Authority of any evidence of insurance cover in compliance with the requirements of this Condition 3.8.8 shall not imply acceptance by the Authority that the extent of insurance cover is sufficient or that the terms and conditions thereof are satisfactory, in either case, for the purposes of this Contract nor be a waiver of the Contractor's liability under this Contract.
- 3.8.9 The Contractor shall notify the Authority at least ten (10) days prior to the cancellation, suspension, termination or non-renewal of any of the Required Insurances. This Condition 3.8.9 shall not apply where the termination of any Required Insurances occurs purely as a result of a change of insurer in respect of any of the Required Insurances required to be taken out and maintained in accordance with this Condition 3.8 (Insurance).
- 3.8.10 Except where the Authority is the claimant party, the Contractor shall give the Authority notice within twenty Business days after any insurance claim in excess of [REDACTED] ([REDACTED]) relating to this Contract on any of the Required Insurances or which, but for the application of the applicable policy excess, would be made on any of the Required Insurances and (if required by the Authority) full details of the incident giving rise to the claim. The Contractor shall co-operate with the Authority and assist it in dealing with such claims including without limitation providing information and documentation in a timely manner.
- 3.8.11 Where any Required Insurance referred to in this Condition 3.8 (Insurance) and Schedule 12 (Insurance Annex) is subject to an excess or deductible below which the indemnity from insurers is excluded, the Contractor shall be liable for such excess or deductible which would otherwise be insured but for the excess or deductible. The Contractor shall not be entitled to recover from the Authority any sum paid by way of excess or deductible under the Required Insurances whether under the terms of this Contract or otherwise.
- 3.8.12 Unless specified by the Authority, all insurance proceeds received in respect of the Property Damage "All Risks" Insurance shall be used to reinstate, repair or replace the insured property in respect of which the insurance proceeds were received.

3.9 EARNED VALUE MANAGEMENT

- 3.9.1 The Contractor shall provide the Project Control requirements for Earned Value Management outlined in Schedule 2 (Statement of Requirement (Technical) and Schedule 9 (Contract Data Requirements).
- 3.9.2 The Earned Value Management requirement is Level 3.

3.10 OBSOLESCENCE MANAGEMENT

- 3.10.1. The Contractor shall alert the Authority to the obsolescence of any component which has been incorporated into an Article as soon as they become aware of its obsolescence and provide details of such in a written report.
- 3.10.2. If a component to be incorporated into an Article or Articles becomes obsolete within the first three (3) years following acceptance of each aircraft in accordance with Condition 7.3 the

Contractor shall, at their own cost, supply an alternative component together with instructions for its incorporation into the Article.

- 3.10.3. In any event, should it become apparent to the Contractor, under Conditions 3.10.1 or 3.10.2 above, that any particular item will cease to be available during the duration of the Contract, they shall advise the Authority immediately.

4 PRICE

The following DEFCONs shall apply:

DEFCON 513 (EDN 04/22)	VALUE ADDED TAX (VAT)
DEFCON 670 (EDN 02/17)	TAX COMPLIANCE
DEFCON 671 (EDN 10/22)	PLASTIC PACKAGING TAX

4.1 PRICING OF LINE ITEMS 1 AND 2 – PROVISION OF AIRCRAFT AND MODIFICATIONS

- 4.1.1 The Contractor shall provide the Contractor Deliverables to the Authority at the Contract Price. All prices under Line Items 1 and 2 of the Schedule of Requirements at Schedule 1 to this Contract shall be FIRM priced and non-revisable in £GBP Sterling. Prices shall be net and be inclusive of any UK customs and excise or other duty payable. The price shall include the cost of packing (but excluding Value Added Tax). The price shall include the cost of compliance with all other terms and conditions of the Contract, including all pre-agreed delivery charges.
- 4.1.2 The Contractor shall not make any claim for drawback of UK import duty on any part of the Contract Deliverables supplied which may be for shipment outside of the UK.

4.2 PRICING FOR SUPPORT AND MAINTENANCE SERVICES

- 4.2.1 All prices under Line Items 3 and 4 (including 3a, 3b, 3c, 4a, and 4b) of the Schedule of Requirements (SOR) to this Contract shall be FIRM priced £GBP and are not subject to variation. Prices shall be ex Profit and inclusive of all appropriate taxes (but excluding Value Added Tax). The price shall include the cost of compliance with all other terms and conditions of the Contract.
- 4.2.2 Pricing for a further 6-month extension to the Contract in accordance with Condition 2.1.2 will be requested FIRM price £GBP. The Authority shall not be obliged to exercise the option.

4.3 PRICING FOR OPTIONS

- 4.3.1 The option prices detailed at Schedule 24 (Table 5) to the Contract are provided as FIRM Prices not subject to variation. Should these articles be required by the Authority, either a Tasking Authorisation Form (TAF) or a Contract Amendment will be issued to the Contractor to enact the option with prices based upon those in Schedule 24. The Authority shall not be obliged to exercise the options.

4.4 PRICING FOR AD-HOC TASKING

- 4.4.1 Ad-Hoc Tasking shall be sanctioned in accordance with the Tasking Acceptance Form (TAF) and corresponding process outlined at Schedule 23. All Ad-Hoc pricing shall be in accordance with the rates identified at Schedule 24 and subject to an authorised TAF as identified at Condition 11.1.

4.5 ANNUAL FLYING HOURS - UNDER-FLY AND OVER-FLY

- 4.5.1 Each Flying Hour is recorded from the time the skids/wheels lift off the ground to when the skids/wheels touch back down again.
- 4.5.2 The number of hours for the Service is detailed within the Statement of Requirement (Technical) at Schedule 2 for each Contract Year. Should the Authority not task those number of hours, the Authority has the right to apply an Under-Fly against the rate detailed in Table 3 of Schedule 24 (Rates) for the Contract Year. The amount calculated is to be refunded to the Authority in accordance with Condition 4.5.3.
- 4.5.3 Any agreement of Under-Fly will be agreed in an annual Contract Amendment in accordance with Condition 9 and recorded in Schedule 26 (TAF and Overfly, Underfly, Record). Any refund will be deducted from the next monthly payment due after the Contract Amendment has been agreed.
- 4.5.4 In the event that the Authority requires more Flying Hours in a Contract Year than that priced into Line Items 3 and 4 (3a, 3b, 3c, 4a and 4b), the Authority will notify the Contractor by issuing a Task Authorisation Form (TAF) to obtain a price that will be subject to a value for money assessment. Any additional Flying Hours agreed from the issue of an authorised TAF Part 3 (Schedule 23) shall be recorded in Schedule 26 (TAF and Overfly, Underfly Record).
- 4.5.5 A maximum 10% increase/decrease in flying hours or 120 flying hours whichever is the lesser, is allowable in each Contract Year, per base.

4.6 VARIATION OF PRICE

- 4.6.1 The prices stated in the Schedule of Requirements are FIXED at [insert date] price levels. The prices do not include provision beyond this date for increases or decreases in the market price of the Articles being purchased. Any such variation shall be calculated in accordance with the following formula:

$$V = P (a+b(O_i/O_0)) - P$$

Where:

V represents the variation of price

P represents the FIXED price as stated in the Schedule of Requirements

O represents the index [spell out full name and four digit unique identifier (CDID)]

O₀ represents the average OUTPUT Price Index figure for the base period [...] to [...] (as above)

O_i represents the average OUTPUT Price Index figure for the period [...] to [...]

a represents the Non Variable Element (NVE)

b represents the Variable Element

a+b=1

- 4.6.2 The Index referred to in Condition 4.6.1 above shall be taken from the following Tables:

OUTPUT Price Index - e.g. ONS Publication MM22 Table 2 'Price Indices of UK OUTPUT: All Manufacturing and Selected Industries', or, Table 4 'Price Indices of Products Manufactured in the UK'.

- 4.6.3 Indices published with a 'B' or 'F' marker, or a suppressed value, in the last 3 years are not valid for Variation of Price conditions and shall not be used. Where the price index has an 'F' marker or suppression applied to it during the term of the Contract, the Authority and the Contractor shall agree an appropriate replacement index or indices. The replacement index or indices shall cover, to the maximum extent possible, the same economic activities as the original index or indices.

- 4.6.4 In the event that any material changes are made to the indices (e.g. a revised statistical base date) during the period of the contract and before final adjustment of the final contract price, then the re-basing methodology outlined by the Office for National Statistics (ONS, the series providers) to match the original index to the new series shall be applied.
- 4.6.5 In the event the agreed index or indices cease to be published (e.g. because of a change in the Standard Industrial Classification) the Authority and the Contractor shall agree an appropriate replacement index or indices, which shall cover to the maximum extent possible the same economic activities as the original index or indices. The methodology outlined by the Office for National Statistics used for rebasing indices (as in Condition 4.6.4 above) shall then be applied.
- 4.6.6 Notwithstanding the above, any extant index / indices agreed in the Contract shall continue to be used as long as it is / they are available and subject to ONS revisions policy. Payments calculated using the extant index / indices during its / their currency shall not be amended retrospectively as a result of any change to the index or indices.
- 4.6.7 The Contractor shall notify the Authority of any significant changes in the purchasing / manufacturing plan on the basis of which these provisions were drawn up and agreed, or of any other factor having a material bearing on the operation of these provisions such as to cause a significant divergence from their intended purpose, in order that both parties may consider whether any change in this provision would be appropriate.
- 4.6.8 Prices shall be adjusted taking into account the effect of the above formula as soon as possible after publication of the relevant indices or at a later date if so agreed between the Authority and the Contractor. Where an index value is subsequently amended, the Authority and the Contractor shall agree a fair and reasonable adjustment to the price, as necessary.
- 4.6.9 Claims under this Condition shall be submitted to the Bill Paying Branch, certified to the effect that the “requirements of this Condition [insert the VOP condition number]” have been met.

5 PAYMENTS/RECEIPTS

The following DEFCONs shall apply:

DEFCON 5J (EDN 18/11/16)	UNIQUE IDENTIFIERS
DEFCON 522 (EDN 11/21)	PAYMENT AND RECOVERY OF SUMS DUE
DEFCON 534 (EDN 06/21)	SUB-CONTRACTING AND PROMPT PAYMENT

5.1 PAYMENT

- 5.1.1. In order to obtain payment, the Contractor shall, upon completion or performance of the Contract (or any part of the Contract for which the Contractor is entitled to payment) submit a claim for payment on CP&F.

5.2 PAYMENT OF LINE ITEMS 1 AND 2 – PROVISION OF AIRCRAFT AND MODIFICATIONS

- 5.2.1. Claims for payment of Line Items 1 and 2 of the Schedule of Requirements (Schedule 1) shall be made in accordance with the Acceptance Criteria at Condition 7.3, Test and Acceptance Criteria at Schedule 3, Payment Plan at Schedule 8, and Key Performance Indicators at Schedule 10.

5.3 PAYMENT OF LINE ITEMS 3 AND 4 (3A, 3B, 3C, 4A, AND 4B) – SUPPORT AND MAINTENANCE SERVICES

- 5.3.1 Payment of Line Items 3 and 4 (inclusive of line items 3a, 3b, 3c, 4a and 4b) of the Schedule of Requirements (Schedule 1) for Support and Maintenance Services at British Forces Brunei and British Forces Cyprus shall be claimed monthly in arrears spread equally over each Contract Year. Claims for payment shall be made in accordance with the Payment Plan at Schedule 8 of the Contract and Key Performance Indicators at Schedule 10 to the Contract.

5.4 AGREEMENT OF PAYMENTS MADE TO THE CONTRACTOR IN THE EVENT OF TERMINATION

- 5.4.1 In the event of this Contract being terminated in accordance with DEFCON 514 (Material Breach), the Authority and Contractor shall agree the total value of all work completed under the Contract at the date of termination. Any difference between the payments already made to the Contractor and the value of work completed shall either be paid to the Contractor through CP&F or refunded to the Authority directly by the Contractor.

6 INTELLECTUAL PROPERTY RIGHTS (IPR)

The following DEFCONs shall apply:

DEFCON 14 (EDN 11/22)	INVENTIONS AND DESIGNS CROWN RIGHTS AND OWNERSHIP OF PATENTS AND REGISTERED DESIGNS
DEFCON 91 (EDN 06/21)	INTELLECTUAL PROPERTY RIGHTS IN SOFTWARE
DEFCON 632 (EDN 11/21)	THIRD PARTY INTELLECTUAL PROPERTY–RIGHTS & RESTRICTIONS
DEFCON 707 (EDN 10/23)	RIGHTS IN TECHNICAL DATA

6.1 TECHNICAL PUBLICATIONS

- 6.1.1. The Contractor shall ensure that the Authority has the right to a free licence to copy, amend, extend or have copied, amended or extended any technical publications called for under the Contract, or any part thereof including any such part when incorporated in any amended or extended version of such technical publication, and to circulate, use or have used the said technical publication including any amended or extended version and any copies thereof for any United Kingdom Government purpose.
- 6.1.2. The Contractor shall maintain configuration control of the technical publication and allow for updates to capture errors and omissions and in accordance with Schedule 2 (Statement of Requirement (Technical)).
- 6.1.3. Technical publications to which this Condition applies is used by or for the Authority otherwise than for the purpose for which it was supplied in accordance with the requirements for the technical publications, the Contractor shall have no liability whatsoever for any direct or indirect consequences, including losses, damages or injuries caused to the Authority or any third party, arising from its use.

6.2 SUB-CONTRACTOR IPR

- 6.2.1. The Contractor shall not place any subcontract or order involving the design or development of equipment required under this contract without the prior written consent of the Authority.
- 6.2.2. Unless otherwise agreed, such consent will be conditional on the proposed sub-contractor concluding a direct agreement with the Authority in the form set out in Schedule 6 (DEFFORM 177). Wherever possible, the request for approval should be accompanied by two copies of

the agreement signed by the subcontractor. If, in any case, the Contractor is unable to comply with this condition, they shall report the matter to the Authority's Commercial Officer and await further instructions before placing the subcontract or order.

6.3 THIRD PARTY IPR AUTHORISATION - AUTHORISATION BY THE CROWN FOR USE OF THIRD-PARTY INTELLECTUAL PROPERTY RIGHTS

- 6.3.1. Notwithstanding any other provisions of the Contract and for the avoidance of doubt, award of the Contract by the Authority and placement of any contract task under it does not constitute an authorisation by the Crown under Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949. The Contractor acknowledges that any such authorisation by the Authority under its statutory powers must be expressly provided in writing, with reference to the acts authorised and the specific intellectual property involved.

7 DELIVERY

The following DEFCONs shall apply:

DEFCON 113 (EDN 02/17)	DIVERSION ORDERS
DEFCON 129 (EDN 02/22)	PACKAGING (FOR ARTICLES OTHER THAN MUNITIONS)
DEFCON 507 (EDN 07/21)	DELIVERY
DEFCON 514 (EDN 08/15)	MATERIAL BREACH
DEFCON 524 (EDN 12/21)	REJECTION
DEFCON 524A (EDN 12/22)	COUNTERFEIT MATIERIEL
DEFCON 525 (EDN 10/98)	ACCEPTANCE
DEFCON 612 (EDN 06/21)	LOSS OR DAMAGE TO THE ARTICLES
DEFCON 637 (EDN 05/17)	DEFECT INVESTIGATION AND LIABILITY
DEFCON 644 (EDN 07/18)	MARKING OF ARTICLES

7.1 DELIVERY

- 7.1.1. For Line Items 1 and 2 of the Schedule of Requirements (Schedule 1), the delivery shall occur in accordance with the Test and Acceptance Criteria in Schedule 3.

7.2 SELF-TO-SELF DELIVERY

- 7.2.1 Where any Article to be supplied under the Contract is to be delivered otherwise than being handed over by the Contractor to the Authority, as where an Article is to be delivered by the Contractor to their own premises or to those of a sub-contractor (self-to-self delivery), the risk in such Article shall (notwithstanding the provisions of DEFCON 612 (Loss or Damage to the Articles)) remain vested in the Contractor until such time as the Article is handed over to the Authority.

7.3 ACCEPTANCE AND REJECTION FOR LINE ITEMS 1 AND 2 – PROVISION OF AIRCRAFT & MODIFICATIONS

- 7.3.1. Within thirty (30) business days following completion of the Exit Criteria for each Milestone detailed in Schedule 3 (Test and Acceptance Criteria), the Authority will inspect all Articles and review all documentation received.
- 7.3.2. The Authority shall confirm acceptance in writing, provided the Articles and documentation conform with the requirements of the Contract.
- 7.3.3. Title and Ownership for each Article will transfer to the Authority following completion of the relevant Milestone detailed in Schedule 3 (Test and Acceptance Criteria) and communication of acceptance by the Authority in accordance with Condition 7.3.2.

- 7.3.4. Prior to Acceptance by the Authority, the Authority may reject any Article which does not conform with the requirements of the Contract. If an article or document is rejected the Authority shall detail in writing reasons why, and agree a reasonable timeframe with the Contractor for rectification.
- 7.3.5. The Contractor shall at their own expense and within fifteen (15) business days of being notified of the rejection, remove any Article or consignment which the Authority has rejected. If the Contractor fails to remove the rejected Article or consignment, the Authority may return it to the Contractor at the Contractor's risk and expense.
- 7.3.6. The Contractor may object to a notification or rejection by the Authority within the period specified at Condition 7.3.5.
- 7.3.7. Where, after delivery, an Article is rejected by the Authority, the Article shall, for the purposes of the Contract, be considered as not having been delivered under the Contract and the property in the Article shall return to the Contractor unless a notice of objection has been issued to and accepted by the Authority.
- 7.3.8. In the event that an Article is found to be defective, then the Authority shall return the Article to the Contractor and shall place a demand for a replacement.

7.4 ACCEPTANCE AND REJECTION FOR LINE ITEMS 3 AND 4 (3A, 3B, 3C, 4A AND 4B) – SUPPORT AND MAINTENANCE SERVICES

- 7.4.1 Following receipt of the Monthly Progress Report, the Authority shall review the Contractor's performance, in accordance with the requirements at Schedule 2 (Statement of Requirement (Technical)), and Schedule 10 (Key Performance Indicators).
- 7.4.2 Provided the monthly report is provided in accordance with Schedule 2 (Statement of Requirement (Technical)) and accurately reflects the Contractor's performance for that period, the Authority will confirm the level of performance, communicate acceptance and detail any deduction that will be made to the monthly payment in accordance with Schedule 10 (Key Performance Indicators).
- 7.4.3 If the Report is rejected, the Contractor shall review and submit a revised report within 5 business days. The Authority will review the revised report in accordance with Condition 7.4.1 and 7.4.2.
- 7.4.4 Whilst Line Items 3 and 4 (inclusive of 3a, 3b, 3c, 4a and 4b) generally require the delivery of services rather than Articles, should Articles be delivered, the acceptance and rejection criteria detailed within Condition 7.3 shall apply.

7.5 ACCEPTANCE AND REJECTION OF IN-SERVICE SUPPORT PLANS

- 7.5.1 Acceptance and Rejection criteria for any in-service support plans required under the contract, shall be provided in writing within twenty (20) business days in accordance with Schedule 2 (Statement of Requirement (Technical)) and corresponding Schedule 9 (Contract Data Requirements).

7.6 ACCEPTANCE AND REJECTION FOR AD-HOC TASKS

- 7.6.1 Acceptance and Rejection will occur on confirmation of completion of each task in accordance with the instructions set out within each individual TAF and the TAF process.

7.7 ACCEPTANCE AND REJECTION FOR COSTED OPTIONS

- 7.7.1 For Costed Options stated in Schedule 24 (Table 5), any acceptance and rejection criteria applicable shall be detailed within the corresponding TAF or Contract Amendment.

7.8 WARRANTY FOR ALL ARTICLES SUPPLIED UNDER THE CONTRACT

- 7.8.1. The Contractor's Standard Warranty terms shall apply to each delivered and accepted Aircraft under Line Item 1 of the Contract that has been modified in accordance with Line Item 2; the Standard Warranty duration being two (2) years or two thousand (2000) Flying Hours per aircraft, whichever occurs first. The Warranty terms applicable for this Contract are contained in Schedule 25.
- 7.8.2 Any Article provided under the Contract deemed unserviceable by the Authority shall be returned to the Contractor for inspection. Any Articles still under Warranty which are found to be defective as a result of faulty manufacture, workmanship or faulty design, furnished or specified by the Contractor or their sub-contractor, shall be repaired or replaced by the Contractor at no cost to the Authority and within thirty (30) business days of the receipt of the Article.

7.9 WARRANTY FOR LINE ITEMS 1 AND 2 - PROVISION OF AIRCRAFT AND MODIFICATIONS

- 7.9.1. The Contractor's Standard Warranty shall be effective from the date of acceptance of each respective Aircraft in accordance with Schedule 3 (Test and Acceptance Criteria) and this Condition. The Contractor warrants that for the Warranty Period of each accepted and modified Aircraft, all parts or components incorporated within such accepted Aircraft and its modifications will be free from Defect. In the event of a breach of this express warranty, the Authority may, at no increase in contract price, require the Contractor to repair or replace, at the Contractor's election, defective Aircraft parts or components within thirty (30) business days of the receipt of the part or component.
- 7.9.2. The Authority shall notify the Contractor as soon as reasonably practicable after becoming aware of a breach of the warranty in Condition 7.9.1.
- 7.9.3. The Contractor shall liaise and co-operate with the Authority to arrange the necessary access to the Aircraft at the Main Operating Base (MOB) in order for the Contractor to remove the defective part (or the smallest removable part containing the defective part) of the Aircraft from the site for repair or replacement.
- 7.9.4. In an Aircraft On Ground (AOG) circumstance where the Aircraft is not located at the MOB, the Contractor shall either ship a replacement part to the Aircraft location through the most expeditious means available or send a Contractor's working party to the Aircraft location in order to remove and repair or replace a defective part, at no change in Contract Price. The Contractor shall use best endeavours to ensure the recovery of the Aircraft in an AOG situation.
- 7.9.5. The Contractor shall repair or replace any defective part or component as soon as reasonably practicable (or within such other time period as may be agreed by the Parties) after being notified of any breach of the express warranty in Condition 7.9.1 having regard to the nature and complexity of the repair or replacement. The Contractor shall conduct any inspection or testing it deems necessary to ensure the repaired or replacement part or component is free from Defect.
- 7.9.6. The Contractor shall provide all labour, materials and facilities required to repair or replace any defective part or component. The Contractor shall bear the costs incurred in its removal of the defective part or component from the MOB including shipment (if any) of such defective

part or component from the MOB and the return to and installation of the repaired/replacement part into the Aircraft at the MOB.

- 7.9.7. The Contractor shall not be liable under Condition 7.9.1 for:
- a) normal Aircraft maintenance services, adjustments and the replacement of service items; or
 - b) replacement or repairs to remedy fair wear and tear to any Aircraft part or component.
- 7.9.8. The Contractor shall not be liable under Condition 7.9.1 for damage caused by:
- a) any use of the Aircraft by the Authority, including storage, operation or maintenance that is not undertaken in accordance with the instructions set out in the technical manuals or training courseware provided by the Contractor under this Contract;
 - b) operation outside the prescribed operating envelope of the Aircraft;
 - c) any alteration, modification or attachments made to the Aircraft by the Authority without the Contractor's approval;
 - d) accidental damage, misuse or neglect by the Authority;
 - e) battle damage; or
 - f) foreign object damage at an Authority airfield.
- 7.9.9. If the Contractor fails to remedy a defect within the period set out in Condition 7.9.1 the Authority shall be entitled to an equitable reduction in the Contract Price. In such a circumstance, the Contractor shall provide reasonable documentation regarding the value of the defective part or component and an equitable reduction in the Contract Price shall promptly be negotiated by the Parties. Any failure to agree on an equitable adjustment shall be subject to the Dispute Resolution Procedure.

7.10 LATENT DEFECTS

- 7.10.1. A 'Latent Defect' is defined as a fault that could not have reasonably been discovered through inspection before acceptance. If a Party discovers a defect in a part or component installed in the Aircraft and is able to document to the Contractor's reasonable satisfaction that the defect meets the definition of a Latent Defect, the Contractor shall repair or replace the defective Aircraft part or component at no increase in Contract Price. The Contractor shall have the sole discretion in the choice of either a repair or replacement remedy for the defective part or component.

7.11 UNSATISFACTORY PERFORMANCE

- 7.11.1. In accordance with the Condition 7.10 and all the other Conditions of the Contract, Schedule 2 (Statement of Requirement (Technical)), Schedule 3 (Test and Acceptance) and Schedule 10 (Key Performance Indicators), the Authority may issue a Notice of Unsatisfactory Performance under the following circumstances:
- a) Where the Contractor has reported a delay of five (5) or more business days against the scheduled delivery of an Article under Line Item 1 and 2 of the Contract (in accordance with Schedule 3 (Test and Acceptance Criteria) and Schedule 8 (Payment Plan));
 - b) Where, under any Line Item of the Contract, the Contractor informs the Authority of non-performance; or
 - c) Where the Contractor fails to maintain the key requirements stated in Schedule 2 (Statement of Requirements (Technical)).
- 7.11.2. Within twenty (20) business days of issue of a Notice of Unsatisfactory Performance, the Contractor must provide the Authority with a plan setting out its proposed corrective actions to remedy the situation and timescales for carrying out these actions (a Rectification Plan). The Authority shall then, within twenty (20) business days of receipt of the Rectification Plan, approve, reject or suggest amendments to the Rectification Plan. Once approved by the Authority, the Contractor must, at its own expense, use all reasonable endeavours to carry

out the Rectification Plan in the form approved. Should the Parties fail to agree the Rectification Plan, the provisions of DEFCON 530 (Dispute Resolution) shall apply.

- 7.11.3. Where the Contractor has a Rectification Plan implemented, this shall include a date for the resumption of satisfactory performance. The Contractor shall provide weekly updates of the progress made against the Rectification Plan until satisfactory performance is declared by the Authority. Satisfactory performance shall be declared by the Authority upon demonstration by the Contractor that the performance shortfalls highlighted within the Notice of Unsatisfactory Performance issued have been restored to the required level. The Authority reserves the right, should the Contractor's actions in implementing the Rectification Plan not restore satisfactory performance by the agreed date, to either issue a second formal notification of unsatisfactory performance and/or terminate the Contract in accordance with DEFCON 514 (Material Breach). The decision to issue a notice of termination under DEFCON 514 (Material Breach) is at the sole discretion of the Authority.

7.12 KEY PERFORMANCE INDICATORS

- 7.12.1. The Key Performance Indicators (KPIs) detailed at Schedule 10 to this Contract shall be used to measure the Contractor's performance against Line Items 3a, 3b, 3c, 4a, and 4b. As outlined in Schedule 2, the Contractor will be required to summarise any evidence of achievement against each KPI and present it to the Authority in the monthly report. The Authority will assess the Contractor's achievement of these KPIs in accordance with the performance criteria detailed at Schedule 10.
- 7.12.2. The Parties acknowledge that, without prejudice to any other amounts payable to the Contractor under this Contract:
- a) The Test and Acceptance Criteria at Schedule 3 sets out the Agreed Date in respect of each Milestone; and
 - b) The provisions of this Condition 7.12 and Schedule 10 (Key Performance Indicators) are intended to encourage timely delivery and adequate performance in accordance with the agreed schedule.
- 7.12.3. If for any reason the Test and Acceptance Criteria at Schedule 3 for the specified Milestone is not achieved on or before its Agreed Date a deduction may be applied in accordance with Schedule 10.

8 CONTRACT ADMINISTRATION

The following DEFCONs shall apply:

DEFCON 604 (EDN 06/14) PROGRESS REPORTS

NOTE: Provided in accordance with Schedule 2 (Statement of Requirement (Technical)).

DEFCON 605 (EDN 06/14) FINANCIAL REPORTS

DEFCON 609 (EDN 07/21) CONTRACTOR'S RECORDS

DEFCON 642 (EDN 07/21) PROGRESS MEETINGS

NOTE: Provided in accordance with Schedule 2 (Statement of Requirement (Technical)).

DEFCON 678 (EDN 09/19) SME SPEND DATA COLLECTION

DEFCON 802 (EDN 12/14) QDC: OPEN BOOK ON SUB-CONTRACTS THAT ARE NOT QUALIFYING SUB-CONTRACTS

8.1 PROGRESS MEETINGS

- 8.1.1. Progress Meetings shall be held Quarterly between the Authority and the Contractor in accordance with Schedule 2 (Statement of Requirement (Technical)).

- 8.1.2. The chairperson of the meetings shall be the Authority's Project Manager, and they will be accompanied by such other officers as they may deem appropriate.
- 8.1.3. In addition to the Progress Meetings, the Authority's Project Manager shall convene other meetings as stated in Schedule 2 (Statement of Requirement (Technical)) or on an as required basis if required, subject to agreement with the Contractor, at a venue mutually agreed by both parties either virtually or in-person as deemed necessary, to enable the Authority to monitor progress under the Contract.
- 8.1.4. The Contractor shall issue minutes to the Authority for approval no later than ten (10) business days following each scheduled meeting. The Authority will review and either request amendment or agree the minutes within a further ten (10) business days.
- 8.1.5. The Contractor shall issue and distribute the final agreed minutes no later than five (5) business days following agreement being reached with the Authority.

8.2 PROGRESS REPORTS

- 8.2.1 In addition to DEFCON 604 (Progress Reports), all other reports required for this Contract are identified in the Statement of Requirement (Technical) at Schedule 2 and the Key Performance Indicators set out in Schedule 10 to the Contract. The Contractor shall deliver all required reports in line with the dates identified in the Statement of Requirement (Technical) at Schedule 2 for acceptance by the Authority's Project Manager. If the Authority requires any report to be amended, the Contractor shall incorporate the amendments/comments and resubmit the report to the Authority for approval within five (5) business days of request.

9. REQUEST FOR CHANGE PROCEDURE

The following DEFCONs shall apply:

DEFCON 503 (EDN 06/22) FORMAL AMENDMENTS TO CONTRACT

NOTE: The Authority's nominated representative shall be the Authority's Commercial Officer detailed in Schedule 14 (DEFFORM 111).

DEFCON 606 (EDN 07/21) CHANGE AND CONFIGURATION CONTROL PROCEDURE

DEFCON 620 (EDN 06/22) CONTRACT CHANGE CONTROL PROCEDURE

DEFCON 801 (EDN 12/14) AMENDMENTS TO QUALIFYING DEFENCE CONTRACTS – CONSOLIDATED VERSIONS

9.1 AMENDMENTS TO CONTRACT

- 9.1.1 For the purposes of DEFCON 503 (Formal Amendments to Contract), amendments to the Contract shall be serial numbered and issued only by the Authority's Commercial Officer specified in Schedule 14 (DEFFORM 111).
- 9.1.2 Only the Authority's Commercial Officer detailed in Schedule 14 (DEFFORM 111), or their authorised representative, is authorised to vary the Terms & Conditions of the Contract. Such variations shall only take effect if agreed in writing by both Parties.
- 9.1.3. Any technical or other contract change proposal from the Contractor requiring an amendment to the Contract is to be submitted in writing to the Authority for consideration within twenty (20) business days of acknowledgment to review, together with cost and time-scale implications. Any such changes accepted by the Authority shall be notified to the Contractor by written amendment to the Contract and shall not be effective until accepted in writing by the Contractor.

- 9.1.4. Notwithstanding DEFCON 503 (Formal Amendments to Contract), nothing said, done or written by any person, nor anything omitted to be said, done or written by any person, including, but without limitation, any servant or agent of the Authority, shall in any way affect the rights of the Authority to modify, affect, reduce or extinguish the obligations and liabilities of the Contractor under the Contract, or be deemed to be a waiver of rights of the Authority, unless stated in writing and signed by the Authority's Commercial Officer.
- 9.1.5. The Authority's Commercial Officer shall issue a consolidated version of this contract when required in accordance with DEFCON 801 (Amendments to Qualifying Defence Contracts – Consolidated Versions).

10 LOANS

The following DEFCONs shall apply:

DEFCON 23 (EDN 06/21)	SPECIAL JIGS, TOOLING AND TEST EQUIPMENT
DEFCON 76 (EDN 11/22)	CONTRACTOR'S PERSONNEL AT GOVERNMENT ESTABLISHMENTS
DEFCON 82 (EDN 06/21)	SPECIAL PROCEDURES FOR INITIAL SPARES
DEFCON 611 (EDN 12/22)	ISSUED PROPERTY
DEFCON 694 (EDN 07/21)	ACCOUNTING FOR PROPERTY OF THE AUTHORITY

10.1 GOVERNMENT FURNISHED ASSETS

- 10.1.1 The Authority shall be responsible for making available to the Contractor the use of GFA, as listed at Schedule 17 (GFA Register) to the Contract, to facilitate performance of the Contract. Any GFA issued under this Contract shall be provided free of charge to the Contractor.
- 10.1.2 It is the Contractor's responsibility to inform the Authority when the GFA is required and to allow adequate time for provision of such GFA.
- 10.1.3 The dates listed in Schedule 17 (GFA Register) are included for planning purposes only. The Authority will provide two (2) months' notice for provision of GFA and agree a date it will be made available to the Contractor. Any changes to Schedule 17 will be agreed by Formal Contract Amendment in accordance with Condition 11.
- 10.1.4 The Authority shall have no liability to the Contractor if the Contractor fails to make use of the equipment made available on the agreed date. The Contractor shall indemnify the Authority in respect of any additional costs incurred in such circumstances including the cost of making available such equipment on an alternative date.
- 10.1.5 The Contractor shall be responsible for maintenance and servicing (scheduled and unscheduled) of the GFA listed in Schedule 17. The Contractor is responsible for maintaining a record of usage and ensuring that all items of GFA are used within their operating parameters. The Contractor shall ensure that all Items are returned to the Authority within the Loan Period stated in Schedule 17 and upon expiry of the contract.
- 10.1.6 The Contractor shall be responsible for all security of the GFA listed in Schedule 17.
- 10.1.7 The Contractor shall observe the instructions of the Authority's Project Manager regarding any GFA issued to them for the purpose of the Contract. The Contractor shall also observe any accounting instructions issued by the Authority or detailed within applicable DEFCONs.
- 10.1.8 The Contractor shall not demand equipment on loan from Government sources except for those Loan Items listed at Schedule 17 without the prior written agreement of the Authority's Project Manager and the Authority's Commercial Officer listed at Schedule 14 (DEFFORM 111).

- 10.1.9 The Contractor shall be fully and exclusively responsible for verifying (on its own account) the information it relies on or applies for the purposes of performing this Contract.
- 10.1.10 Neither any approval by the Authority of any Drawings, Specifications, Schedules or any other relevant technical and administrative documents, nor of any other matter or thing whether under this Contract or not, nor the giving of any advice, comment, suggestion or approval or expression of satisfaction by the Authority shall derogate in any way from the Contractor being solely responsible for ensuring that the GFA issued by the Authority in pursuance of this Contract is in all respects suitable for meeting the requirements of this Contract.
- 10.1.11 The Authority does not give any warranty or undertaking as to the completeness, accuracy, or fitness for any purpose of any of the Authority provided information. Neither the Authority nor its agents or employees shall be liable to the contractor in contract (save as expressly provided elsewhere in the Contract), tort, statute nor otherwise, as a result of any inaccuracy, omission, unfitness for any purpose, or inadequacy of any kind, in the Authority provided information.

11 LIMITATIONS ON LIABILITY

11.1 DEFINITIONS

- 11.1.1 In this Condition, the following words and expressions shall have the meanings given to them, except where the context requires a different meaning:

“Charges” means any of the charges for the provision of the Services, Contractor Deliverables and the performance of any of the Contractor’s other obligations under this Contract, as determined in accordance with this Contract;

“Data Protection Legislation” means all applicable Law in force from time to time in the UK relating to the processing of personal data and privacy, including but not limited to:

- (1) UK GDPR;
- (2) DPA 2018; and
- (3) the Privacy and Electronic Communications (EC Directive) Regulations 2003 (SI 2003/2426) as amended, each to the extent that it relates to the processing of personal data and privacy;

“Default” means any breach of the obligations of the relevant Party (including fundamental breach or breach of a fundamental term) or any other default, act, omission, negligence or statement of the relevant Party, its employees, servants, agents or sub-contractors in connection with or in relation to the subject matter of this Contract and in respect of which such Party is liable to the other. In no event shall a failure or delay in the delivery of an Authority responsibility or an activity to be carried out by the Authority or its representatives in accordance with the Contract be considered a Default;

‘DPA 2018’ means the Data Protection Act 2018;

“Law” means any applicable law, subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978, regulation, order, regulatory policy, mandatory guidance or code of practice judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation or notice of any regulatory body;

“Service Credits” means the amount that the Contractor shall credit or pay to the Authority in the event of a failure by the Contractor to meet the agreed Service Levels as set out/referred to in Schedule 10 (KPIs);

“Term” means the period commencing on the date on which this Contract is signed and ending on the expiry of the contract at condition 2.1.1 or on earlier termination of this Contract.

‘UK GDPR’ means the General Data Protection Regulation (Regulation (EU) 2016/679) as retained in UK law by the EU (Withdrawal) Act 2018 and the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019;

11.2 UNLIMITED LIABILITIES

11.2.1 Neither Party limits its liability for:

- 10.2.1.1 death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors (as applicable);
- 10.2.1.2 fraud or fraudulent misrepresentation by it or its employees;
- 10.2.1.3 breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or
- 10.2.1.4 any liability to the extent it cannot be limited or excluded by law.

11.2.2 The financial caps on liability set out in Conditions 11.3.1 and 11.3.2 below shall not apply to the following:

- 11.2.2.1 for any indemnity given by the Contractor to the Authority under this Contract, including but not limited to:
 - 11.2.2.1.1 the Contractor's indemnity in relation to DEFCON 91 (Intellectual Property in Software) and DEFCON 632 (Third Party IP - Rights and Restrictions);
- 11.2.2.2 breach by the Contractor of DEFCON 532A and Data Protection Legislation; and
- 11.2.2.3 to the extent it arises as a result of a Default by either Party, any fine or penalty incurred by the other Party pursuant to Law and any costs incurred by such other Party in defending any proceedings which result in such fine or penalty.
- 11.2.2.4 For the avoidance of doubt any payments due from either of the Parties to the other in accordance with the Defence Reform Act 2014 and/or the Single Source Contract Regulations 2014, as amended from time to time, shall not be excluded or limited under the provisions of Condition 11.3.1 and/or 11.3.2 below.

11.3 FINANCIAL LIMITS

11.3.1 Subject to Conditions 11.2.1 and 11.2.2 and to the maximum extent permitted by Law:

- 11.3.1.1 [throughout the Term] the Contractor's total liability in respect of losses that are caused by Defaults of the Contractor shall in no event exceed:
 - 11.3.1.1.1 in respect of DEFCON 076 [REDACTED] pounds] [REDACTED] in aggregate;
 - 11.3.1.1.2 in respect of DEFCON 514 [REDACTED] pounds] [REDACTED] in aggregate;
 - 11.3.1.1.3 in respect of DEFCON 611 [REDACTED] pounds] [REDACTED] in aggregate; and
 - 11.3.1.1.4 in respect of DEFCON 612 [REDACTED] pounds] [REDACTED] in aggregate;
- 11.3.1.2 without limiting Condition 11.3.1.1 and subject always to Conditions 11.2.1, 11.2.2 and 11.3.1.3, the Contractor's total liability throughout the Term in respect of all other liabilities (but excluding any Service Credits paid or payable in accordance with Schedule 10 (KPIs) and, whether in contract, in tort (including negligence), arising under warranty, under statute or otherwise under or in connection with this Contract shall be (£total value of the contract) in aggregate;
- 11.3.1.3 on the exercise of any and, where more than one, each option period or agreed extension to the Term, the limitation of the Contractor's total liability (in

aggregate) set out in Conditions 11.3.1.1 and 11.3.1.2 above shall be fully replenished such that on and from each such exercise or extension of the Term, the Authority shall be able to claim up to the full value of the limitation set out in Conditions 11.3.1.1 and 11.3.1.2 of this Contract.

11.3.2 Subject to Conditions 11.2.1, 11.2.2 and 11.3.3, and to the maximum extent permitted by Law the Authority's total liability (in aggregate) whether in contract, in tort (including negligence), under warranty, under statute or otherwise under or in connection with this Contract shall in respect of all liabilities (taken together) be limited to the Charges paid by the Authority in the relevant Contract Year in respect of any and all claims in that Contract Year.

11.3.3 Condition 11.3.2 shall not exclude or limit the Contractor's right under this Contract to claim for the Charges.

11.4 CONSEQUENTIAL LOSS

11.4.1 Subject to Conditions 11.2.1, 11.2.2 and 11.4.2, neither Party shall be liable to the other Party or to any third party, whether in contract (including under any warranty), in tort (including negligence), under statute or otherwise for or in respect of:

- 11.4.1.1 indirect loss or damage;
 - 11.4.1.2 special loss or damage;
 - 11.4.1.3 consequential loss or damage;
 - 11.4.1.4 loss of profits (whether direct or indirect);
 - 11.4.1.5 loss of turnover (whether direct or indirect);
 - 11.4.1.6 loss of business opportunities (whether direct or indirect); or
 - 11.4.1.7 damage to goodwill (whether direct or indirect),
- even if that Party was aware of the possibility of such loss or damage to the other Party.

11.4.2 The provisions of Condition 11.4.1 shall not restrict the Authority's ability to recover any of the following losses incurred by the Authority to the extent that they arise as a result of a Default by the Contractor:

- 11.4.2.1 any additional operational and administrative costs and expenses arising from the Contractor's Default, including any costs paid or payable by the Authority:
 - 11.4.2.1.1 to any third party;
 - 11.4.2.1.2 for putting in place workarounds for the Contractor Deliverables and other deliverables that are reliant on the Contractor Deliverables; and
 - 11.4.2.1.3 relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;
- 11.4.2.2 any or all wasted expenditure and losses incurred by the Authority arising from the Contractor's Default, including wasted management time;
- 11.4.2.3 the additional cost of procuring and maintaining in place transitional assistance and replacement deliverables for the remainder of the Term and any option period or agreed extension to the Term (including legal and other consultants' fees, re-procurement project costs, other expenses associated with such exercise and any increase in the fees for the replacement services over and above the Contract Price that would have been payable for the relevant Contractor Deliverables);
- 11.4.2.4 any losses arising in connection with the loss, destruction, corruption, inaccuracy or degradation of Authority data, or other data or software, including, to the extent the Authority data, other data or software can be recovered or reconstituted, the fees, costs and expenses of reconstituting such Authority data, data or software;
- 11.4.2.5 damage to the Authority's physical property and tangible assets, including damage under DEFCON 76 and 611;

- 11.4.2.6 costs, expenses and charges arising from, or any damages, account of profits or other award made for, infringement of any third-party Intellectual Property Rights or breach of any obligations of confidence;
- 11.4.2.7 any additional costs incurred by the Authority in relation to the Authority's contracts with a third party (including any compensation or interest paid to a third party by the Authority) as a result of the Default (including the extension or replacement of such contracts);
- 11.4.2.8 any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; or
- 11.4.2.9 any savings, discounts or price reductions during the Term and any option period or agreed extension to the Term committed to by the Contractor pursuant to this Contract.

11.5 INVALIDITY

- 11.5.1 If any limitation or provision contained or expressly referred to in this Condition [1] is held to be invalid under any Law, it will be deemed to be omitted to that extent, and if any Party becomes liable for loss or damage to which that limitation or provision applied, that liability will be subject to the remaining limitations and provisions set out in this Condition [1].

11.6 THIRD PARTY CLAIMS OR LOSSES

- 11.6.1 Without prejudice to any other rights or remedies the Authority may have under this Contract (including but not limited to any indemnity claim under DEFCONs 91 and 632 or at Law), the Authority shall be entitled to make a claim under this Contract against the Contractor in respect of any losses incurred by the Authority which arise out of a claim made against the Authority by a third party under any contract with that third party provided that such third party claim:
 - 11.6.1.1 arises naturally and ordinarily as a result of the Contractor's failure to provide the Contractor Deliverables or failure to perform any of its obligations under this Contract; and
 - 11.6.1.2 is a type of claim or loss that would have been recoverable under this Contract if the third party were a party to this Contract (whether as the Authority or the Contractor), such claim to be construed as direct losses for the purpose of this Contract.

11.7 NO DOUBLE RECOVERY

- 11.7.1 Neither Party shall be entitled to employ such rights and remedies available to it so as to seek to recover more than once in respect of the same loss, but the Authority shall be entitled to use (singly or together) such rights and remedies available to the Authority so as to recover the full extent of any recoverable losses suffered or incurred, including any remedies the Authority may have against any guarantor.

12 TASKING PROCESS

12.1 AD-HOC TASKING PROCESS (SOR LINE ITEM 6)

- 12.1.1 Any required activity not already covered by the Contract shall be on a tasking basis and shall be authorised by means of a Tasking Authorisation Form (TAF) as per Schedule 23 to the Contract, in accordance with the Ad-Hoc Tasking Process within this Schedule.
- 12.1.2 When a new task or change to an existing task is proposed, the scope of work for each task shall be specified upon Part 1 of the TAF. Where required, the TAF will have an associated DEFFORM 315 (Contract Data Requirement) at Schedule 9. The TAF shall be completed

and signed by the Authority's Project Manager and Authority's Commercial Officer and sent to the Contractor by the Authority's Commercial Officer.

- 12.1.3 Within the timeframe specified on each individual TAF, the Contractor shall provide the Authority's Commercial Officer with a firm price quotation for carrying out the task, including the timescales and completion date, using Part 2 of the TAF. All prices shall show the breakdown of hours required to complete each activity utilising the agreed labour rates at Schedule 24 to this Contract. A full breakdown of the cost shall be provided utilising the agreed rates at Schedule 24 to this Contract.
- 12.1.4 Approval to proceed with the work shall be confirmed by completion and signing of Part 3 of the TAF by the Authority's Commercial Officer returned to the Contractor. The date of commencement of the work shall be on receipt of the signed Part 3 by the Contractor.
- 12.1.5 Upon satisfactory completion of the Task, the Contractor shall submit a signed Part 4 to the Authority's Project Manager for countersignature. To communicate satisfactory acceptance, the Authority's Project Manager shall sign and return the signed Part 5 to the Contractor.
- 12.1.6 The Contractor can then submit an invoice for payment on the Authority's electronic payment tool CP&F.
- 12.1.7 Once on contract, each task shall be incorporated into Schedule 26 of the Contract by the Authority and issued under a forthcoming Contract Amendment .
- 12.1.8 No new TAFs shall be raised in the three (3) months prior to the expiry of the Contract. Any TAFs authorised and issued prior to this date, it is recognised that the actual work may continue past the date specified at Condition 2.1.1. The terms and conditions of this Contract shall continue for the duration of this Contract for those tasks that may complete after the expiry date of the Contract.

13 OFFER AND ACCEPTANCE**Contract 708957450 for the Procurement of Jupiter HC Mk2 & Aviation Support to British Armed Forces Brunei & Cyprus (MHP001)**

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

For and on behalf of the Contractor:

Name	
Title	Managing Director
Signature	< Original Signed >
Date	28/03/2024

For and on behalf of the Secretary of State for Defence:

Name	
Title	DE&S Helicopters Commercial Head
Signature	< Original Signed >
Date	28/03/2024