



# Ministry of Defence

## Mine Hunting Capability Team

**Contract No: 713095450**

**For:**

## **MHC Block 2 Remote Command Centre (RCC) Integration and Supply**

<p>Between the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland</p> <p>Team Name and address:</p> <p>Mine Hunting Capability Team</p> <p>Spruce 3C, NH1, MoD Abbey Wood, Bristol, BS34 8JH</p>	<p>And</p> <p>Contractor Name and address:</p> <p>Thales UK Ltd</p> <p>Throop Road, Templecombe, BA8 0DH</p>
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## **General Conditions**

### **General Conditions**

#### **1. General**

- a. The defined terms in the Contract shall be as set out in Schedule 1.
- b. The Contractor shall comply with all applicable Legislation, whether specifically referenced in this Contract or not.
- c. 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.
- d. 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 Schedule 3 (Contract Data Sheet) 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.

#### **2. Duration of Contract**

This Contract comes into effect on the Effective Date of Contract and will expire automatically on the date identified in Schedule 3 (Contract Data Sheet) unless it is otherwise terminated in accordance with the provisions of the Contract, or otherwise lawfully terminated.

### 3. 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.

### 4. Governing Law

a. Subject to clause 4.d, the Contract shall be considered as a contract made in England and subject to English Law.

b. Subject to clause 4.d and Condition 40 (Dispute Resolution) and without prejudice to the dispute resolution process set out therein, each Party submits and agrees to the exclusive jurisdiction of the Courts of England to resolve, and the laws of England to govern, any actions proceedings, controversy or claim of whatever nature arising out of or relating to the Contract or breach thereof.

c. Subject to clause 4.d any dispute arising out of or in connection with the Contract shall be determined within the English jurisdiction and to the exclusion of all other jurisdictions save that other jurisdictions may apply solely for the purpose of giving effect to this Condition and for the enforcement of any judgment, order or award given under English jurisdiction.

d. If the Parties pursuant to the Contract agree that Scots Law should apply then the following amendments shall apply to the Contract:

(1) Clause 4.a, 4.b and 4.c shall be amended to read:

"a. The Contract shall be considered as a contract made in Scotland and subject to Scots Law.

b. Subject to Condition 40 (Dispute Resolution) and without prejudice to the dispute resolution process set out therein, each Party submits and agrees to the exclusive jurisdiction of the Courts of Scotland to resolve, and the laws of Scotland to govern, any actions, proceedings, controversy or claim of whatever nature arising out of or relating to the Contract or breach thereof.

c. Any dispute arising out of or in connection with the Contract shall be determined within the Scottish jurisdiction and to the exclusion of all other jurisdictions save that other jurisdictions may apply solely for the purpose of giving effect to this Condition and for the enforcement of any judgment, order or award given under Scottish jurisdiction."

(2) Clause 40.b shall be amended to read:

"In the event that the dispute or claim is not resolved pursuant to clause 40.a the dispute shall be referred to arbitration. Unless otherwise agreed in writing by the Parties, the arbitration and this clause 40.b shall be governed by the Arbitration (Scotland) Act 2010. The seat of the arbitration shall be Scotland. For the avoidance of doubt, for the purpose of arbitration the tribunal shall have the power to make provisional awards pursuant to Rule 53 of the Scottish Arbitration Rules, as set out in Schedule 1 to the Arbitration (Scotland) Act 2010."

e. Each Party warrants to each other that entry into the Contract does not, and the performance of the Contract will not, in any way violate or conflict with any provision of law, statute, rule, regulation, judgement, writ, injunction, decree or order applicable to it. Each Party also warrants that the Contract does not conflict with or result in a breach or termination of any provision of, or constitute a default under, any mortgage, contract or other liability, charge or encumbrance upon any of its properties or other assets.

f. Each Party agrees with each other Party that the provisions of this Condition shall survive any termination of the Contract for any reason whatsoever and shall remain fully enforceable as between the Parties notwithstanding such a termination.

g. Where the Contractor's place of business is not in England or Wales (or Scotland where the Parties agree pursuant to the Contract that Scots Law should apply), the Contractor irrevocably appoints the solicitors or other persons in England and Wales (or Scotland where the Parties agree pursuant to the Contract that Scots Law should apply) detailed in Schedule 3 (Contract Data Sheet)

as their agents to accept on their behalf service of all process and other documents of whatever description to be served on the Contractor in connection with any litigation or arbitration within the English jurisdiction (or Scottish jurisdiction where the Parties agree pursuant to the Contract that Scots Law should apply) arising out of or relating to the Contract or any issue connected therewith.

## 5. Precedence

a. 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:

- (1) Conditions 1 - 61 of the Conditions of the Contract shall be given equal precedence with Schedule 1 (Definitions of Contract) and Schedule 3 (Contract Data Sheet);
- (2) Schedule 2 (Schedule of Requirements) and Schedule 8 (Acceptance and Rejection Procedure);
- (3) the remaining Schedules; and
- (4) any other documents expressly referred to in the Contract.

b. If either Party becomes aware of any inconsistency within or between the documents referred to in clause 5.a 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 5.a. 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 Condition 40 (Dispute Resolution).

## 6. Formal Amendments to the Contract

a. Except as provided in Condition 31 and subject to clause 6.c, the Contract may only be amended by the written agreement of the Parties (or their duly authorised representatives acting on their behalf). Such written agreement shall consist of:

- (1) The Authority Notice of Change under Schedule 4 (Contract Change Control Procedure) (where used) and;
- (2) the Contractor's unqualified acceptance of the contractual amendments as evidenced by the DEFFORM 10B duly signed by the Contractor.

b. Where required by The Authority in connection with any such amendment, the Contractor shall (as so required) confirm that any existing Parent Company Guarantee is sufficiently comprehensive so as to cover and support all of the Contractor's liabilities and obligations under and in connection with the Contract (as amended by such amendment) or provide a revised Parent Company Guarantee with such DEFFORM 10B to achieve the same purposes.

c. Where The Authority wishes to amend the Contract to incorporate any work that is unpriced at the time of amendment:

- (1) if the Contract is not a Qualifying Defence Contract, The Authority shall have the right to settle with the Contractor a price for such work under the terms of DEFCON 643 (SC2) or DEFCON 127. Where DEFCON 643 (SC2) is used, the Contractor shall make all appropriate arrangements with all its Subcontractors affected by the Change or Changes in accordance with clause 5 of DEFCON 643 (SC2); or
- (2) if the Contract is a Qualifying Defence Contract, the Contract Price shall be redetermined on amendment in accordance with the Defence Reform Act 2014 and Single Source Contract Regulations 2014 (each as amended from time to time).

## Changes to the Specification

d. The Specification forms part of the Contract and all Contract Deliverables to be supplied by the Contractor under the Contract shall conform in all respects with the Specification.

e. The Contractor shall use a configuration control system to control all changes to the Specification. The configuration control system shall be compatible with ISO 9001 (latest published version) or as specified in the Contract.

**7. Authority Representatives**

a. Any reference to The Authority in respect of:

- (1) the giving of consent;
- (2) the delivering of any Notices; or
- (3) the doing of any other thing that may reasonably be undertaken by an individual acting on behalf of The Authority,

shall be deemed to be references to The Authority's Representatives in accordance with this Condition.

b. The Authority's Representatives detailed in Schedule 3 (Contract Data Sheet) (or their nominated deputy) shall have full authority to act on behalf of The Authority for all purposes of the Contract. Unless notified in writing before such act or instruction, the Contractor shall be entitled to treat any act of The Authority's Representatives which is authorised by the Contract as being expressly authorised by The Authority and the Contractor shall not be required to determine whether authority has in fact been given.

c. 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 Schedule 3 (Contract Data Sheet) in accordance with Condition 6 (Formal Amendments to the Contract).

**8. Severability**

a. If any provision of the Contract is held to be invalid, illegal or unenforceable to any extent then:

- (1) such provision shall (to the extent that it is invalid, illegal or unenforceable) be given no effect and shall be deemed not to be included in the Contract but without invalidating any of the remaining provisions of the Contract; and
- (2) the Parties shall use all reasonable endeavours to replace the invalid, illegal or unenforceable provision by a valid, legal and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid, illegal or unenforceable provision.

**9. Waiver**

a. No act or omission of either Party shall by itself amount to a waiver of any right or remedy unless expressly stated by that Party in writing. In particular, no reasonable delay in exercising any right or remedy shall by itself constitute a waiver of that right or remedy.

b. No waiver in respect of any right or remedy shall operate as a waiver in respect of any other right or remedy.

**10. Assignment of Contract**

Neither Party shall be entitled to assign the Contract (or any part thereof) without the prior written consent of the other Party.

**11. Third Party Rights**

Notwithstanding anything to the contrary elsewhere in the Contract, no right is granted to any person who is not a Party to the Contract to enforce any term of the Contract in its own right and the Parties to the Contract declare that they have no intention to grant any such right.

**12. Transparency and Key Performance Indicators (KPIs)**

a. Notwithstanding any other term of this Contract, including Condition 13 (Disclosure of Information), the Contractor understands that The Authority may publish the Transparency Information and Publishable Performance Information to the general public.

b. Subject to clause 12.c The Authority shall publish and maintain an up-to-date version of the Transparency Information and Publishable Performance Information in a format readily accessible and reusable by the general public under an open licence where applicable.

c. If, in The Authority's reasonable opinion, publication of any element of the Transparency

Information and Publishable Performance Information would be contrary to the public interest, The Authority shall be entitled to exclude such Information from publication. The Authority acknowledges that it would expect the public interest by default to be best served by publication of the Transparency Information and Publishable Performance Information in its entirety. Accordingly, The Authority acknowledges that it shall only exclude Transparency Information and Publishable Performance Information from publication in exceptional circumstances and agrees that where it decides to exclude Information from publication on that basis, it will provide a clear statement to the general public explaining the categories of information that have been excluded from publication and reasons for withholding that information.

d. The Contractor shall assist and co-operate with The Authority as reasonably required to enable The Authority to publish the Transparency Information and Publishable Performance Information, in accordance with the principles set out above, including through compliance with the requirements relating to the preparation of Publishable Performance Information set out in clause 12.e to 12.i. Where The Authority publishes Transparency Information, it shall:

- (1) before publishing, redact any Information that would be exempt from disclosure if it was the subject of a request for information under the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004 (EIR), for the avoidance of doubt, including Sensitive information;
- (2) taking account the Sensitive Information set out in Schedule 5, consult with the Contractor where The Authority intends to publish Information which has been identified as Sensitive Information. For the avoidance of doubt The Authority, acting reasonably, shall have absolute discretion to decide what information shall be published or be exempt from disclosure in accordance with the FOIA and/or the EIR; and
- (3) present information in a format that assists the general public in understanding the relevance and completeness of the information being published to ensure the public obtain a fair view on how this Contract is being performed.

#### **Publishable Performance Information**

e. Within three (3) months of the effective date of Contract the Contractor shall provide to The Authority for its approval (such approval shall not be unreasonably withheld or delayed) a draft Publishable Performance Information KPI Data Report consistent with the content requirements of Schedule 9.

f. If The Authority rejects any draft Publishable Performance Information the Contractor shall submit a revised version of the relevant KPI Data Report for further approval by The Authority with five (5) Business Days of receipt of any notice or rejection, taking account of any recommendations for revision and improvement to the report provided by The Authority. This process shall be repeated until the parties have an agreed version of the Publishable Performance Information.

g. The Contractor shall provide an accurate and up-to-date version of the KPI Data Report (including supporting information) to The Authority for each quarter at the frequency stated in Schedule 9 and Schedule 13 of the Contract.

h. Any dispute in connection with the preparation and/or approval of Publishable Performance Information, other than under clause 12.f, shall be resolved in accordance with the dispute resolution procedure provided for in this Contract.

i. The requirements of this Condition are in addition to any other reporting requirements in this Contract.

#### **13. Disclosure of Information**

a. Subject to clauses 13.d to 13.i and Condition 12 each Party:

- (1) shall treat in confidence all Information it receives from the other;
- (2) 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;

(3) shall not use any of that Information otherwise than for the purpose of the Contract; and

(4) 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.

b. The Contractor shall take all reasonable precautions necessary to ensure that all Information disclosed to the Contractor by or on behalf of The Authority under or in connection with the Contract:

(1) is disclosed to their employees and Subcontractors, only to the extent necessary for the performance of the Contract;

and

(2) is treated in confidence by them and not disclosed except with the prior written consent of The Authority or used otherwise than for the purpose of performing work or having work performed for The Authority under the Contract or any subcontract.

c. The Contractor shall ensure that their employees are aware of the Contractor's arrangements for discharging the obligations at clauses 13.a and 13.b before receiving Information and shall take such steps as may be reasonably practical to enforce such arrangements.

d. A Party shall not be in breach of Clauses 13.a, 13.b, 13.f, 13.g and 13.h to the extent that either Party:

(1) exercises rights of use or disclosure granted otherwise than in consequence of, or under, the Contract;

(2) has the right to use or disclose the Information in accordance with other Conditions of the Contract; or

(3) can show:

(a) 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;

(b) that the Information was already known to it (without restrictions on disclosure or use) prior to receiving the Information under or in connection with the Contract;

(c) that the Information was received without restriction on further disclosure from a third party which lawfully acquired the Information without any restriction on disclosure; or

(d) from its records that the same Information was derived independently of that received under or in connection with the Contract;

provided that the relationship to any other Information is not revealed.

e. 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.

f. The Authority may disclose the Information:

(1) 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. Where such a disclosure is made The Authority shall ensure that the recipient is made aware of its confidentiality;

(2) to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;

(3) to the extent that The Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;

(4) subject to clause 13.g below, on a confidential basis to a professional adviser, consultant or other person engaged by any of the entities defined in Schedule 1 (including benchmarking organisations) for any purpose relating to or connected with the Contract;

(5) subject to clause 13.g below, on a confidential basis for the purpose of the exercise of its rights under the Contract; or

(6) 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 Condition.

g. Where The Authority intends to disclose Information to a commercial entity which is not a Central Government Body in accordance with clauses 13.f.(4) or 13.f.(5) above, The Authority will endeavour to provide the Contractor with 3 Business Days' notice in advance of such disclosure. In relation to a disclosure of Information made under clause 13.f.(3) above, if reasonably requested by the Contractor within 2 Business Days of such notice being given, where The Authority has not already done so, it will endeavour to procure from the intended recipient of the Information an agreement containing confidentiality terms the same as, or substantially similar to, those placed on The Authority under this Condition.

h. Before sharing any Information in accordance with clause 13.f, The Authority may redact the Information. Any decision to redact Information made by The Authority shall be final.

i. The Authority shall not be in breach of the Contract where 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 their 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.

j. Nothing in this Condition shall affect the Parties' obligations of confidentiality where Information is disclosed orally in confidence.

#### **14. Publicity and Communications with the Media**

The Contractor 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 Authority has given its prior written consent.

#### **15. Change of Control of Contractor**

- a. The Contractor shall notify the Representative of The Authority in writing at the address given in clause 15.c
  - (1) as soon as practicable of any intended, planned or actual change in control of the Contractor and/or their First-Tier Sub-contractor; and
  - (2) Immediately on the Contractor being aware of any actual change of control of any Lower-Tier Sub-Contractor.
- b. The Contractor shall include in any such notification any concerns the Contractor may have with the change of control. Such concerns may include but are not limited to potential threats to national security and security of supply. The Contractor shall not be required to submit any notice which is unlawful or is in breach of either any pre-existing non-disclosure agreement or any regulations governing the conduct of the Contractor in the UK or other jurisdictions where the Contractor may be subject to legal sanction arising from issuing such a notice.
- c. Each notice of change of control shall be taken to apply to all contracts with The Authority. Notices shall be submitted to:

Strategic Supplier Management Team  
Spruce 3b # 1301  
MOD Abbey Wood,  
Bristol, BS34 8JH

and emailed to: [DefComrcSSM-MergersandAcq@mod.gov.uk](mailto:DefComrcSSM-MergersandAcq@mod.gov.uk)

- d. The Representative of The Authority shall consider the notice of change of control and advise the Contractor in writing of any concerns The Authority may have. Such concerns may include but are not limited to potential threats to national security, the ability of The Authority to comply with its statutory obligations or matters covered by the declarations made by the Contractor prior to the Effective Date of Contract. 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 calendar days (or as agreed by the parties) of receipt of The Authority's written concerns, for The Authority's consideration.
- e. To the extent that The Authority considers that it is reasonable to do so, The Authority shall work with the Contractor to seek to resolve The Authority's concerns. The Contractor agrees to answer The Authority's questions or requests for clarification promptly.
- f. Where The Authority considers, in its absolute discretion, that the risk may be appropriately mitigated, the Contractor shall implement any agreed mitigations promptly and, in any case, within the timescales required by The Authority. Where the Contractor fails to do so, clause 15.g. shall apply.
- g. The Authority may, acting reasonably, terminate the Contract by giving written notice to the Contractor (and/or request the Contractor to terminate any relevant First-Tier or Lower-Tier Sub-Contractor's contract) within six months of The Authority being notified in accordance with clause 15.a. The Authority shall act reasonably in exercising its right of termination, including, but not limited to, taking into account the Contractor's own assessment of the change of control.
- h. Where The Authority terminates the Contract in accordance with clause 15.g, subject to clause 15.i, the Contractor may request payment for any unavoidable commitments, liabilities or expenditure incurred by the Contractor in connection with the Contract up to the point of termination. The Authority shall act reasonably when assessing the Contractor's request for payment although the parties agree that The Authority shall retain the sole discretion, acting reasonably, to decide whether to make such requested payment in accordance with clause 15.i.
- i. Any requests for payment by the Contractor must be submitted promptly and the Contractor shall demonstrate to the reasonable satisfaction of The Authority that such request for payment:
  - (1) is reasonable and properly chargeable;
  - (2) would otherwise represent an unavoidable loss by the Contractor by reason of the termination of the Contract; and
  - (3) is fully supported by documentary evidence.
- j. In the event that the Contractor fails to demonstrate any of the conditions set out at 15.i.(1)-(3), The Authority may reject such request for payment.
- k. Notification by the Contractor of any intended, planned or actual change of control shall not prejudice the existing rights of The Authority or the Contractor under the Contract nor create or imply any rights of either the Contractor or The Authority additional to The Authority's rights set out in this Condition.
- l. The Contractor shall include provisions equivalent to those set out in this Condition in all relevant sub-contracts.

## 16. Environmental Requirements

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

## 17. Contractors Records

a. The Contractor and their Subcontractors shall maintain all records specified in and connected with the Contract (expressly or otherwise) and make them available to The Authority when requested on reasonable notice.

b. The Contractor and their Subcontractors shall also 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:

(1) to enable the National Audit Office to carry out The Authority's statutory audits and to examine and/or certify The Authority's annual and interim report and accounts; and

(2) to enable the National Audit Office to carry out an examination pursuant to Part II of the National Audit Act 1983 of the economy, efficiency and effectiveness with which The Authority has used its resources.

c. With regard to the records made available to The Authority under clause 17.a of this Condition, and subject to the provisions of Condition 13 (Disclosure of Information), the Contractor shall permit records to be examined and if necessary copied, by The Authority, or Representative of The Authority, as The Authority may require.

d. Unless the Contract specifies otherwise the records referred to in this Condition shall be retained for a period of at least 6 years from:

- (1) the end of the Contract term;
- (2) the termination of the Contract; or
- (3) the final payment,

whichever occurs latest.

## 18. Notices

a. A Notice served under the Contract shall be:

- (1) in writing in the English language;
- (2) authenticated by signature or such other method as may be agreed between the Parties;
- (3) sent for the attention of the other Party's Representative, and to the address set out in Schedule 3 (Contract Data Sheet);
- (4) marked with the number of the Contract; and
- (5) delivered by hand, prepaid post (or airmail), facsimile transmission or, if agreed in Schedule 3 (Contract Data Sheet), by electronic mail.

b. Notices shall be deemed to have been received:

- (1) if delivered by hand, on the day of delivery if it is the recipient's Business Day and otherwise on the first Business Day of the recipient immediately following the day of delivery;
- (2) if sent by prepaid post, on the fourth Business Day (or the tenth Business Day in the case of airmail) after the day of posting;
- (3) if sent by facsimile or electronic means:
  - (a) if transmitted between 09:00 and 17:00 hours on a Business Day (recipient's time) on completion of receipt by the sender of verification of the transmission from the receiving instrument; or
  - (b) if transmitted at any other time, at 09:00 on the first Business Day (recipient's time)

following the completion of receipt by the sender of verification of transmission from the receiving instrument.

#### **19. Progress Monitoring, Meetings and Reports**

- a. The Contractor shall attend progress meetings at the frequency or times (if any) specified in Schedule 3 (Contract Data Sheet) and shall ensure that their Contractor's representatives are suitably qualified to attend such meetings.
- b. The Contractor shall submit progress reports to The Authority's Representatives at the times and in the format (if any) specified in Schedule 3 (Contract Data Sheet). The reports shall detail as a minimum:
  - (1) performance/Delivery of the Contractor Deliverables;
  - (2) risks and opportunities;
  - (3) any other information specified in Schedule 3 (Contract Data Sheet); and
  - (4) any other information reasonably requested by The Authority.
- c. In accordance with the Single Source Contract Regulations (SSCR) 2014, the Contractor shall submit the required Qualifying Defence Contract (QDC) reports to The Authority within the timescales mandated by the SSCR Regulations. The required reports are detailed and listed within Schedule 13 (CDRL) and Schedule 14 (QDC - Contract Reports Requirement).
- d. The Contractor shall submit all non-QDC reports and document deliverables as set out within Schedule 3 (Contract Data Sheet) and Schedule 13 (CDRL) within the timescales stated therein.

#### **Supply of Contractor Deliverables**

#### **20. Supply of Contractor Deliverables and Quality Assurance**

- a. The Contractor shall provide the Contractor Deliverables to The Authority, in accordance with the Schedule of Requirements and the Specification, and shall allocate sufficient resource to the provision of the Contractor Deliverables to enable it to comply with this obligation.
- b. The Contractor shall:
  - (1) comply with any applicable quality assurance and safety requirements specified in Schedule 3 (Contract Data Sheet) and Condition 61 in providing the Contractor Deliverables; and
  - (2) discharge their obligations under the Contract with all due skill, care, diligence and operating practice by appropriately experienced, qualified and trained personnel.
- c. The provisions of clause 20.b. shall survive any performance, acceptance or payment pursuant to the Contract and shall extend to any remedial services provided by the Contractor.
- d. The Contractor shall:
  - (1) observe, and ensure that the Contractor's Team observe, all health and safety rules and regulations and any other security requirements that apply at any of The Authority's premises;
  - (2) notify The Authority as soon as they become aware of any health and safety hazards or issues which arise in relation to the Contractor Deliverables; and
  - (3) before the date on which the Contractor Deliverables are to start, obtain, and at all times maintain, all necessary licences and consents in relation to the Contractor Deliverables.

#### **21. Marking of Contractor Deliverables**

- a. Each Contractor Deliverable shall be marked in accordance with the required particulars specified in Schedule 3 (Contract Data Sheet).
- b. Each ASSC shall be marked with a UII, to be affixed by way of a 2D data matrix label, in accordance with DEF-STAN 05-132.

- c. Where the Contract requires a non-ASSC Contractor Deliverable to be marked with a UII, to be affixed by way of a 2D data matrix label, this shall also be in accordance with DEF-STAN 05-132.
- d. Any marking method used shall not have a detrimental effect on the strength, serviceability or corrosion resistance of the Contractor Deliverables. Where a 2D data matrix label is affixed, it shall last for the life of a Contractor Deliverable.
- e. The marking shall include any serial numbers allocated to the Contractor Deliverable.
- f. Where because of its size or nature it is not possible to mark a Contractor Deliverable with the required particulars, they shall be included on the package or carton in which the Contractor Deliverable is packed, in accordance with Condition 22 (Packaging and Labelling (excluding Contractor Deliverables containing Munitions)).

## **22. Packaging and Labelling (excluding Contractor Deliverables containing Munitions)**

- a. Packaging responsibilities are as follows:
  - (1) The Contractor shall be responsible for providing Packaging which fully complies with the requirements of the Contract.
  - (2) The Authority shall indicate in the Contract the standard or level of Packaging required for each Contractor Deliverable, including the PPQ. If a standard or level of Packaging (including the PPQ) is not indicated in the Contract, the Contractor shall request such instructions from The Authority before proceeding further.
  - (3) The Contractor shall ensure all relevant information necessary for the effective performance of the Contract is made available to all Subcontractors.
  - (4) Where the Contractor or any of their Subcontractors have concerns relating to the appropriateness of the Packaging design and or MPL prior to manufacture or supply of the Contractor Deliverables they shall use DEFFORM 129B to feedback these concerns to the Contractor or Authority, as appropriate.
- b. The Contractor shall supply Commercial Packaging meeting the standards and requirements of Def Stan 81-041 (Part 1). In addition, the following requirements apply:
  - (1) The Contractor shall provide Packaging which:
    - (a) will ensure that each Contractor Deliverable may be transported and delivered to the consignee named in the Contract in an undamaged and serviceable condition; and
    - (b) is labelled to enable the contents to be identified without need to breach the package; and
    - (c) is compliant with statutory requirements and this Condition.
  - (2) The Packaging used by the Contractor to supply identical or similar Contractor Deliverables to commercial customers or to the general public (i.e. point of sale packaging) will be acceptable, provided that it complies with the following criteria:
    - (a) reference in the Contract to a PPQ means the quantity of a Contractor Deliverable to be contained in an individual package, which has been selected as being the most suitable for issue(s) to the ultimate user;
    - (b) Robust Contractor Deliverables, which by their nature require minimal or no packaging for commercial deliveries, shall be regarded as "PPQ packages" and shall be marked in accordance with clauses 22.i to 22.l. References to "PPQ packages" in subsequent text shall be taken to include Robust Contractor Deliverables; and
    - (c) for ease of handling, transportation and delivery, packages which contain identical Contractor Deliverables may be bulked and overpacked, in accordance with clauses 22.i to 22.k.
- c. The Contractor shall ascertain whether the Contractor Deliverables being supplied are, or contain, Dangerous Goods, and shall supply the Dangerous Goods in accordance with:
  - (1) The Health and Safety At Work Act 1974 (as amended);

(2) The Classification Hazard Information and Packaging for Supply Regulations (CHIP4) 2009 (as amended);

(3) The REACH Regulations 2007 (as amended); and

(4) The Classification, Labelling and Packaging Regulations (CLP) 2009 (as amended).

d. The Contractor shall package the Dangerous Goods as limited quantities, excepted quantities or similar derogations, for UK or worldwide shipment by all modes of transport in accordance with the regulations relating to the Dangerous Goods and:

(1) The Safety Of Lives At Sea Regulations (SOLAS) 1974 (as amended); and

(2) The Air Navigation (Amendment) Order 2019.

e. As soon as possible, and in any event no later than one month before delivery is due, the Contractor shall provide a Safety Data Sheet in respect of each Dangerous Good in accordance with the REACH Regulations 2007 (as amended) and the Health and Safety At Work Act 1974 (as amended) and in accordance with Condition 24 (Supply of Hazardous Materials or Substances in Contractor Deliverables).

f. The Contractor shall comply with the requirements for the design of MLP which include clauses 22.f and 22.g as follows:

(1) Where there is a requirement to design UK or NATO MLP, the work shall be undertaken by an MPAS registered organisation, or one that although non-registered is able to demonstrate to The Authority that their quality systems and military package design expertise are of an equivalent standard.

(a) The MPAS certification (for individual designers) and registration (for organisations) scheme details are available from:

DES LSOC SpSvcs--SptEng-Pkg1  
MOD Abbey Wood  
Bristol, BS34 8JH  
Tel. +44(0)30679-35353  
[DESLSOC-SpSvcs-SptEng-Pkg1@mod.gov.uk](mailto:DESLSOC-SpSvcs-SptEng-Pkg1@mod.gov.uk)

(b) The MPAS Documentation is also available on the DStan website.

(2) MLP shall be designed to comply with the relevant requirements of Def Stan 81-041, and be capable of meeting the appropriate test requirements of Def Stan 81-041 (Part 3). Packaging designs shall be prepared on a SPIS, in accordance with Def Stan 81-041 (Part 4).

(3) The Contractor shall ensure a search of the SPIS index (the 'SPIN') is carried out to establish the SPIS status of each requirement (using DEFFORM 129a 'Application for Packaging Designs or their Status').

(4) New designs shall not be made where there is an existing usable SPIS, or one that may be easily modified.

(5) Where there is a usable SFS, it shall be used in place of a SPIS design unless otherwise stated by the Contract. When an SFS is used or replaces a SPIS design, the Contractor shall upload this information on to SPIN in Adobe PDF.

(6) All SPIS, new or modified (and associated documentation), shall, on completion, be uploaded by the Contractor on to SPIN. The format shall be Adobe PDF.

(7) Where it is necessary to use an existing SPIS design, the Contractor shall ensure the Packaging manufacturer is a registered organisation in accordance with clause 22.f.(1) above, or if un-registered, is compliant with MPAS ANNEX A Supplement (Code) M. The Contractor shall ensure, as far as possible, that the SPIS is up to date.

(8) The documents supplied under clause 22.f.(6) shall be considered as a contract data requirement and be subject to the terms of DEFCON 15 and DEFCON 21.

g. Unless otherwise stated in the Contract, one of the following procedures for the production of new or modified SPIS designs shall be applied:

(1) If the Contractor or their Subcontractor is the PDA they shall:

- On receipt of instructions received from The Authority's representative nominated in Box 2 Annex A to Schedule 3 (Contract Data Sheet), prepare the required package design in accordance with clause 22.f.
- Where the Contractor or their Subcontractor is registered, they shall, on completion of any design work, provide The Authority with the following documents electronically:
  - a list of all SPIS which have been prepared or revised against the Contract; and
  - a copy of all new / revised SPIS, complete with all continuation sheets and associated drawings, where applicable, to be uploaded onto SPIN.
- Where the PDA is not a registered organisation, then they shall obtain approval for their design from a registered organisation before proceeding, then follow clause 22.g.(1)(b).

(2) Where the Contractor or their Subcontractor is not the PDA and is un-registered, they shall not produce, modify, or update SPIS designs. They shall obtain current SPIS design(s) from The Authority or a registered organisation before proceeding with manufacture of Packaging. To allow designs to be provided in ample time, they should apply for SPIS designs as soon as practicable.

(3) Where the Contractor or their Subcontractor is un-registered and has been given authority to produce, modify, and update SPIS designs by the Contract, they shall obtain approval for their design from a registered organisation using DEFFORM 129a before proceeding, then follow clause 22.g.(1)(b).

(4) Where the Contractor or their Subcontractor is not a PDA but is registered, they shall follow clauses 22.g.(1)(a) and 22.g.(1)(b).

h. If special jigs, tooling etc., are required for the production of MLP, the Contractor shall obtain written approval from the Commercial Officer before providing them. Any approval given will be subject to the terms of DEFCON 23 (SC2) or equivalent condition, as appropriate.

i. In addition to any marking required by international or national legislation or regulations, the following package labelling and marking requirements apply:

- If the Contract specifies UK or NATO MPL, labelling and marking of the packages shall be in accordance with Def Stan 81-041 (Part 6) and this Condition as follows:
  - Labels giving the mass of the package, in kilograms, shall be placed such that they may be clearly seen when the items are stacked during storage.
  - Each consignment package shall be marked with details as follows:
    - name and address of consignor;
    - name and address of consignee (as stated in the Contract or order);
    - destination where it differs from the consignee's address, normally either:
      - delivery destination / address; or
      - transit destination, where delivery address is a point for aggregation / disaggregation and / or onward shipment elsewhere, e.g. railway station, where that mode of transport is used;
    - the unique order identifiers and the CP&F Delivery Label / Form which shall be prepared in accordance with DEFFORM 129J.
      - If aggregated packages are used, their consignment marking and identification requirements are stated at clause 22.l.
- If the Contract specifies Commercial Packaging, an external surface of each PPQ package and each consignment package, if it contains identical PPQ packages, shall be marked, using details of the Contractor Deliverables as shown in the Contract schedule, to state the following:

- (a) description of the Contractor Deliverable;
- (b) the full thirteen digit NATO Stock Number (NSN);
- (c) the PPQ;
- (d) maker's part / catalogue, serial and / or batch number, as appropriate;
- (e) the Contract and order number when applicable;
- (f) the words "Trade Package" in bold lettering, marked in BLUE in respect of trade packages, and BLACK in respect of export trade packages;
- (g) shelf life of item where applicable;
- (h) for rubber items or items containing rubber, the quarter and year of vulcanisation or manufacture of the rubber product or component (marked in accordance with Def Stan 81-041);
- (i) any statutory hazard markings and any handling markings, including the mass of any package which exceeds 3kg gross; and
- (j) any additional markings specified in the Contract.

j. Bar code marking shall be applied to the external surface of each consignment package and to each PPQ package contained therein. The default symbology shall be as specified in Def Stan 81-041 (Part 6). As a minimum the following information shall be marked on packages:

- (1) the full 13-digit NSN;
- (2) denomination of quantity (D of Q);
- (3) actual quantity (quantity in package);
- (4) manufacturer's serial number and / or batch number, if one has been allocated; and
- (5) the CP&F-generated unique order identifier.

k. Requirements for positioning bar codes in relation to related text, as well as positioning on package etc., are defined in Def Stan 81-041 (Part 6). If size of the bar code does not allow a label to be directly attached, then a tag may be used. Any difficulties over size or positioning of barcode markings shall initially be referred to the organisation nominated in Box 3 of Annex A to Schedule 3 (Contract Data Sheet).

l. The requirements for the consignment of aggregated packages are as follows:

- (1) With the exception of packages containing Dangerous Goods, over-packing for delivery to the consignee shown in the Contract may be used by the consignor to aggregate a number of packages to different Packaging levels, provided that the package contains Contractor Deliverables of only one NSN or class group. Over-packing shall be in the cheapest commercial form consistent with ease of handling and protection of over-packed items.
- (2) Two adjacent sides of the outer container shall be clearly marked to show the following:
  - (a) class group number;
  - (b) name and address of consignor;
  - (c) name and address of consignee (as stated on the Contract or order);
  - (d) destination if it differs from the consignee's address, normally either:
    - i. delivery destination / address; or
    - ii. transit destination, if the delivery address is a point of aggregation / disaggregation and / or onward shipment e.g. railway station, where that mode of transport is used;
  - (e) where applicable, the reference number of the delivery note produced by CP&F relating to the contents. The consignee's copy of each delivery note shall be placed in the case / container. If the Contractor Deliverables listed in the delivery note are packed in several cases, the consignee's copy shall be placed in the first case and a separate list detailing the contents shall be prepared for each case after the first and placed in the

case to which it relates. Each case is to be numbered to indicate both the number of the case and the total number of cases concerned e.g. 1/3, 2/3, 3/3;

(f) the CP&F-generated shipping label; and

(g) any statutory hazard markings and any handling markings.

m. Authorisation of the Contractor to undertake Packaging design, or to use a packaging design, that was not part of the original requirement under the Contract, shall be considered as an alteration to the specification in accordance with Condition 6 (Formal Amendments to the Contract).

n. The Contractor shall ensure that timber and wood-containing products supplied under the Contract comply with the provisions of Condition 25 (Timber and Wood-Derived Products) and Annex I and Annex II of the International Standards for Phytosanitary Measures, "Guidelines for Regulating Wood Packaging Material in International Trade", Publication No 15 (ISPM 15).

o. All Packaging shall meet the requirements of the Packaging (Essential Requirements) Regulations 2003 (as amended) where applicable.

p. In any design work the Contractor shall comply with the Producer Responsibility Obligations (Packaging Waste) Regulations 2007 (as amended) or equivalent legislation. Evidence of compliance shall be a contractor record in accordance with Condition 17 (Contractor's Records).

q. This Condition is concerned with the supply of Packaging suitable to protect and ease handling, transport and storage of specified items. Where there is a failure of suitable Packaging (a design failure), or Packaging fails and this is attributed to the Packaging supplier, then the supplier shall be liable for the cost of replacing the Packaging.

r. Liability for other losses resulting from Packaging failure or resulting from damage to Packaging, (such as damage to the packaged item etc.), shall be specified elsewhere in the Contract.

s. General requirements for service Packaging, including details of UK and NATO MLP and Commercial Packaging descriptions, are contained in Def Stan 81-041 (Part 1) "Packaging of Defence Materiel". Def Stans, NATO Standardisation Agreements (STANAGs), and further information are available from the DStan internet site at: <https://www.dstan.mod.uk/>

t. Unless specifically stated otherwise in the invitation to tender or the Contract, reference to any standard including Def Stans or STANAGs in any invitation to tender or Contract document means the edition and all amendments extant at the date of such tender or Contract.

u. In the event of conflict between the Contract and Def Stan 81-041, the Contract shall take precedence.

### **23. Plastic Packaging Tax**

a. The Contractor shall ensure that any PPT due in relation to this Contract is paid in accordance with the PPT Legislation.

b. The Contract Price includes any PPT that may be payable by the Contractor in relation to the Contract.

c. On reasonable notice being provided by The Authority, the Contractor shall provide and make available to The Authority details of any PPT they have paid that relates to the Contract.

d. The Contractor shall notify The Authority, in writing, in the event that there is any adjustment required to the Contract Price in accordance with section 70 of the Finance Act 2021 and, on reasonable notice being provided by The Authority, the Contractor shall provide any such information that The Authority requires in relation to any such adjustment.

e. In accordance with Condition 17 the Contractor (and their sub-contractors) shall maintain all records relating to PPT and make them available to The Authority when requested on reasonable notice for reasons related to the Contract.

f. Where the Contractor manufactures, purchases or imports into the UK any Plastic Packaging Component in relation to the Contract the Contractor shall, on reasonable notice being given, provide The Authority with such information and documentation that it requires to enable The Authority to carry out due diligence checks and satisfy itself that the Contractor has complied with

the requirements of the PPT Legislation. This shall include, but is not limited to the Contractor providing:

- (1) confirmation of the tax status of any Plastic Packaging Component;
- (2) documents to confirm that PPT has been properly accounted for;
- (3) product specifications for the packaging components, including, but not limited to, the weight and composition of the products and any other product specifications that may be required; and
- (4) copies of any certifications or audits that have been obtained or conducted in relation to the provision of Plastic Packaging Components.

g. [REDACTED]

**REDACTED under FOIA Section 43 - Commercially Sensitive Information**

h. In the event the Contractor is not required to register for PPT they (and to the extent applicable, their sub-contractors) shall provide The Authority with a statement to this effect and, to the extent reasonably required by The Authority on reasonable notice, supporting evidence for that statement.

i. The Contractor shall provide, on The Authority providing reasonable notice, any information that The Authority may require from the Contractor for The Authority to comply with any obligations it may have under the PPT Legislation.

#### **24. Supply of Data for Hazardous Materials or Substances, Mixtures and Articles in Contractor Deliverables**

a. Nothing in this Condition shall reduce or limit any statutory duty or legal obligation of The Authority or the Contractor.

b. The Contractor shall provide to The Authority:

- (1) for each Substance, Mixture or Article supplied in meeting the criteria of classification as hazardous in accordance with the GB Classification, Labelling and Packaging (GB CLP) a UK REACH compliant Safety Data Sheet (SDS);
- (2) where Mixtures supplied do not meet the criteria for classification as hazardous according to GB CLP but contain a hazardous Substance an SDS is to be made available on request; and
- (3) for each Article whether supplied on its own or part of an assembly that contains a Substance on the UK REACH Authorisation List, Restriction List and/or the Candidate List of Substances of Very High Concern (SVHC) in a proportion greater than 0.1% w/w of the Article, sufficient information, available to the Contractor, to allow safe use of the Article including, as a minimum, the name of that Substance.

c. For Substances, Mixtures or Articles that meet the criteria list in clause 24.b above:

- (1) if the Contractor becomes aware of new information which may affect the risk management measures or new information on the hazard, the Contractor shall update the SDS/safety information and forward it to The Authority and to the address listed in clause 24.i below; and
- (2) if The Authority becomes aware of new information that might call into question the appropriateness of the risk management measures identified in the safety information supplied, shall report this information in writing to the Contractor.

d. The Contractor shall provide to The Authority a completed Schedule 6 (Hazardous Substances, Mixtures and Articles in Contractor Deliverables Supplied under the Contract: Data Requirements) in accordance with Schedule 3 (Contract Data Sheet).

e. If the Substances, Mixtures or Articles in Contractor Deliverables are Ordnance, Munitions or Explosives (OME), in addition to the requirements of the GB CLP and UK REACH the Contractor

shall comply with hazard reporting requirements of DEF STAN 07-085 Design Requirements for Weapons and Associated Systems.

f. If the Substances, Mixtures or Articles in Contractor Deliverables, are or contain or embody a radioactive substance as defined in the Ionising Radiation Regulations SI 2017/1075, the Contractor shall additionally provide details in Schedule 6 of:

- (1) activity; and
- (2) the substance and form (including any isotope).

g. If the Substances, Mixtures or Articles in Contractor Deliverables have magnetic properties which emit a magnetic field, the Contractor shall additionally provide details in Schedule 6 of the magnetic flux density at a defined distance, for the condition in which it is packed.

h. Any SDS to be provided in accordance with this Condition, including any related information to be supplied in compliance with the Contractor's statutory duties under clause 24.b.(1) and 24.c.(1), any information arising from the provisions of clauses 24.f and 24.g and the completed Schedule 6, shall be sent directly to The Authority's Point of Contact as specified in the Schedule 3 as soon as practicable, and no later than one (1) month prior to the Contract delivery date, unless otherwise stated in Schedule 3 (Contract Data Sheet).

i. So that the safety information can reach users without delay, The Authority shall send a copy preferably as an email with attachment(s) in Adobe PDF or MS WORD format, or, if only hardcopy is available, to the addresses below:

- (1) Hard copies to be sent to:

Hazardous Stores Information System (HSIS)

Spruce 2C, #1260,

MOD Abbey Wood (South)

Bristol BS34 8JH

- (2) Emails to be sent to:

[DESEngSfty-QSEPSEP-HSISMulti@mod.gov.uk](mailto:DESEngSfty-QSEPSEP-HSISMulti@mod.gov.uk)

j. SDS which are classified above OFFICIAL including Explosive Hazard Data Sheets (EHDS) for OME are not to be sent to HSIS and must be held by the respective Authority Delivery Team.

k. Failure by the Contractor to comply with the requirements of this Condition shall be grounds for rejecting the affected Substances, Mixtures and Articles in Contractor Deliverables. Any withholding of information concerning hazardous Substances, Mixtures or Articles in Contractor Deliverables shall be regarded as a material breach of Contract under Condition 43 (Material Breach) for which The Authority reserves the right to require the Contractor to rectify the breach immediately at no additional cost to The Authority or to terminate the Contract in accordance with Condition 43.

l. Where delivery is made to the Defence Fulfilment Centre (DFC) and / or other Team Leidos location / building, the Contractor must comply with the Logistic Commodities and Services Transformation (LCST) Supplier Manual.

## **25. Timber and Wood-Derived Products**

a. All Timber and Wood-Derived Products supplied by the Contractor under the Contract:

- (1) shall comply with the Contract Specification; and
- (2) must originate either:
  - (a) from a Legal and Sustainable source; or
  - (b) from a FLEGT-licensed or equivalent source.

b. In addition to the requirements of clause 25.a, all Timber and Wood-Derived Products supplied by the Contractor under the Contract shall originate from a forest source where management of the forest has full regard for:

- (1) identification, documentation and respect of legal, customary and traditional tenure and use rights related to the forest;

(2) mechanisms for resolving grievances and disputes including those relating to tenure and use rights, to forest management practices and to work conditions; and

(3) safeguarding the basic labour rights and health and safety of forest workers.

c. If requested by The Authority, the Contractor shall provide to The Authority Evidence that the Timber and Wood-Derived Products supplied to The Authority under the Contract comply with the requirements of clause 25.a or 25.b or both.

d. The Authority reserves the right at any time during the execution of the Contract and for a period of five (5) years from final Delivery under the Contract to require the Contractor to produce the Evidence required for The Authority's inspection within fourteen (14) days of The Authority's request.

e. If the Contractor has already provided The Authority with the Evidence required under clause 25.c, the Contractor may satisfy these requirements by giving details of the previous notification and confirming the Evidence remains valid and satisfies the provisions of clauses 25.a or 25.b or both.

f. The Contractor shall maintain records of all Timber and Wood-Derived Products delivered to and accepted by The Authority, in accordance with Condition 17 (Contractor's Records).

g. Notwithstanding clause 25.c, if exceptional circumstances render it strictly impractical for the Contractor to record Evidence of proof of timber origin for previously used Recycled Timber, the Contractor shall support the use of this Recycled Timber with:

- (1) a record tracing the Recycled Timber to its previous end use as a standalone object or as part of a structure; and
- (2) an explanation of the circumstances that rendered it impractical to record Evidence of proof of timber origin.

h. The Authority reserves the right to decide, except where in The Authority's opinion the timber supplied is incidental to the requirement and from a low risk source, whether the Evidence submitted to it demonstrates compliance with clause 24.a or 24.b, or both. In the event that The Authority is not satisfied, the Contractor shall commission and meet the costs of an Independent Verification and resulting report that will:

- (1) verify the forest source of the timber or wood; and
- (2) assess whether the source meets the relevant criteria of clause 25.b.

i. The statistical reporting requirement at clause 25.j applies to all Timber and Wood-Derived Products delivered under the Contract. The Authority reserves the right to amend the requirement for statistical reporting, in the event that the UK Government changes the requirement for reporting compliance with the Government Timber Procurement Policy. Amendments to the statistical reporting requirement will be made in accordance with Condition 6 (Formal Amendments to the Contract).

j. The Contractor shall provide to The Authority, a completed Schedule 7 (Timber and Wood-Derived Products Supplied under the Contract: Data Requirements), the data or Information The Authority requires in respect of Timber and Wood-Derived Products delivered to The Authority under the Contract, or in respect of each order in the case of a Framework Agreement, or at such other frequency as stated in the Contract. The Contractor shall send all completed Schedule 7s (Timber and Wood-Derived Products Supplied under the Contract: Data Requirements), including nil returns where appropriate, to The Authority's Representative (Commercial).

k. The Schedule 7 (Timber and Wood-Derived Products Supplied under the Contract: Data Requirements) may be amended by The Authority from time to time, in accordance with Condition 6 (Formal Amendments to the Contract).

l. The Contractor shall obtain any wood, other than processed wood, used in Packaging from:

- (1) companies that have a full registered status under the Forestry Commission and Timber Packaging and Pallet Confederation's UK Wood Packaging Material Marking Programme (more detailed information can be accessed at [www.forestry.gov.uk](http://www.forestry.gov.uk)) and all such wood shall be treated for the elimination of raw wood pests and marked in accordance with that Programme; or

(2) sources supplying wood treated and marked so as to conform to Annex I and Annex II of the International Standard for Phytosanitary Measures, "Guidelines for Regulating Wood Packaging Material in International Trade", Publication No 15 published by the Food and Agricultural Organisation of the United Nations (ISPM15) (more detailed information can be accessed at [www.fao.org](http://www.fao.org)).

## 26. Certificate of Conformity

- a. Where required in Schedule 3 (Contract Data Sheet) the Contractor shall provide a Certificate of Conformity (CofC) in accordance with Schedule 2 (Schedule of Requirements) and any applicable Quality Plan, the CofC shall be in English unless stated otherwise in the Contract. One copy of the CofC shall be sent to The Authority's Representative (Commercial) upon Delivery, and one copy shall be provided to the Consignee upon Delivery and the CofC will clearly detail the Articles (quantities, part numbers, batch numbers, NSNs etc) that are contained in a specific delivery.
- b. Each CofC shall be clearly identified as a conformity document and should include the wording "Certificate of Conformity" (or similar) in the title of the document to allow for easy identification.
- c. The Contractor shall consider the CofC to be a record in accordance with Condition 17 (Contractor's Records).
- d. The Information provided on the CofC shall include:
  - (1) Contractor's name and address;
  - (2) Contractor unique CofC number;
  - (3) Contract number and where applicable Contract amendment number and/or CP&F (Contracting, Purchasing and Finance) Purchase Order Number;
  - (4) Details of any approved concessions (clearly linked to the relevant item);
  - (5) Acquirer name and organisation;
  - (6) Delivery address;
  - (7) Contract Item Number from Schedule 2 (Schedule of Requirements);
  - (8) Line item numbers when there is more than one line item on the CofC;
  - (9) Description of Contractor Deliverable, including part number, specification and configuration status;
  - (10) NATO Stock Number (NSN) (where allocated);
  - (11) Identification marks, batch and serial numbers in accordance with the Specification;
  - (12) Quantities;
  - (13) A signed and dated statement by the Contractor's Authorised Personnel that the Contractor Deliverables comply with the requirements of the Contract and approved concessions. The signing of the CofC may be in the form of a signature or traceable stamp. The Contractor's Authorised Personnel shall mean a competent person appointed and authorised by the Contractor to sign a CofC.
  - (14) Exceptions or additions to the above are to be documented.
- e. Where Schedule 2 (Schedule of Requirements) and any applicable Quality Plan require demonstration of traceability and design provenance through the supply chain the Contractor shall include in any relevant subcontract the requirement for the Information called for at clause 26.d. The Contractor shall ensure that this Information is available to The Authority through the supply chain upon request in accordance with Condition 17 (Contractor

Records).

## 27. Access to Contractor's Premises

- a. The Contractor shall provide to The Authority's Representatives following reasonable Notice, relevant accommodation/facilities, at no direct cost to The Authority, and all reasonable access to their premises for the purpose of monitoring the Contractor's progress and quality standards in performing the Contract.
- b. As far as reasonably practical, the Contractor shall ensure that the provisions of clause 27.a are included in their subcontracts with those suppliers identified in the Contract. The Authority, through the Contractor, shall arrange access to such Subcontractors.

## 28. Delivery / Collection

- a. Schedule 3 (Contract Data Sheet) or the applicable Tasking Authorisation Form shall specify whether the Contractor Deliverables are to be Delivered to the Consignee by the Contractor or Collected from the Consignor by The Authority.
  - b. Where the Contractor Deliverables are to be Delivered by the Contractor (or a third party acting on behalf of the Contractor), the Contractor shall, unless otherwise stated in writing:
    - (1) contact The Authority's Representative as detailed in Schedule 3 (Contract Data Sheet) in advance of the Delivery Date in order to agree administrative arrangements for Delivery and provide any Information pertinent to Delivery requested;
    - (2) comply with any special instructions for arranging Delivery in Schedule 3 (Contract Data Sheet) or applicable Tasking Authorisation Form, which shall be subject to additional costs payable by The Authority if deemed necessary and appropriate;
    - (3) ensure that each consignment of the Contractor Deliverables is accompanied by, (as specified in Schedule 3 (Contract Data Sheet)), a DEFFORM 129J in accordance with the instructions;
    - (4) be responsible for all costs of Delivery; and
    - (5) Deliver the Contractor Deliverables to the Consignee at the address stated in Schedule 2 (Schedule of Requirements) by the Delivery Date between the hours agreed by the Parties.
  - c. Where the Contractor Deliverables are to be Collected by The Authority (or a third party acting on behalf of The Authority), the Contractor shall, unless otherwise stated in writing:
    - (1) contact The Authority's Representative (Transport) as detailed in box 10 of Annex A to Schedule 3 (Contract Data Sheet) in advance of the Delivery Date in order to agree specific arrangements for Collection and provide any Information pertinent to the Collection requested;
    - (2) comply with any special instructions for arranging Collection in Schedule 3 (Contract Data Sheet);
    - (3) ensure that each consignment of the Contractor Deliverables is accompanied by, (as specified in Schedule 3 (Contract Data Sheet)), a DEFFORM 129J in accordance with the instructions;
    - (4) ensure that the Contractor Deliverables are available for Collection by The Authority from the Consignor (as specified in Schedule 3 (Contract Data Sheet)) by the Delivery Date between the hours agreed by the Parties; and
    - (5) in the case of Overseas consignments, ensure that the Contractor Deliverables are accompanied by the necessary transit documentation. All Customs clearance shall be the responsibility of The Authority's Representative (Transport).
  - d. Title and risk in the Contractor Deliverables shall only pass from the Contractor to The Authority:
    - (1) on the Delivery of the Contractor Deliverables by the Contractor to the Consignee in accordance with clause 28.b; or
    - (2) on the Collection of the Contractor Deliverables from the Consignor by The Authority once they have been made available for Collection by the Contractor in accordance with clause

28.c.

**29. Acceptance**

a. Acceptance of the Contractor Deliverables shall occur in accordance with the Acceptance procedure specified in Schedule 8 (Acceptance and Rejection Procedure), within [REDACTED] [REDACTED] under FOIA Section 43 - Commercially Sensitive Information or other period as agreed between the Parties by exception. If no Acceptance notification is submitted to the Contractor within the timescales stated within Schedule 8 or as otherwise agreed, Acceptance shall occur when either:

- (1) The Authority does any act in relation to the Contractor Deliverable which is inconsistent with the Contractor's ownership; or
- (2) the time limit in which to Reject the Contractor Deliverables defined in Clause 30.b and Schedule 8 has elapsed.

**30. Rejection and Counterfeit Materiel****Rejection:**

[REDACTED] under FOIA Section 43 - Commercially Sensitive Information

**Counterfeit Materiel:**

c. Where The Authority suspects that any Contractor Deliverable or consignment of Contractor Deliverables contains Counterfeit Materiel, it shall:

- (1) notify the Contractor in writing of its suspicion and reasons therefore;
- (2) where reasonably practicable, and if requested by the Contractor within 10 Business Days of such notification, (at the Contractor's own risk and expense and subject to any reasonable controls specified by The Authority) afford the Contractor the facility to (i) inspect the Contractor Deliverable or consignment and/or (ii) obtain a sample thereof for validation or testing purposes.
- (3) at its discretion, provide the Contractor with a sample of the Contractor Deliverable or consignment for validation or testing purposes by the Contractor (at the Contractor's own risk and expense);
- (4) give the Contractor a further 20 Business Days or such other reasonable period agreed by The Authority, from the date of the inspection at 30.c.(2).(i) or the provision of a sample at 30.c.(2).(ii), to comment on whether the Contractor Deliverable or consignment meets the definition of Counterfeit Materiel; and
- (5) determine, on the balance of probabilities and strictly on the evidence available to it at the time, whether the Contractor Deliverable or consignment meets the definition of Counterfeit Materiel.

d. Where The Authority has determined that the Contractor Deliverable, part or consignment of Contractor Deliverables contain Counterfeit Material then it may reject the Contractor Deliverable, part or consignment under 30.a and 30.b (Rejection), and provide written notification to the Contractor of the rejection.

e. In addition to its rights under 30.a and 30.b (Rejection), where The Authority has determined that any Contractor Deliverable or consignment of Contractor Deliverables contains Counterfeit Materiel, it shall be entitled to:

- (1) retain any Counterfeit Materiel; and/or
- (2) retain the whole or any part of such Contractor Deliverable or consignment where it is not possible to separate the Counterfeit Materiel from the rest of the Contractor Deliverable, or consignment;

and such retention shall not constitute acceptance under Condition 29 (Acceptance).

f. Where The Authority intends to exercise its rights under clause 30.e, the Contractor may, subject to the agreement of The Authority (and at the Contractor's own risk and expense and

subject to any reasonable controls and timeframe agreed), arrange for:

- (1) the separation of Counterfeit Materiel from any Contractor Deliverable or part of a Contractor Deliverable; and/or
- (2) the removal of any Contractor Deliverable or part of a Contractor Deliverable that The Authority is reasonably satisfied does not contain Counterfeit Materiel.

g. In respect of any Contractor Deliverable, consignment or part thereof that is retained in accordance with clause 30.e, including where The Authority permits the Contractor to remove non-Counterfeit Materiel under clause 30.f but the Contractor fails to do so within the period agreed and subject to clause 30.k, The Authority shall be entitled to exercise any, all, or any combination of, the following rights:

- (1) to dispose of it responsible, and in a manner that does not permit its reintroduction into the supply chain or market;
- (2) to pass it to a relevant investigatory or regulatory authority;
- (3) to retain conduct or have conducted further testing including destructive testing, for further investigatory, regulatory or risk management purposes. Results from any such tests shall, at the discretion of The Authority, be shared with the Contractor; and/or
- (4) to recover the appropriate, attributable, and reasonable costs incurred by The Authority in respect of testing, storage, access, and/or disposal of it from the Contractor;

and exercise of the rights granted at clauses 30.g.(1) to 30.g.(3) shall not constitute acceptance under Condition 29 (Acceptance).

h. Any scrap or other disposal payment received by The Authority shall be off set against any amount due to The Authority under clause 30.g.(4). If the value of the scrap or other disposal payment exceeds the amount due to The Authority under clause 30.g.(4) then the balance shall accrue to the Contractor.

i. The Authority shall not use a retained Contract Deliverable or consignment other than as permitted in clauses 30.c – 30.k.

j. The Authority may report a discovery of Counterfeit Materiel and disclose information necessary for the identification of similar materiel and its possible sources.

k. The Contractor shall not be entitled to any payment or compensation from The Authority as a result of The Authority exercising the rights set out in clauses 30.c – 30.k except:

- (1) in relation to the balance that may accrue to the Contractor in accordance with clause 30.h; or
- (2) where it has been determined in accordance with Condition 40 (Dispute Resolution) that The Authority has made an incorrect determination in accordance with clause 30.c.(5). In such circumstances The Authority shall reimburse the Contractors reasonable costs of complying with clause 30.c.

### 31. Diversion Orders

- a. The Authority shall notify the Contractor at the earliest practicable opportunity if it becomes aware that a Contractor Deliverable is likely to be subject to a Diversion Order.
- b. The Authority may issue a Diversion Order for the urgent delivery of the Contractor Deliverables identified in it. These Contractor Deliverables are to be delivered by the Contractor using the quickest means available as agreed by The Authority.
- c. The Authority reserves the right to cancel the Diversion Order.
- d. If the terms of the Diversion Order are unclear, the Contractor shall immediately contact the Representative of The Authority who issued it for clarification and/or further instruction.
- e. If the Diversion Order increases the quantity of Contractor Deliverables beyond the scope of the Contract, it is to be returned immediately to The Authority's Commercial Officer with an appropriate explanation.

f. The Contractor shall be entitled to reasonable additional delivery and packaging costs incurred in complying with the Diversion Order or cancellation. Claims are to be submitted by the Contractor to The Authority's Commercial Officer together with applicable receipts and agreed as an amendment to the Contract in accordance with Condition 6 (Formal Amendments to the Contract). The Contractor shall comply with the requirements of the Diversion Order upon receipt of the Diversion Order.

### **32. Self-to-Self Delivery**

Where it is stated in Schedule 3 (Contract Data Sheet) that any Contractor Deliverable is to be Delivered by the Contractor to their own premises, or to those of a Subcontractor ('self-to-self delivery'), the risk in such a Contractor Deliverable shall remain vested in the Contractor until such time as it is handed over to The Authority.

### **Licences and Intellectual Property**

#### **33. Import and Export Licences**

a. If, in the performance of the Contract, the Contractor is required to import into or export out of the UK anything not supplied by or on behalf of The Authority and for which a UK Licence is required, the Contractor is responsible for applying for and maintaining that Licence.

b. Without prejudice to the HM Government's position on the validity of any claim by a foreign government to extra-territoriality, The Authority shall provide the Contractor with sufficient information, certification, documentation, and other reasonable assistance to obtain Licences from the UK or a foreign government for the performance of the Contract.

c. The Contractor shall consult The Authority as soon as reasonably practicable if a Licence is required from a foreign government. Where the Contractor is the applicant for obtaining Licences they shall ensure that when Restrictions apply to all or part of any Contractor Deliverables (which for the purposes of this Condition) shall also include information, technical data, software and services) unless otherwise agreed with The Authority, they shall identify in the application:

(1) the end user as: The Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (hereinafter "UK MOD"); and

(2) the end use as: For the Purposes of UK MOD; and

(3) include in the submission for the Licence a statement that "information on the status of processing this application may be shared with the Ministry of Defence of the United Kingdom".

d. The Contractor shall take expeditious action to arrange the application for the foreign Licences required to import or export any Materiel not supplied by or on behalf of The Authority or perform any services for which a Licence is required by a foreign government; this includes, but is not limited to, compliance with the ITAR, EAR, FMS and any applicable UK-US agreements. The Contractor shall include the dependencies for the Licence application, grant, and maintenance in the Contract risk register and in the risk management plan for the Contract, with appropriate review points. Where a risk management plan is not required under the Contract the Contractor shall inform The Authority's representative accordingly.

e. During the term of the Contract and for up to two years after Contract completion, The Authority may make a written request to the Contractor to seek a variation to the conditions of a foreign Licence to enable The Authority to re-export or re-transfer a licenced or authorised Materiel from the UK and/or to a non-licenced third party. If The Authority makes such a request, it will consult the Contractor before making a determination on which party is best placed to seek a variation. Where the Contractor is best placed to seek a variation:

(1) the Contractor shall, expeditiously file an application to seek a variation of the applicable Licence in accordance with the procedures of the foreign government or raise their objection to the

request. Where the Contractor has an objection to the variation request, the Parties shall meet within 5 Business Days to resolve the issue; should they fail to do so, the matter shall be escalated to an appropriate level within both Parties' organisations, to include their respective export or import control subject matter experts; and

(2) The Authority shall provide sufficient information, certification, documentation, and other reasonable assistance necessary to support the application to seek a variation.

f. Where The Authority determines that it is best placed to make such a request for variation, the Contractor shall provide sufficient information, certification, documentation, and other reasonable assistance necessary to support The Authority to make the application for the requested variation.

g. Where The Authority invokes clause 33.e or 33.f The Authority will pay the Contractor a fair and reasonable price for this service based on the cost of providing it.

h. The Contractor shall use all reasonable endeavours to incorporate in each relevant Subcontract equivalent terms regarding foreign export and/or import controls to those set out in this Condition. Where it is not possible to include equivalent terms to those set out in this Condition, the Contractor shall promptly report that fact and the circumstances to The Authority.

i. The Authority shall use reasonable endeavours to identify any Restrictions that apply to Materiel to be provided to the Contractor as Government Furnished Assets.

j. Where The Authority is to provide Materiel necessary to enable the Contractor to perform the Contract, or in respect of which the services are to be provided, and that is subject to Restrictions The Authority shall provide a completed DEFFORM 528 (and a copy of any applicable Licence, where available) to the Contractor as soon as reasonably practicable and no later than 30 days prior to the delivery of such Materiel to the Contractor. If the DEFFORM 528 provided is found to be inaccurate or incomplete The Authority shall deliver a new DEFFORM 528 as soon as reasonably practicable.

k. Where Restrictions are advised by The Authority to the Contractor in a DEFFORM 528 provided pursuant to clause 33.j or any of the information provided by The Authority in any DEFFORM 528 is inaccurate or incomplete the Parties shall promptly agree on the best course of action and implement it to mitigate the impact of the incomplete or inaccurate disclosure under the terms of Condition 6 (Formal Amendments to the Contract), or as may otherwise be provided by the Contract. If there is no alternative or appropriate mitigation available, The Authority may terminate the Contract in accordance with Condition 42 (Termination for Convenience), as appropriate and as referenced in the Contract. Providing the Contractor has taken such steps as are reasonable to mitigate the impact the Contractor shall be relieved of their obligation to perform those elements of the Contract affected by the Restrictions or provision of incorrect or incomplete information.

l. The Contractor shall use reasonable endeavours to identify whether any Contractor Deliverable is subject to any foreign Licence including those that impose or will impose Restrictions. During the term of the Contract the Contractor shall inform The Authority of any foreign Licence and/or any Restrictions not already disclosed at the Effective Date of Contract or relevant amendment. This does not include the Intellectual Property-specific restrictions of the type referred to in Condition 34 (Third Party Intellectual Property – Rights and Restrictions).

m. The Contractor shall notify The Authority of all, or any part of the Contractor Deliverables identified within clause 33. l, by submitting a DEFFORM 528 or other mutually agreed alternative format as soon as reasonably practicable and no less than 30 days prior to delivery of the Contractor Deliverables. Such notification shall include an update on the validity of all previous information submitted and shall include any Restrictions (not already disclosed to The Authority) notified to the Contractor by any of their Subcontractors, suppliers, or other third parties. The Contractor, within 10 Business Days (or such longer period as shall have been agreed in writing by the Parties) of such notification shall submit a proposal to The Authority outlining actions to mitigate

the impact of such Restrictions. Such proposals may include, where appropriate, mutually supported attempts to obtain removal of or modification to the Restrictions, or to obtain appropriate authorisations from the relevant foreign government. The Authority shall inform the Contractor within 10 Business Days (or such longer period as shall have been agreed in writing by the Parties) of receipt of the proposal whether it is acceptable and where appropriate the Contract shall be modified in accordance with Condition 6 (Formal Amendments to the Contract) or as otherwise provided by the Contract to implement the proposal.

n. If the Contractor is unable to perform their obligations under the Contract due to the Restrictions notified in accordance with clauses 33.l and 33.m and the Restrictions are not capable of being removed, modified, or otherwise satisfactorily managed within a reasonable time, The Authority may at its absolute discretion amend the Contract in accordance with Condition 6 (Formal Amendments to the Contract) or as otherwise provided by the Contract or terminate the Contract. Except where clause 33.o applies, termination shall be on fair and reasonable terms having regard to all the circumstances including payments already made and those due under the Contract, costs incurred by the Contractor and benefits received by The Authority. The Parties, acting in good faith, shall use all reasonable endeavours to agree such fair and reasonable terms failing which either Party may refer the matter to dispute resolution in accordance with Condition 40 (Dispute Resolution). Providing the Contractor has taken such steps as are reasonable to mitigate the impact the Contractor shall be relieved of their obligation to perform those elements of the Contract directly affected by the Restrictions or provision of incorrect or incomplete information.

o. Where the Contractor knew or ought reasonably to have known that the Contract Deliverables were subjected to the Restrictions notified in accordance with clauses 33.l and 33.m, either at the Effective Date of Contract or at the date of submission of the most recent previous DEFFORM 528 to The Authority in accordance with clause 33.m, and failed to notify The Authority or the information disclosed was inaccurate or incomplete, the termination of the Contract will be in accordance with Condition 43 (Material Breach) and the provisions of clause 33.n with respect to termination will not apply.

p. For a period of up to 2 years from the completion of the Contract, and in response to a specific written request from The Authority, the Contractor shall notify The Authority as soon as reasonably practicable of any change to the Restrictions applicable to any Materiel provided under the Contract by issuing an updated DEFFORM 528 to The Authority.

### **34. Third Party Intellectual Property – Rights and Restrictions**

a. The Contractor and, where applicable any Subcontractor, shall promptly notify The Authority as soon as they become aware of:

- (1) any invention or design the subject of patent or registered Design Rights (or application thereof) owned by a third party which appears to be relevant to the performance of the Contract or to use by The Authority of anything required to be done or delivered under the Contract;
- (2) any restriction as to disclosure or use, or obligation to make payments in respect of any other intellectual property (including technical Information) required for the purposes of the Contract or subsequent use by The Authority of anything delivered under the Contract and, where appropriate, the notification shall include such Information as is required by Section 2 of the Defence Contracts Act 1958;
- (3) any allegation of infringement of intellectual property rights made against the Contractor and which pertains to the performance of the Contract or subsequent use by The Authority of anything required to be done or delivered under the Contract.

clause 34.a does not apply in respect of Contractor Deliverables normally available from the Contractor as a Commercial Off The Shelf (COTS) item or service.

- b. If the Information required under clause 34.a has been notified previously, the Contractor may meet their obligations by giving details of the previous notification.
- c. For COTS Contractor Deliverables patents and registered designs in the UK, in respect of any

question arising (by way of an allegation made to The Authority or Contractor, or otherwise) that the manufacture or provision under the Contract of Contractor Deliverables normally available from the Contractor as a COTS item or service is an infringement of a UK patent or registered design not owned or controlled by the Contractor or The Authority, the Contractor shall, subject to the agreement of the third party owning such patent or registered design, be given exclusive conduct of any and all negotiations for the settlement of any claim or the conduct of any litigation arising out of such question. The Contractor shall indemnify The Authority, its officers, agents and employees against any liability and cost arising from such allegation. This Condition shall not apply if:

- (1) The Authority has made or makes an admission of any sort relevant to such question;
- (2) The Authority has entered or enters into any discussions on such question with any third party without the prior written agreement of the Contractor;
- (3) The Authority has entered or enters into negotiations in respect of any relevant claim for compensation in respect of Crown Use under Section 55 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949;
- (4) legal proceedings have been commenced against The Authority or the Contractor in respect of Crown Use, but only to the extent of such Crown Use that has been properly authorised.

d. The indemnity in clause 34.c does not extend to use by The Authority of anything supplied under the Contract where that use was not reasonably foreseeable at the time of the Contract.

e. In the event that The Authority has entered into negotiation in respect of a claim for compensation, or legal proceedings in respect of the Crown Use have commenced, The Authority shall forthwith authorise the Contractor for the purposes of performing the Contract (but not otherwise) to utilise a relevant invention or design in accordance with Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949 and to use any model, document or information relating to any such invention or design which may be required for that purpose.

f. For all other Contractor Deliverables patents and registered designs in the UK, if a relevant invention or design has been notified to The Authority by the Contractor prior to the Effective Date of Contract, then unless it has been otherwise agreed, under the provisions of Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949, the Contractor is hereby authorised to utilise that invention or design, notwithstanding the fact that it is the subject of a UK Patent or UK Registered Design, for the purpose of performing the Contract.

g. If, under clause 34.a, a relevant invention or design is notified to The Authority by the Contractor after the Effective Date of Contract, then:

- (1) if the owner (or its exclusive licensee) takes or threatens in writing to take any relevant action against the Contractor, The Authority shall issue to the Contractor a written authorisation in accordance with the provisions of Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949, and
- (2) in any event, unless the Contractor and The Authority can agree an alternative course of action, The Authority shall not unreasonably delay the issue of a written authorisation in accordance with the provisions of Sections 55 and 56 of the Patents Act 1977 or Section 12 of the Registered Designs Act 1949.

h. The Authority shall assume all liability and shall indemnify the Contractor, their officers, agents and employees against liability, including the Contractor's costs, as a result of infringement by the Contractor or their suppliers of any patent, utility model, registered design or like protection outside the United Kingdom in the performance of the Contract when such infringement arises from or is incurred by reason of the Contractor following any specification, statement of work or instruction in the Contract or using, keeping or disposing of any item given by The Authority for the purpose of the Contract in accordance with the Contract.

i. The Contractor shall assume all liability and shall indemnify The Authority, its officers, agents and employees against liability, including The Authority's costs, as a result of infringement by the

Contractor or their suppliers of any patent, utility model, registered design or like protection outside the UK in the performance of the Contract when such infringement arises from or is incurred otherwise than by reason of the Contractor following any specification, statement of work or instruction in the Contract or using, keeping or disposing of any item given by The Authority for the purpose of the Contract in accordance with the Contract.

j. The Contractor shall not be entitled to any reimbursement of any royalty, licence fee or similar expense incurred in respect of anything to be done under the Contract, where:

(1) a relevant discharge has been given under Section 2 of the Defence Contracts Act 1958, or relevant authorisation in accordance with Sections 55 or 57 of the Patents Act 1977, Section 12 of the Registered Designs Act 1949 or Section 240 of the Copyright, Designs and Patents Act 1988 in respect of any intellectual property; or

(2) any obligation to make payments for intellectual property has not been promptly notified to The Authority under clause 34.a.

k. Where authorisation is given by The Authority under clause 34.e, 34.f or 34.g, to the extent permitted by Section 57 of the Patents Act 1977, Section 12 of the Registered Designs Act 1949 or Section 240 of the Copyright, Designs and Patents Act 1988, the Contractor shall also be:

(1) released from payment whether by way of royalties, licence fees or similar expenses in respect of the Contractor's use of the relevant invention or design, or the use of any relevant model, document or information for the purpose of performing the Contract; and

(2) authorised to use any model, document or information relating to any such invention or design which may be required for that purpose.

l. The Contractor shall assume all liability and indemnify The Authority and its officers, agents and employees against liability, including costs as a result of:

(1) infringement or alleged infringement by the Contractor or their suppliers of any copyright, database right, Design Right or the like protection in any part of the world in respect of any item to be supplied under the Contract or otherwise in the performance of the Contract;

(2) misuse of any confidential information, trade secret or the like by the Contractor in performing the Contract;

(3) provision to The Authority of any Information or material which the Contractor does not have the right to provide for the purpose of the Contract.

m. The Authority shall assume all liability and indemnify the Contractor, their officers, agents and employees against liability, including costs as a result of:

(1) infringement or alleged infringement by the Contractor or their suppliers of any copyright, database right, Design Right or the like protection in any part of the world in respect of any item provided by The Authority for the purpose of the Contract but only to the extent that the item is used for the purpose of the Contract;

(2) alleged misuse of any confidential Information, trade secret or the like by the Contractor as a result of use of Information provided by The Authority for the purposes of the Contract, but only to the extent that Contractor's use of that Information is for the purposes intended when it was disclosed by The Authority.

n. The general authorisation and indemnity is:

(1) clauses 34.a – 34.m represents the total liability of each Party to the other under the Contract in respect of any infringement or alleged infringement of patent or other Intellectual Property Right (IPR) owned by a third party;

(2) neither Party shall be liable, one to the other, for any consequential loss or damage arising as a result, directly or indirectly, of a claim for infringement or alleged infringement of any patent or other IPR owned by a third party;

(3) a Party against whom a claim is made or action brought, shall promptly notify the other Party in writing if such claim or action appears to relate to an infringement which is the subject of an indemnity or authorisation given under this Condition by such other Party. The notification shall include particulars of the demands, damages and liabilities claimed or made of which the

notifying Party has notice;

(4) the Party benefiting from the indemnity or authorisation shall allow the other Party, at its own expense, to conduct any negotiations for the settlement of the same, and any litigation that may arise therefrom and shall provide such information as the other Party may reasonably require;

(5) following a notification under clause 34.n.(3), the Party notified shall advise the other Party in writing within thirty (30) Business Days whether or not it is assuming conduct of the negotiations or litigation. In that case the Party against whom a claim is made or action brought shall not make any statement which might be prejudicial to the settlement or defence of such a claim without the written consent of the other Party;

(6) the Party conducting negotiations for the settlement of a claim or any related litigation shall, if requested, keep the other Party fully informed of the conduct and progress of such negotiations.

o. If at any time a claim or allegation of infringement arises in respect of copyright, database right, Design Right or breach of confidence as a result of the provision of any Contractor Deliverable by the Contractor to The Authority, the Contractor may at their own expense replace the item with an item of equivalent functionality and performance so as to avoid infringement or breach. The Parties will co-operate with one another to mitigate any claim or damage which may arise from use of third party IPR.

p. Nothing in Condition 34 shall be taken as an authorisation or promise of an authorisation under Section 240 of the Copyright, Designs and Patents Act 1988.

q. 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.

#### Notification of Intellectual Property Rights (IPR) Restrictions

r. Where any of the conditions listed below (1 to 2) have been added to the Conditions of the Contract as project specific DEFCONs at Clause 60, or where required by Clauses 34.a. - 34.q., the Contractor warrants and confirms that all Intellectual Property Rights restrictions and associated export restrictions relating to the use or disclosure of the Contractor Deliverables that are notifiable under those Conditions, or of which the Contractor is or should reasonably be aware as at Effective Date of Contract, are disclosed in Schedule 10 (Notification of Intellectual Property Rights (IPR) Restrictions).

(1) DEFCON 707 - including notification of any self-standing background Intellectual Property;

(2) DEFCON 91 - limitations of Deliverable Software under clause 3b.

s. The Contractor shall promptly notify The Authority in writing if they become aware during the performance of the Contract of any required additions, inaccuracies or omissions in Schedule 10.

t. Any amendment to Schedule 10 shall be made in accordance with Condition 6.

#### Pricing and Payment

##### **35. Contract Price**

**REDACTED under FOIA Section 43 - Commercially Sensitive Information**

##### **36. Payment and Recovery of Sums Due**

a. Payment for Contractor Deliverables will be made by electronic transfer and prior to submitting any claims for payment under clause 36.b the Contractor will be required to register their details

(Supplier on-boarding) on the Contracting, Purchasing and Finance (CP&F) electronic procurement tool.

- b. Where the Contractor submits an invoice to The Authority in accordance with clause 36.a, The Authority will consider and verify that invoice in a timely fashion.
- c. The Authority shall pay the Contractor any sums due under such an invoice no later than a period of 30 days from the date on which The Authority has determined that the invoice is valid and undisputed.
- d. Where The Authority fails to comply with clause 36.a and there is undue delay in considering and verifying the invoice, the invoice shall be regarded as valid and undisputed for the purpose of clause 36.c after a reasonable time has passed.
- e. The approval for payment of a valid and undisputed invoice by The Authority shall not be construed as acceptance by The Authority of the performance of the Contractor's obligations nor as a waiver of its rights and remedies under the Contract.
- f. Without prejudice to any other right or remedy, The Authority reserves the right to set off any amount owing at any time from the Contractor to The Authority against any amount payable by The Authority to the Contractor under the Contract or under any other contract with The Authority, or with any other Government Department.

### **37. Value Added Tax and other Taxes**

- a. The Contract Price excludes any UK output Value Added Tax (VAT) chargeable on the supply of Contractor Deliverables by the Contractor to The Authority.
- b. If the Contractor is required by UK VAT law to be registered for UK VAT (or has registered voluntarily) in respect of their business activities at the time of any supply, and the circumstances of any supply are such that the Contractor is liable to pay the tax due to HM Revenue and Customs (HMRC), The Authority shall pay to the Contractor in addition to the Contract Price (or any other sum due to the Contractor) a sum equal to the output VAT chargeable on the tax value of the supply of Contractor Deliverables, and all other payments under the Contract according to the law at the relevant tax point.
- c. The Contractor is responsible for the determination of VAT liability. The Contractor shall consult their Client Relationship Manager or the HMRC Enquiries Desk (and not The Authority's Representative (Commercial)) in cases of doubt. The Contractor shall notify The Authority's Representative (Commercial) of The Authority's VAT liability under the Contract, and any changes to it, within twenty (20) Business Days of becoming aware the liability is other than at the standard rate of VAT. In the event of any doubt about the applicability of the tax in such cases, The Authority may require the Contractor to obtain, and pass to The Authority, a formal ruling from HMRC. The Contractor shall comply promptly with any such requirement. Where the Contractor obtains a ruling from HMRC, they shall supply a copy to The Authority within three (3) Business Days of receiving that ruling unless they propose to challenge the ruling. Where the Contractor challenges the ruling they shall supply to The Authority a copy of any final decisions issued by HMRC on completion of the challenge within three (3) Business Days of receiving the decision.
- d. Where supply of Contractor Deliverables comes within the scope of UK VAT, but the Contractor is not required by UK VAT law to be registered for UK VAT (and has not registered voluntarily), The Authority shall be responsible for assessing and paying over directly to HMRC any UK output VAT due in respect of the Contractor Deliverables. The Contractor shall be responsible for ensuring they take into account any changes in VAT law regarding registration.
- e. Where Contractor Deliverables are deemed to be supplied to The Authority outside the UK, the Contractor may be required by the laws of the country where the supply takes place to register there for tax purposes. In that event, it is the Contractor's responsibility to ensure the Contract Price captures this tax.
- f. In relation to the Contractor Deliverables supplied under the Contract The Authority shall not be required to pay any sum in respect of the Contractor's input VAT (or similar non-UK input taxes). However, these input taxes will be allowed where they were included in the Contract Price and it is

established that, despite the Contractor having taken all reasonable steps to recover them, it has not been possible to do so. Where there is any doubt that the Contractor has complied with this requirement the matter shall be resolved in accordance with Condition 40 (Dispute Resolution).

g. Should HMRC decide that the Contractor has incorrectly determined the VAT liability, in accordance with clause 37.b above, The Authority will pay the VAT assessed by HMRC. In the event that HMRC so determines, the Contractor shall pay any interest charged on any assessment or penalties or both directly to HMRC. Such interest or penalties or both shall not be recoverable from The Authority under the Contract or any other contract. The Contractor shall supply The Authority with a copy of all correspondence between HMRC and the Contractor's advisors regarding the VAT assessment within three (3) Business Days of a written request from The Authority for such correspondence.

### **38. Debt Factoring**

a. Subject to the Contractor obtaining the prior written consent of The Authority in accordance with Condition 10 (Assignment of Contract), the Contractor may assign to a third Party ("the Assignee") the right to receive payment of the Contract Price or any part thereof due to the Contractor under the Contract (including interest which The Authority incurred through late payment under the Late Payment of Commercial Debts (Interest) Act 1998 ("the Act")). Any assignment of the right to receive payment of the Contract Price (or any part thereof) under this Condition 38 shall be subject to:

- (1) reduction of any sums in respect of which The Authority exercises its right of recovery under clause 36.f;
- (2) all related rights of The Authority under the Contract in relation to the recovery of sums due but unpaid; and
- (3) The Authority receiving notification under both clauses 38.b and 38.c.(2).

b. In the event that the Contractor obtains from The Authority the consent to assign the right to receive the Contract Price (or any part thereof) under clause 38.a, the Contractor shall notify The Authority in writing of the assignment and the date upon which the assignment becomes effective.

c. The Contractor shall ensure that the Assignee:

- (1) is made aware of The Authority's continuing rights under clauses 38.a.(1) and 38.a.(2); and
- (2) notifies The Authority of the Assignee's contact information and bank account details to which The Authority shall make payment, subject to any reduction made by The Authority in accordance with clauses 38.a.(1) and 38.a.(2).

d. The provisions of Condition 36 (Payment and Recovery of Sums Due) shall continue to apply in all other respects after the assignment and shall not be amended without the prior approval of The Authority.

### **39. Subcontracting and Prompt Payment**

a. Subcontracting any part of the Contract shall not relieve the Contractor of any of the Contractor's obligations, duties or liabilities under the Contract.

b. Where the Contractor enters into a subcontract, they shall cause a term to be included in such subcontract:

- (1) providing that where the Subcontractor submits an invoice to the Contractor, the Contractor will consider and verify that invoice in a timely fashion;
- (2) providing that the Contractor shall pay the Subcontractor any sums due under such an invoice no later than a period of thirty (30) days from the date on which the Contractor has determined that the invoice is valid and undisputed;
- (3) providing that where the Contractor fails to comply with clause 39.b.(1) above, and there is an undue delay in considering and verifying the invoice, that the invoice shall be regarded as valid and undisputed for the purposes of clause 39.b.(2) after a reasonable time has passed; and

(4) requiring the counterparty to that subcontract to include in any subcontract which it awards, provisions having the same effect as clauses 39.b.(1) to 39.b.(4).

## Termination

### **40. Dispute Resolution**

- a. The Parties will attempt in good faith to resolve any dispute or claim arising out of or relating to the Contract through negotiations between the respective representatives of the Parties having authority to settle the matter, which attempts may include the use of any alternative dispute resolution procedure on which the Parties may agree.
- b. In the event that the dispute or claim is not resolved pursuant to clause 40.a the dispute shall be referred to arbitration. Unless otherwise agreed in writing by the Parties, the arbitration and this clause 40.b shall be governed by the Arbitration Act 1996. For the purposes of the arbitration, the arbitrator shall have the power to make provisional awards pursuant to Section 39 of the Arbitration Act 1996.
- c. For the avoidance of doubt, anything said, done or produced in or in relation to the arbitration process (including any awards) shall be confidential between the Parties, except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

### **41. Termination for Insolvency or Corrupt Gifts**

#### **Insolvency:**

- a. The Authority may terminate the Contract, without paying compensation to the Contractor, by giving written Notice of such termination to the Contractor at any time after any of the following events:

Where the Contractor is an individual or a firm:

- (1) the application by the individual or, in the case of a firm constituted under English law, any partner of the firm to the court for an interim order pursuant to Section 253 of the Insolvency Act 1986; or
- (2) the court making an interim order pursuant to Section 252 of the Insolvency Act 1986; or
- (3) the individual, the firm or, in the case of a firm constituted under English law, any partner of the firm making a composition or a scheme of arrangement with them or their creditors; or
- (4) the presentation of a petition for bankruptcy order against the individual or, in the case of a firm constituted under English law, any partner of the firm unless it is withdrawn within three (3) Business Days from the date on which the Contractor is notified of the presentation; or
- (5) the court making a bankruptcy order in respect of the individual or, in the case of a firm constituted under English law, any partner of the firm; or
- (6) where the Contractor is either unable to pay their debts as they fall due or has no reasonable prospect of being able to pay debts which are not immediately payable. The Authority shall regard the Contractor as being unable to pay their debts if:

- (a) they have failed to comply with or to set aside a Statutory demand under Section 268 of the Insolvency Act 1986 within twenty-one (21) days of service of the Statutory Demand on them; or
- (b) execution or other process to enforce a debt due under a judgement or order of the court has been returned unsatisfied in whole or in part.

- (7) the presentation of a petition for sequestration in relation to the Contractor's estates unless it is withdrawn within three (3) Business Days from the date on which the Contractor is notified of the presentation; or
- (8) the court making an award of sequestration in relation to the Contractor's estates.

Where the Contractor is a company registered in England:

- (9) the presentation of a petition for the appointment of an administrator; unless it is withdrawn within three (3) Business Days from the date on which the Contractor is notified of

the presentation; or

- (10) the court making an administration order in relation to the company; or
- (11) the presentation of a petition for the winding-up of the company unless it is withdrawn within three (3) Business Days from the date on which the Contractor is notified of the presentation; or
- (12) the company passing a resolution that the company shall be wound-up; or
- (13) the court making an order that the company shall be wound-up; or
- (14) the appointment of a Receiver or manager or administrative Receiver.

Where the Contractor is a company registered other than in England, events occur or are carried out which, within the jurisdiction to which they are subject, are similar in nature or effect to those specified in clauses 41.a.(9) to 41.a.(14) inclusive above.

b. Such termination shall be without prejudice to and shall not affect any right of action or remedy which shall have accrued or shall accrue thereafter to The Authority and the Contractor.

**Corrupt Gifts:**

c. The Contractor shall not do, and warrants that in entering the Contract they have not done any of the following (hereafter referred to as 'prohibited acts'):

- (1) offer, promise or give to any Crown servant any gift or financial or other advantage of any kind as an inducement or reward:
  - (a) for doing or not doing (or for having done or not having done) any act in relation to the obtaining or execution of this or any other Contract with the Crown; or
  - (b) for showing or not showing favour or disfavour to any person in relation to this or any other Contract with the Crown.
- (2) enter into this or any other Contract with the Crown in connection with which commission has been paid or has been agreed to be paid by them or on their behalf, or to their 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.

d. If the Contractor, their employees, agents or any Subcontractor (or anyone acting on their behalf or any of their employees) does any of the prohibited acts or commits any offence under the Bribery Act 2010 with or without the knowledge or authority of the Contractor in relation to this Contract or any other contract with the Crown, The Authority shall be entitled:

- (1) to terminate the Contract and recover from the Contractor the amount of any loss resulting from the termination;
- (2) to recover from the Contractor the amount or value of any such gift, consideration or commission; and
- (3) to recover from the Contractor any other loss sustained in consequence of any breach of this Condition, where the Contract has not been terminated.

e. In exercising its rights or remedies under this Condition, The Authority shall:

- (1) act in a reasonable and proportionate manner having regard to such matters as the gravity of, and the identity of the person performing, the prohibited act;
- (2) give all due consideration, where appropriate, to action other than termination of the Contract, including (without being limited to):
  - (a) requiring the Contractor to procure the termination of a subcontract where the prohibited act is that of a Subcontractor or anyone acting on their behalf;
  - (b) requiring the Contractor to procure the dismissal of an employee (whether their own or that of a Subcontractor or anyone acting on their behalf) where the prohibited act is that of such employee.

f. Recovery action taken against any person in His Majesty's service shall be without prejudice

to any recovery action taken against the Contractor pursuant to this Condition.

#### 42. Termination for Convenience

a. The Authority shall have the right to terminate the Contract in whole or in part at any time by giving the Contractor **REDACTED** under FOIA Section 43 - Commercially Sensitive Information written notice (or such other period as may be stated in Schedule 3 (Contract Data Sheet)). Upon expiry of the notice period the Contract, or relevant part thereof, shall terminate without prejudice to the rights of the parties already accrued up to the date of termination. Where only part of the Contract is being terminated, The Authority and the Contractor shall owe each other no further obligations in respect of the part of the Contract being terminated, but will continue to fulfil their respective obligations on all other parts of the Contract not being terminated.

b. Following the above notification The Authority shall be entitled to exercise any of the following rights in relation to the Contract (or part being terminated) to direct the Contractor to:

- (1) not start work on any element of the Contractor Deliverables not yet started;
- (2) complete in accordance with the Contract the provision of any element of the Contractor Deliverables;
- (3) as soon as may be reasonably practicable take such steps to ensure that the production rate of the Contractor Deliverables is reduced as quickly as possible;
- (4) terminate on the best possible terms any subcontracts in support of the Contractor Deliverables that have not been completed, taking into account any direction given under clauses 42.b.(2) and 42.b.(3) of this Condition.

c. Where this Condition applies (and subject always to the Contractor's compliance with any direction given by The Authority under clause 42.b):

(1) The Authority shall take over from the Contractor at a fair and reasonable price all unused and undamaged materiel and any Contractor Deliverables in the course of manufacture that are:

- (a) in the possession of the Contractor at the date of termination; and
- (b) provided by or supplied to the Contractor for the performance of the Contract, except such materiel and Contractor Deliverables in the course of manufacture as the Contractor shall, with the agreement of The Authority, choose to retain;

(2) the Contractor shall deliver to The Authority within an agreed period, or in absence of such agreement within a period as The Authority may specify, a list of:

- (a) all such unused and undamaged materiel; and
- (b) Contractor Deliverables in the course of manufacture,

that are liable to be taken over by, or previously belonging to The Authority, and shall deliver such materiel and Contractor Deliverables in accordance with the directions of The Authority;

(3) in respect of Services, The Authority shall pay the Contractor fair and reasonable prices for each Service performed, or partially performed, in accordance with the Contract.

d. The Authority shall (subject to clause 42.e below and to the Contractor's compliance with any direction given by The Authority in clause 42.b above) 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:

- (1) the Contractor taking all reasonable steps to mitigate such loss; and
- (2) 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.

e. The Authority's total liability under the provisions of this Condition 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.

f. The Contractor shall include in any subcontract over £250,000 which it may enter into for the purpose of the Contract, the right to terminate the subcontract under the terms of clauses 42.a to 42.e except that:

- (1) the name of the Contractor shall be substituted for The Authority except in clause 42.c.(1);
- (2) the notice period for termination shall be as specified in the subcontract, or if no period is specified twenty (20) Business Days; and
- (3) the Contractor's right to terminate the subcontract shall not be exercised unless the main Contract, or relevant part, has been terminated by The Authority in accordance with the provisions of this Condition 42.

g. Claims for payment under this Condition shall be submitted in accordance with The Authority's direction.

### **43. Material Breach**

- a. In addition to any other rights and remedies, The Authority shall have the right to terminate the Contract (in whole or in part) with immediate effect by giving written Notice to the Contractor where the Contractor is in Material Breach of their obligations under the Contract.
- b. Where The Authority has terminated the Contract under clause 43.a The Authority shall have the right to claim such damages as may have been sustained as a result of the Contractor's Material Breach of the Contract, including but not limited to any costs and expenses incurred by The Authority in:

- (1) carrying out any work that may be required to make the Contractor Deliverables comply with the Contract; or
- (2) obtaining the Contractor Deliverable in substitution from another supplier.

### **44. Consequences of Termination**

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.

### **Additional Conditions**

### **45. Intellectual Property Rights**

REDACTED under FOIA Section 43 - Commercially Sensitive Information

### **46. Commercial Exploitation Levy (CEL)**

REDACTED under FOIA Section 43 - Commercially Sensitive Information

### **47. Milestone Payments**

- a. Payments for core Contractor Deliverables shall be made in accordance with the Milestone Payment Plan detailed at Schedule 2 Annex B and in accordance with Conditions 35 and 36, provided that the Contractor has successfully completed and fulfilled all work, activities and obligations, including delivery where appropriate, of all aspects of work which comprise the specific stage for which a Milestone Payment is sought;

- b. All payment milestones shall be paid sequentially unless otherwise agreed by The Authority.

REDACTED under FOIA Section 43 - Commercially Sensitive Information

### **48. Variation of Price (VoP)**

*Not used.*

## 49. Options

### Exercise of Options

a. The Contractor hereby grants to The Authority the following irrevocable options to purchase the services detailed at Schedule 2 (SoR), Options 1-3 in accordance with the Terms and Conditions set out in this Contract or any such subsequent contract or contracts where such Options are taken up, it being agreed that The Authority has no obligation to exercise such Options.

- i. Option 1: for Additional Year Extension (01/04/2029 to 31/03/2030), at a price to be agreed during the term of the Contract provided that The Authority exercises such an option by no later than **15/12/2028**.
- ii. Option 2: for Additional Year Extension (01/04/2030 to 31/03/2031) at a price to be agreed during the term of the Contract provided that The Authority exercises such an option by no later than **14/12/2029**.
- iv. Option 3: for RCC Annual Design Review at a firm price of **REDACTED under FOIA Section 43 - Commercially Sensitive Information** provided that The Authority exercises such an option by no later than **01/09/2026**.

b. The Authority shall have the right to exercise the Options by the specified dates or within such further period as corresponds to the aggregate of any period(s):

- i. of delay in the delivery programme whether constituting any breach of the Contract or resulting from any force majeure event within Condition 52, or
- ii. for the duration of which The Authority is prevented from exercising any such option due to any other breach of the Contract by the Contractor.

## 50. Limitation of Contractors Liability

### LIMITATIONS ON LIABILITY

#### Definitions

a. In this Condition 50 the following words and expressions shall have the meanings given to them, except where the context requires a different meaning:

- (1) "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;
- (2) "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:
  - (a) UK GDPR;
  - (b) DPA 2018; and
  - (c) 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;
- (3) "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;

- (4) 'DPA 2018' means the Data Protection Act 2018;
- (5) "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.
- (6) Not used;
- (7) "Term" means the period commencing on the date on which this Contract takes effect and ending on the expiry or termination of this Contract.
- (8) '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;

### **Unlimited liabilities**

- b. Neither Party limits its liability for:
  - (1) death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors (as applicable);
  - (2) fraud or fraudulent misrepresentation by it or its employees;
  - (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
  - (4) any liability to the extent it cannot be limited or excluded by law.
- c. The financial caps on liability set out in Clauses d. and e. below shall not apply to the following:
  - (1) for any indemnity given by the Contractor to The Authority under this Contract, including but not limited to:
    - (a) the Contractor's indemnity in relation to DEFCON 91 (Intellectual Property in Software) and Condition 34 (Third Party IP – Rights and Restrictions);
  - (2) breach by the Contractor of DEFCON 532B (Edn 12/22) and Data Protection Legislation; and
  - (4) 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.
  - (5) For the avoidance of doubt any payments due from either of the Parties to the other in accordance with DEFCON 811 (SC2) or 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 Clauses d. and/or e. below.

### **Financial limits**

- d. Subject to Clauses b. and c. and to the maximum extent permitted by Law:
  - (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:
    - (a) in respect of DEFCON 76 (SC2) (Contractor's Personnel at Government Establishments) **REDACTED under FOIA Section 43 - Commercially Sensitive Information**
    - (b) in respect of Condition 43b (Material Breach) **REDACTED under FOIA Section 43 - Commercially Sensitive Information**

(c) in respect of DEFCON 611 (SC2) (Loss or Damage to Issued Property)  
REDACTED under FOIA Section 43 - Commercially Sensitive Information

(d) in respect of condition 28d (Loss or Damage to Articles) REDACTED under FOIA  
Section 43 - Commercially Sensitive Information

(2) without limiting Clause 50.d.(1) and subject always to Clauses 50.b., 50.c. and 50.d.(3), the Contractor's total liability throughout the Term in respect of all other liabilities, whether in contract, in tort (including negligence), arising under warranty, under statute or otherwise under or in connection with this Contract shall be  
REDACTED under FOIA Section 43 - Commercially Sensitive Information

(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 Clauses 50.d.(1) and 50.d.(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 Clauses 50.d.(1) and 50.d.(2) of this Contract.

e. Subject to Clauses 50.b. 50.c. and 50.f., 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.

f. Clause e. shall not exclude or limit the Contractor's right under this Contract to claim for the Charges.

#### Consequential loss

g. Subject to Clauses 50.b., 50.c. and 50.h., 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:

- (1) indirect loss or damage;
- (2) special loss or damage;
- (3) consequential loss or damage;
- (4) loss of profits (whether direct or indirect);
- (5) loss of turnover (whether direct or indirect);
- (6) loss of business opportunities (whether direct or indirect); or
- (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.

h. The provisions of Clause g. shall not restrict The Authority's ability to recover any of the following losses incurred by The Authority, subject to those costs being reasonable and to the provision of evidence upon request, to the extent that they arise as a result of a Default by the Contractor:

- (1) any additional operational and administrative costs and expenses arising from the Contractor's Default, including any costs paid or payable by The Authority:
  - (a) to any third party;
  - (b) for putting in place workarounds for the Contractor Deliverables and other deliverables that are reliant on the Contractor Deliverables; and
  - (c) relating to time spent by or on behalf of The Authority in dealing with the consequences of the Default;

- (2) any or all wasted expenditure and losses incurred by The Authority arising from the Contractor's Default, including wasted management time;
- (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);
- (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;
- (5) damage to The Authority's physical property and tangible assets, including damage under DEFCONs 76 (SC2) and 611 (SC2);
- (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;
- (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);
- (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
- (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.

#### **Invalidity**

- i. If any limitation or provision contained or expressly referred to in this Condition 50 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 50.

#### **Third party claims or losses**

- j. 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 Condition 34 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:

- (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
- (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.

#### **No double recovery**

- k. 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.

**51. Liquidated Damages**

**REDACTED** under FOIA Section 43 - Commercially Sensitive Information

**52. Force Majeure**

a. 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". For the purposes of this Contract a Force Majeure Event is defined as one of the following:

- (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.

b. The Contractor shall immediately notify The Authority in writing on the occurrence of a Force Majeure Event, including details of the Force Majeure Event, its effect on the Contractor's obligations under this Contract, and the actions proposed to mitigate its effect.

c. Subject to Clause 52.e. the Contractor shall be entitled to an appropriate extension of time for performing such obligations provided always that the Contractor has used, to the satisfaction of The Authority, 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.

d. The Contractor shall, upon The Authority's request, submit written evidence detailing all mitigations it has implemented to reduce the effects of the Force Majeure Event and the impact upon its performance under the Contract.

e. **REDACTED** under FOIA Section 43 - Commercially Sensitive Information

**53. Non-Core Tasking Process**

a. Non-Core Tasks may be raised by The Authority using the Task Authorisation Form (TAF) template at Schedule 12 Annex A, and in accordance with the process described below.

b. Ad-Hoc Tasking Process:

- i. The Authority's Project Manager shall complete Part A (Requirement) of the TAF and forward to the Contractor.
- ii. The Contractor shall complete Part B (Quotation), and part B1 (Cost Breakdown) of the TAF and provide a Firm Price to complete the work and return to The Authority's Project Manager & Commercial Officer. Where applicable, visibility of quotations from subcontractors shall be provided to provide transparency of the cost breakdown.
- iii. The Authority shall assess the quotation provided by the Contractor and once content that the quoted price is fair and reasonable and commensurate with the work required and detailed in the TAF, The Authority shall complete Part C (Approvals) of the TAF. The Authority reserves the right to interrogate the quoted prices in order to assure value for money is achieved. The Authority shall not commit to any TAF where this assurance can not be achieved.

- iv. All tasks must be approved by The Authority's Commercial Officer before work commences on the Ad-Hoc task. The Authority shall have no liability for any costs incurred either in advance of approval by The Authority's Commercial Officer or for any TAF authorised by anyone other than The Authority's Commercial Officer.
- vi. Upon approval of the TAF by The Authority's Commercial Officer, the TAF shall be forwarded onto the Contractor. The Contractor shall acknowledge the TAF within five (5) Business Days of receipt. The work described in the TAF shall not commence until The Authority has provided approval.
- v. All work conducted under a suitably authorised TAF shall be subject to the Terms and Conditions of the Contract, and in accordance with the rates stated within Schedule 2 Annex C of the Contract.

c. A record of Non-Core Tasks shall be included in the Contract at Schedule 12, and be updated annually via an administrative Contract Amendment, in accordance with Condition 6 and Schedule 4.

**54. Spares**

*Not used.*

**55. Repairs**

*Not used.*

**56. Express Warranty**

**REDACTED** under FOIA Section 43 - Commercially Sensitive Information

**57. Government Furnished Assets**

- a. The Authority shall be responsible for providing the Contractor with Government Furnished Assets (GFA) as detailed at Schedule 19 (Government Furnished Assets Register). Where required, the Parties agree that GFA requirements introduced during the term of the Contract shall be added into the appropriate area of Schedule 19 in accordance with Condition 6 and Schedule 4.
- b. The Contractor acknowledges and agrees that GFA shall remain the property of The Authority and that each such asset shall be used solely for the provision of Articles and Services under the Contract and for no other purpose, without the prior approval in writing from The Authority's Commercial Officer.
- c. The Contractor shall be responsible for the management of all GFA in accordance with DEFCON 611 (Issued Property)
- d. At expiry or upon earlier termination of this Contract, in accordance with DEFCON 611 the Contractor shall provide to The Authority a list of all GFA holdings under this Contract. The Authority Commercial Officer shall issue directions for the transfer, disposal or return to stores of all listed items.
- e. This Condition 57 (Government Furnished Assets) shall apply equally to any GFA supplied by The Authority in respect of any Non-Core Task authorised by The Authority for delivery in

accordance with Condition 53 (Ad-hoc Tasking), save to the extent that the Non-Core Task specifically sets out alternative arrangements for the treatment and/or disposal of such assets.

#### **58. Earned Value Management (EVM)**

a. The Contractor shall implement and operate a project controls system in accordance with the requirements set out at Schedule 18 (Earned Value Management) of the Contract, and shall provide the required information and reporting detailed therein to The Authority at regular intervals as stated within Schedule 13 (Contract Deliverable Requirements List) and applicable Non-Core Tasking Forms.

#### **59. Russian and Belarusian Exclusion**

a. The Contractor shall, and shall procure that their Sub-contractors shall, notify The Authority in writing as soon as they become aware that:

i. the Contract Deliverables and/or Services contain any Russian/Belarussian products and/or services; or

ii. 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:

(A) 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

(B) 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.

b. 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.

c. 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.

d. The Contractor shall include provisions equivalent to those set out in this clause in all relevant Sub-contracts.

**60. Defence Conditions (DEFCONs)**

a. The DEFCONS which shall apply to this Contract are listed below.

**Standard DEFCONS:**

<b>DEFCON 023 (SC2)</b>	(Edn. 06/21) - Special Jigs, Tooling And Test Equipment
<b>DEFCON 076 (SC2)</b>	(Edn. 11/22) - Contractor's Personnel At Government Establishments
<b>DEFCON 082 (SC2)</b>	(Edn. 06/21) - Special Procedure For Initial Spares
<b>DEFCON 117 (SC2)</b>	(Edn. 09/24) - Supply Of Documentation For NATO Codification Purposes
<b>DEFCON 524A</b>	(Edn. 12/22) – Counterfeit Materiel
<b>DEFCON 532B</b>	(Edn. 12/22) - Protection Of Personal Data (Where Personal Data is being processed on behalf of The Authority)
<b>DEFCON 540 (SC2)</b>	(Edn. 05/23) – Conflicts of Interest
<b>DEFCON 565</b>	(Edn 12/24) - Supply Chain Resilience and Risk Awareness
<b>DEFCON 595</b>	(Edn 03/19) - General Purpose Automatic Test Equipment Data Requirements
<b>DEFCON 601 (SC)</b>	(Edn. 03/15) - Redundant Material
<b>DEFCON 602C (SC2)</b>	(Edn 04/23) - Quality Assurance (With Deliverable Quality Plan and QA Information)
<b>DEFCON 605 (SC2)</b>	(Edn 12/17) - Financial Reports
<b>DEFCON 607</b>	(Edn 05/08) - Radio Transmissions
<b>DEFCON 611 (SC2)</b>	(Edn. 12/22) – Issued Property
<b>DEFCON 624 (SC2)</b>	(Edn. 08/22) - Use Of Asbestos
<b>DEFCON 637</b>	(Edn. 05/17) – Defect Investigation and Liability
<b>DEFCON 647 (SC2)</b>	(Edn. 03/24) – Financial Management Information
<b>DEFCON 649 (SC2)</b>	(Edn. 12/21) – Vesting Note: Only applicable to contractual requirements which include the Delivery of Articles.
<b>DEFCON 658 (SC2)</b>	(Edn. 07/25) – Cyber <b>Cyber Risk Profile - Moderate</b> Note: Further to DEFCON 658 the Cyber Risk Profile of the Contract is Moderate, as defined in Def Stan 05-138.
<b>DEFCON 659A</b>	(Edn. 02/24) – Security Measures
<b>DEFCON 660</b>	(Edn 12/15) - Official-Sensitive Security Requirements
<b>DEFCON 670 (SC2)</b>	(Edn. 11/17) – Tax Compliance
<b>DEFCON 675</b>	(Edn. 03/21) - Advertising Subcontracts (Defence and Security Public Contracts Regulations 2011 only)
<b>DEFCON 678</b>	(Edn. 09/19) - SME Spend Data Collection
<b>DEFCON 694 (SC2)</b>	(Edn. 04/25) - Accounting For Property Of The Authority
<b>DEFCON 800</b>	(Edn 12/14) - Qualifying Defence Contract
<b>DEFCON 801 (SC2)</b>	(Edn. 11/17) - Amendments to Qualifying Defence Contracts – Consolidated Versions
<b>DEFCON 802</b>	(Edn 12/14) - QDC: Open Book on sub-contracts that are not Qualifying Sub-contracts
<b>DEFCON 804 (SC2)</b>	(Edn. 11/17) - QDC: Confidentiality of Single Source Contract Regulations Information

**REDACTED under FOIA Section 43 - Commercially Sensitive Information**

**Intellectual Property DEFCONS:**

**DEFCON 91**

(Edn. 06/21) – Intellectual Property Rights in Software

Note: DEFCON 91 shall only apply to Deliverable Software as defined within Schedule 1 of the Contract.

The proprietary software listed at Schedule 10 (DEFFORM 711) of the Contract shall be subject to separate software licence agreements.

**DEFCON 126**

(Edn. 06/21) – International Collaboration Clause

**REDACTED under FOIA Section 43 - Commercially Sensitive Information**

**DEFCON 703**

(Edn. 06/21) – Intellectual Property Rights – Vesting In The Authority

Note: DEFCON 703 shall only apply to specified Contractor Deliverables delivered via Non-Core Tasking, where applicability of the DEFCON is explicitly stated and linked to a specific Contractor Deliverable, and shall be agreed between the Parties on a case-by-case basis where applicable and appropriate for each Task.

**DEFCON 707**

(Edn. 10/23) – Rights in Technical Data

**61. Quality Assurance (QA) and Safety Compliance**

The Contractor shall ensure compliance with the QA standards stated below, in accordance with Schedule 22 (Quality Assurance Compliance) in its performance of the Contract:

**ISO:9001**

*Latest Published Version in accordance with Condition 6.e.*

**AQAP 2105**

NATO Requirements for Deliverable Quality Plans  
Edition C Version 1

**AQAP 2110**

NATO Quality Assurance Requirements for Design, Development and Production.  
Edition D Version 1

**AQAP 2210**

NATO Supplementary Software Quality Assurance Requirements to AQAP 2110 and AQAP 2310  
Edition A Version 2

**DEFSTAN 00-051**

Environmental Management Requirements for Defence Systems  
Issue 3

**DEFSTAN 00-055**

Requirements for Safety of Programmable Elements in Defence Systems  
Issue 5

**DEFSTAN 00-056**

Safety Management Requirements for Defence Systems  
Issue 8

**DEFSTAN 00-251**

Human Factors Integration for Defence Systems  
Issue 2

**DEFSTAN 05-057**

Configuration Management of Defence Materiel  
Issue 8

**DEFSTAN 05-061 Pt 1**

Quality Assurance Procedural Requirements - Concessions  
Issue 7

**DEFSTAN 05-061 Pt 4**

Quality Assurance Procedural Requirements - Contractor Working Parties  
Issue 4

**DEFSTAN 05-061 Pt 9**

Quality Assurance Procedural Requirements - Independent Inspection Requirements for Safety  
Critical Items  
Issue 6

OFFICIAL

713095450 - REDACTED

**DEFSTAN 05-099**

Managing Government Furnished Equipment in Industry  
Issue 2

**DEFSTAN 05-135**

Avoidance of Counterfeit materiel  
Issue 2

**DEFSTAN 05-138**

Cyber Security for Defence Suppliers

## Contract Schedules

### Schedule 1 – Definitions of Contract

<b>Acceptance</b>	Means the process upon successful completion of which legal title to Contractor Deliverables passes irrevocably to The Authority (subject to completion of Delivery of the Contractor Deliverables), in accordance with Conditions 28, 29 and Schedule 8 of the Contract;
<b>Annual Contract Review</b>	means a formal review held on or around the end/beginning of each respective Financial Year the contract is in operation – including Option years if so exercised – in which both Parties shall review the operation and administration of all aspects of contract 713095450. Such Annual Contract Reviews may give rise to formal Contract Amendments as agreed between the Parties to improve the operation of the Contract and / or update the contractual documentation;
<b>Article</b>	means, in relation to clause 24 and Schedule 6 only, an object which during production is given a special shape, surface or design which determines its function to a greater degree than does its chemical composition;
<b>Articles</b>	means (except in relation to Schedule 10) the Contractor Deliverables (goods and/or the services), including Packaging (and Certificate(s) of Conformity and supplied in accordance with any QA requirements if specified) which the Contractor is required to provide under the Contract in accordance with Schedule 2 (Schedule of Requirements) and/or any Non-Core Tasking Authorisation Form, but excluding incidentals outside Schedule 2 (Schedule of Requirements) such as progress reports.
<b>Article Warranty Period</b>	means the period of time following the Delivery of an Article for which the Contractor warrants that the Article shall be free from faults or defects and be compliant in accordance with Condition 56 of the Contract;
<b>Assets Subject to Special Controls (ASSC)</b>	means a Contractor Deliverable which is: <ol style="list-style-type: none"> <li>subject to the United States International Traffic In Arms Regulations (ITAR);</li> <li>subject to the 600 series of the United States Export Administration Regulations (EAR); or</li> <li>classified as Attractive to Criminal and Terrorist Organisations (ACTO), meaning that it includes material which represents an immediate risk to Defence personnel or the public; or which is considered as attractive to criminal and terrorist organisations;</li> </ol>
<b>ASSC Indicator</b>	means for Contractor Deliverables subject to ITAR, a United States Munitions List (USML) or for Contractor Deliverables subject to the 600 series of the EAR, an Export Control Classification Number (ECCN);

<b>Authority</b>	means the Secretary of State for Defence acting on behalf of the Crown;
<b>Authority's Representative(s)</b>	shall be those person(s) defined in Schedule 3 (Contract Data Sheet) 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) for the purposes of Condition 7;
<b>Business Day</b>	means 09:00 to 17:00 Monday to Friday, excluding public and statutory holidays;
<b>Central Government Body</b>	a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics: <ul style="list-style-type: none"> <li>a. Government Department;</li> <li>b. Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);</li> <li>c. Non-Ministerial Department; or</li> <li>d. Executive Agency;</li> </ul>
<b>Collect</b>	means pick up the Contractor Deliverables from the Consignor. This shall include loading and any other specific arrangements, agreed in accordance with Clause 28.c and Collected and Collection shall be construed accordingly.
<b>Commercial Packaging</b>	means commercial Packaging for military use as described in Def Stan 81-041 (Part 1)
<b>Conditions</b>	means the terms and conditions set out in this document;
<b>Consignee</b>	means that part of The Authority identified in Schedule 3 (Contract Data Sheet) to whom the Contractor Deliverables are to be Delivered or on whose behalf they are to be Collected at the address specified in Schedule 3 (Contract Data Sheet) or such other part of The Authority as may be instructed by The Authority by means of a Diversion Order;
<b>Consignor</b>	means the name and address specified in Schedule 3 (Contract Data Sheet) from whom the Contractor Deliverables will be dispatched or Collected;
<b>Contract</b>	means the Contract including its Schedules and any amendments agreed by the Parties in accordance with condition 6 ( Formal Amendments to the Contract);
<b>Contract Price</b>	means the amount set out in Schedule 2 (Schedule of Requirements) to be paid (inclusive of Packaging and exclusive of any applicable VAT) by The Authority to the Contractor, for the full

	and proper performance by the Contractor of its obligations under the Contract.
<b>Contractor</b>	means the person who, by the Contract, undertakes to supply the Contractor Deliverables, for The Authority as is provided by the Contract. Where the Contractor is an individual or a partnership, the expression shall include the personal representatives of the individual or of the partners, as the case may be, and the expression shall also include any person to whom the benefit of the Contract may be assigned by the Contractor with the consent of The Authority;
<b>Contractor Commercially Sensitive Information</b>	means the Information listed in the completed Schedule 5 (Contractor's Commercially Sensitive Information Form), which is Information notified by the Contractor to The Authority, which is acknowledged by The Authority as being commercially sensitive;
<b>Contract/Contractor Deliverables</b>	means the goods and/or the services, including Packaging (and Certificate(s) of Conformity and supplied in accordance with any QA and safety requirements if specified) which the Contractor is required to provide under the Contract;
<b>Control</b>	means the power of a person to secure that the affairs of the Contractor are conducted in accordance with the wishes of that person: <ol style="list-style-type: none"> <li>by means of the holding of shares, or the possession of voting powers in, or in relation to, the Contractor; or</li> <li>by virtue of any powers conferred by the constitutional or corporate documents, or any other document, regulating the Contractor; and a change of Control occurs if a person who Controls the Contractor ceases to do so or if another person acquires Control of the Contractor;</li> </ol>
<b>CPET</b>	means the UK Government's Central Point of Expertise on Timber, which provides a free telephone helpline and website to support implementation of the UK Government timber procurement policy;
<b>Crown Use</b>	in relation to a patent means the doing of anything by virtue of Sections 55 to 57 of the Patents Act 1977 which otherwise would be an infringement of the patent and in relation to a Registered Design has the meaning given in paragraph 2A(6) of the First Schedule to the Registered Designs Act 1949;
<b>Dangerous Goods</b>	means those substances, preparations and articles that are capable of posing a risk to health, safety, property or the environment which are prohibited by regulation, or classified and authorised only under the conditions prescribed by the: <ol style="list-style-type: none"> <li>Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009 (CDG) (as amended 2011);</li> <li>European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR);</li> <li>Regulations Concerning the International Carriage of</li> </ol>

	Dangerous Goods by Rail (RID); d. International Maritime Dangerous Goods (IMDG) Code; e. International Civil Aviation Organisation (ICAO) Technical Instructions for the Safe Transport of Dangerous Goods by Air; f. International Air Transport Association (IATA) Dangerous Goods Regulations.
<b>DBS Finance</b>	means Defence Business Services Finance, at the address stated in Schedule 3 (Contract Data Sheet);
<b>DEFFORM</b>	means the MOD DEFFORM series which can be found at <a href="https://www.kid.mod.uk">https://www.kid.mod.uk</a> ;
<b>DEF STAN</b>	means Defence Standards which can be accessed at <a href="https://www.dstan.mod.uk">https://www.dstan.mod.uk</a> ;
<b>Deliver / Delivery</b>	means hand over the Contractor Deliverables to the Consignee. This shall include unloading, and any other specific arrangements, agreed in accordance with Condition 28 and Delivered and Delivery shall be construed accordingly;
<b>Deliverable Software</b>	means software developed and delivered under this Contract or previous Authority contracts subject to DEFCON 91 or DEFCON 703. <i>(For clarity this <b>does not</b> include 'Licenced Software' – see Definition below.)</i>
<b>Delivery Date</b>	means the date as specified in Schedule 2 (Schedule of Requirements) on which the Contractor Deliverables or the relevant portion of them are to be Delivered or made available for Collection;
<b>Denomination of Quantity (D of Q)</b>	means the quantity or measure by which an item of material is managed;
<b>Design Right(s)</b>	has the meaning ascribed to it by Section 213 of the Copyright, Designs and Patents Act 1988;
<b>Diversion Order</b>	means The Authority's written instruction (typically given by MOD Form 199) for urgent Delivery of specified quantities of Contractor Deliverables to a Consignee other than the Consignee stated in Schedule 3 (Contract Data Sheet);
<b>Effective Date of Contract</b>	means the date upon which both Parties have signed the Contract;
<b>Evidence</b>	means either: a. an invoice or delivery note from the timber supplier or Subcontractor to the Contractor specifying that the product

	supplied to The Authority is FSC or PEFC certified; or b. other robust Evidence of sustainability or FLEGT licensed origin, as advised by CPET;
<b>Firm Price</b>	means a price (excluding VAT) which is not subject to variation;
<b>First-Tier Sub-Contractor</b>	means a Sub-contractor directly engaged by the Contractor to provide Contractor Deliverables wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of the Contract;
<b>FLEGT</b>	means the Forest Law Enforcement, Governance and Trade initiative by the European Union to use the power of timber-consuming countries to reduce the extent of illegal logging;
<b>Government Furnished Assets (GFA)</b>	is a generic term for any MOD asset such as equipment, information or resources issued or made available to the Contractor in connection with the Contract by or on behalf of The Authority;
<b>Hazardous Contractor Deliverable</b>	means a Contractor Deliverable or a component of a Contractor Deliverable that is itself a hazardous material or substance or that may in the course of its use, maintenance, disposal, or in the event of an accident, release one or more hazardous materials or substances and each material or substance that may be so released;
<b>Independent Verification</b>	means that an evaluation is undertaken and reported by an individual or body whose organisation, systems and procedures conform to "ISO Guide 65:1996 (EN 45011:1998) General requirements for bodies operating product certification systems or equivalent", and who is accredited to audit against forest management standards by a body whose organisation, systems and procedures conform to "ISO 17011: 2004 General Requirements for Providing Assessment and Accreditation of Conformity Assessment Bodies or equivalent";
<b>Information</b>	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;
<b>Issued Property</b>	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;
<b>Licence</b>	means, in relation to clause 33 only, import licence, export licence or other import or export related authorisation, agreement, exception or exemption, including (but not limited to) the export licences required by the United States under the International Traffic in Arms Regulations (ITAR), Export Administration Regulations (EAR) and Foreign Military Sales (FMS), or those required as a result of any applicable UK-US agreements;

<b>Legal and Sustainable</b>	means production and process methods, also referred to as timber production standards, as defined by the document titled "UK Government Timber Production Policy: Definition of legal and sustainable for timber procurement". The edition current on the day the Contract documents are issued by The Authority shall apply;
<b>Legislation</b>	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, or any exercise of Royal Prerogative;
<b>Licenced Software</b>	means the software and intellectual property that is provided and used solely through the purchase of a software licence.  For clarity Licenced Software <b>is not</b> subject to DEFCON 91.
<b>Lower-Tier Sub-Contractor</b>	means any Sub-contractor other than any First-Tier Sub-Contractor at any lower level of the supply chain engaged to provide Contractor Deliverables wholly or substantially for the purpose of performing (or contributing to the performance of) the whole or any part of the Contract;
<b>Material Breach</b>	<b>REDACTED</b> under FOIA Section 43 - Commercially Sensitive Information
<b>Materiel</b>	means, in relation to clause 33 only, information, technical data, and items, including all goods, components of goods and software;
<b>Military Level Packaging (MLP)</b>	means Packaging that provides enhanced protection in accordance with Def Stan 81-041 (Part 1), beyond that which Commercial Packaging normally provides for the military supply chain;
<b>Military Packager Approval Scheme (MPAS)</b>	is a MOD sponsored scheme to certify military Packaging designers and register organisations, as capable of producing acceptable Services Packaging Instruction Sheet (SPIS) designs in accordance with Defence Standard (Def Stan) 81-041 (Part 4);
<b>Military Packaging Level (MPL)</b>	shall have the meaning described in Def Stan 81-041 (Part 1);
<b>Mixture</b>	means a mixture or solution composed of two or more substances;
<b>MPAS Registered Organisation</b>	is a packaging organisation having one or more MPAS Certificated Designers capable of Military Level designs. A company capable of both Military Level and commercial Packaging designs including MOD labelling requirements;
<b>MPAS Certificated Designer</b>	shall mean an experienced Packaging designer trained and certified to MPAS requirements;
<b>NATO</b>	means the North Atlantic Treaty Organisation which is an inter-governmental military alliance based on the North Atlantic Treaty which was signed on 4 April 1949;

<b>Notices</b>	shall mean all Notices, orders, or other forms of communication required to be given in writing under or in connection with the Contract;
<b>Overseas</b>	shall mean non-UK or foreign;
<b>Packaging</b>	Verb. The operations involved in the preparation of materiel for; transportation, handling, storage and Delivery to the user; Noun. The materials and components used for the preparation of the Contractor Deliverables for transportation and storage in accordance with the Contract;
<b>Packaging Design Authority (PDA)</b>	shall mean the organisation that is responsible for the original design of the Packaging except where transferred by agreement. The PDA shall be identified in the Contract, see Annex A to Schedule 3 (Appendix – Addresses and Other Information), Box 3;
<b>Parties</b>	means the Contractor and The Authority, and Party shall be construed accordingly;
<b>Plastic Packaging Components</b>	shall have the same meaning as set out in Part 2 of the Finance Act 2021 together with any associated secondary legislation;
<b>PPT</b>	means a tax called "plastic packaging tax" charged in accordance with Part 2 of the Finance Act 2021;
<b>PPT Legislation</b>	means the legislative provisions set out in Part 2 and Schedule 9-15 of the Finance Act 2021 together with any secondary legislation made under powers contained in Part 2 of the Finance Act 2021. This includes, but is not limited to, The Plastic Packaging Tax (Descriptions of Products) Regulations 2021 and The Plastic Packaging Tax (General) Regulations 2022;
<b>Primary Packaging Quantity (PPQ)</b>	means the quantity of an item of material to be contained in an individual package, which has been selected as being the most suitable for issue(s) to the ultimate user, as described in Def Stan 81-041 (Part 1);
<b>Publishable Performance Information</b>	means any of the Information in Schedule 9 (Publishable Key Performance Indicator Information) as it relates to Key Performance Indicators where it is expressed as publishable in the table in Schedule 9 which shall not contain any Information which is exempt from disclosure which shall be determined by The Authority; and which shall not constitute Sensitive Information;
<b>Quarterly Reporting Period</b>	means the quarterly reporting period or any portion thereof (as agreed between the Parties), as set out by the Cabinet Office, aligned to the reporting of KPIs. <i>i.e. April-June, July-September, October-December and January-March.</i>

<b>Recycled Timber</b>	means recovered wood that prior to being supplied to The Authority had an end use as a standalone object or as part of a structure. Recycled Timber covers: <ol style="list-style-type: none"> <li>pre-consumer reclaimed wood and wood fibre and industrial by-products;</li> <li>post-consumer reclaimed wood and wood fibre, and driftwood;</li> <li>reclaimed timber abandoned or confiscated at least ten years previously;</li> </ol> it excludes sawmill co-products;
<b>Rejection</b>	means the process by which The Authority deems a Contractor Deliverable(s) is non-compliant with the performance requirements or Acceptance criteria as stated within the Contract, in accordance with Condition 30 and Schedule 8;
<b>Restrictions</b>	means, in relation to clause 33 only, end use or end user restrictions including (but not limited to) restrictions on transfers to third parties or disclosure to individuals based on their nationality, residency status and/or employment status;
<b>Robust Contractor Deliverables</b>	shall mean Robust items as described in Def Stan 81-041 (Part 2)
<b>Safety Data Sheet</b>	has the meaning as defined in the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulations 2007 (as amended);
<b>Schedule of Requirements</b>	means Schedule 2 (Schedule of Requirements), which identifies, either directly or by reference, Contractor Deliverables to be provided, the quantities and dates involved and the price or pricing terms in relation to each Contractor Deliverable;
<b>Sensitive Information</b>	means the Information listed in the completed Schedule 5 (Contractor's Sensitive Information), being Information notified by the Contractor to The Authority, which is acknowledged by The Authority as being sensitive, at the point at which the Contract is entered into or amended (as relevant) and remains sensitive information at the time of publication, being Information which is either: 1) exempt from disclosure (in The Authority's sole determination) in accordance with Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004 (EIR); or 2) Information which has been notified to The Authority by the Contractor under a Covered Procurement as sensitive commercial Information and The Authority determines (in its sole discretion) that such Information: i) constitutes a trade secret; or ii) would be likely to prejudice the commercial interests of the Contractor if it were published or disclosed, and there is an overriding public interest in withholding its publication; or 3) Information which is exempt from disclosure on national security grounds;
<b>Short-Rotation Coppice</b>	means a specific management regime whereby the poles of trees are cut every one to two years and which is aimed at producing biomass for energy. It is exempt from the UK Government timber

	procurement policy. For avoidance of doubt, Short-Rotation Coppice is not conventional coppice, which is subject to the timber policy;
<b>Specification</b>	means the description of the Contractor Deliverables, including any specifications, drawings, samples and / or patterns, and shall include any document or item which, individually or collectively is referred to in Schedule 2 (Schedule of Requirements). The Specification forms part of the Contract and all Contractor Deliverables to be supplied by the Contractor under the Contract shall conform in all respects with the Specification;
<b>STANAG4329</b>	means the publication NATO Standard Bar Code Symbologies which can be sourced at <a href="https://www.dstan.mod.uk/faqs.html">https://www.dstan.mod.uk/faqs.html</a> ;
<b>Subcontractor</b>	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;
<b>Substance</b>	means a chemical element and its compounds in the natural state or obtained by any manufacturing process, including any additive necessary to preserve its stability and any impurity deriving from the process used, but excluding any solvent which may be separated without affecting the stability of the substance or changing its composition;
<b>Systematic Failure or Defect</b>	A Systematic Failure or Defect is a duplicated failure or malfunctioning (i) occurring, at least three (3) times during the applicable Systematic Failure or Defect Warranty Period, on the same delivered Article or on several delivered units of the same Article, (ii) attributable to the Contractor, (iii) that prevents the concerned Article or units of the same Article to satisfy the technical requirements of the Contract set forth in Schedule 2 SoW or applicable Tasking Form, and (iv) leading to assume a latent defect of the concerned Article or units of the same Article.
<b>Systematic Failure or Defect Warranty Period</b>	The Product Warranty Period applicable: (i) starting from the first Article Accepted under the Contract, and ending at the end of the Product Warranty Period for the last unit of the same Article delivered under the Contract, and on which a Systematic Failure or Defect occurs.
<b>Timber and Wood-Derived Products</b>	means timber (including Recycled Timber and Virgin Timber but excluding Short-Rotation Coppice) and any products that contain wood or wood fibre derived from those timbers. Such products range from solid wood to those where the manufacturing processes obscure the wood element;
<b>Transparency Information</b>	means the content of this Contract in its entirety, including from time to time agreed changes to the Contract, except for (i) any Information which is exempt from disclosure in accordance with

	the provisions of the Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations 2004 (EIR), which shall be determined by The Authority, and (ii) any Sensitive Information;
<b>Unique Item Identifier (UII)</b>	a. NATO Stock Number (NSN); b. NATO Commercial and Government Entity (NCAGE) code; c. ASSC Indicator, where applicable; d. serial number; and e. part number;.
<b>Virgin Timber</b>	means Timber and Wood-Derived Products that do not include Recycled Timber.

Where project specific DEFCONs are included under Condition 60 definitions shall be in accordance with DEFCON 501.

Schedule 2 – Schedule of Requirements REDACTED under FOIA Section 43 - Commercially Sensitive InformationCore

SOR Item No.	Item Description	LDs Applicable	Schedule 2 Annex A SoW Serial	Contractual Due Date	Year 1 Price (FY 25/26) (commencing - 15 <sup>th</sup> Dec 2025) (ex VAT)	Year 2 Price (FY 26/27) (ex VAT)	Year 3 Price (FY 27/28) (ex VAT)	Year 4 Price (FY 28/29) (ex VAT)	TOTAL (ex VAT)
CORE									
1	Project Management & Progress Reporting	N	1						
2	Annual Technical Summary Report	N	2						
3	User Community Conference	N	3						
4	Remote Command Centre Design & Development	N	4	31/12/2026					
4a	RCC – Critical Design Review	N	4a	31/12/2026					
BC	Bid Cost Recovery								
NON-CORE									
5	Non-Core Tasking in accordance with Condition 53 (Non-Core Tasking Process) and Schedule 2 Annex A (SoW)	Y (Agreed per task)	5		Agreed on a Task-by-Task basis				
TOTAL:					£8,403,701.12				

TOTAL Contract Value:  (Inclusive of all Non-Core Tasking (Schedule 12) (excluding Options)	£8,403,701.12
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Options

SOR Item No.	Item Description	Schedule 2 Annex A SoW Serial	OPTION 1 Year 5 (FY 29/30) (ex VAT)
	OPTION 1 – Additional Year Extension (01/04/2029 – 31/03/2030)		
6	Project Management & Progress Reporting	1	To be agreed during the term of the Contract.
7	Annual Technical Summary Report	2	
8	User Community Conference	3	
9	Remote Command Centre Design & Development	4	
	NON-CORE		
10	Non-Core Tasking in accordance with Condition 53 (Non-Core Tasking Process) and Schedule 2 Annex A (SoW)	5	Agreed on a Task-by-Task basis
		TOTAL:	

SOR Item No.	Item Description	Schedule 2 Annex A SoW Serial	OPTION 2 Year 6 (FY 30/31) (ex VAT)
	OPTION 2 – Additional Year Extension (01/04/2030 – 31/03/2031)		
11	Project Management & Progress Reporting	1	To be agreed during the term of the Contract.
12	Annual Technical Summary Report	2	
13	User Community Conference	3	
14	Remote Command Centre Design & Development	4	
	NON-CORE		
15	Non-Core Tasking in accordance with Condition 53 (Non-Core Tasking Process) and Schedule 2 Annex A (SoW)	5	Agreed on a Task-by-Task basis
		TOTAL:	

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SOR Item No.	Item Description	Schedule 2 Annex A SoW Serial	OPTION 4 Provisional Price (ex VAT)
<b>OPTION 3</b>			
16	RCC – Annual Design Review	6	<b>TOTAL:</b> 

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**Schedule 2 Annex A – Statement of Work**

See MS Excel Spreadsheet '713095450-Schedule 2 Annex A-Statement-of-Work-OSC'

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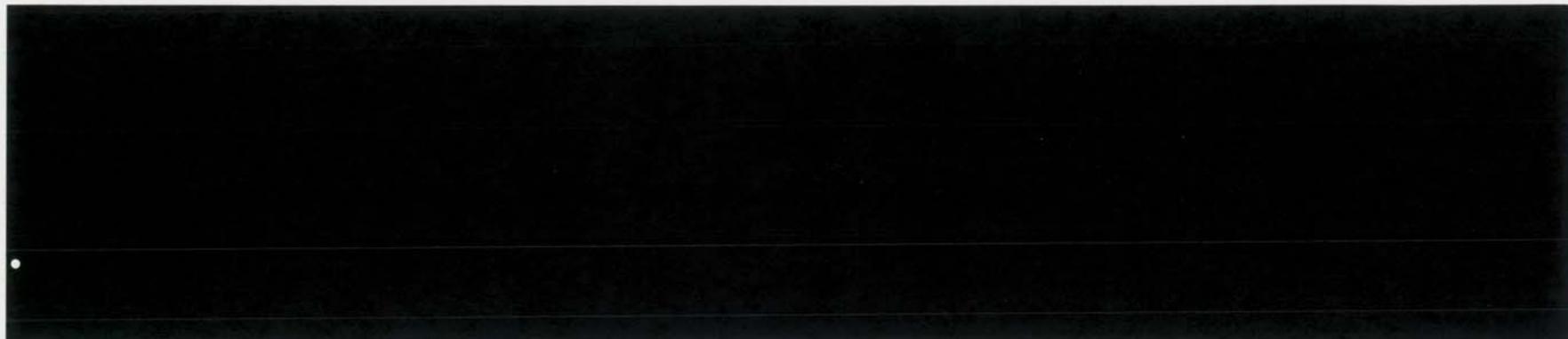
63

Schedule 2 Annex B – Milestone Payment Plan **REDACTED** under FOIA Section 43 - Commercially Sensitive Information

Milestone Payment No	Milestone	CDRL Items	Milestone Completion Date	Milestone Payment Value (ex VAT)	Cumulative Payment Value (ex VAT)
1	Contract Kick-off Meeting	N/A	Contract Award		
2	Definition Review & Digital Lab Specification	7, 8	31/03/2026		
3	Quarterly Progress Report 1	10	16/04/2026		
4	Quarterly Progress Report 2	13	14/07/2026		
5	PDR Deliverables (CDRL Items 14 and 15)	14, 15	31/07/2026		
6	Quarterly Progress Report 3	18	14/10/2026		
7	CDR Completion	20, 21	31/12/2026		
8	Quarterly Progress Report 4	23	14/01/2027		
9	Quarterly Progress Report 5	27	14/04/2027		
10	Quarterly Progress Report 6	30	14/07/2027		
11	Quarterly Progress Report 7	32	14/10/2027		
12	Quarterly Progress Report 8	35	14/01/2028		
13	Quarterly Progress Report 9	39	14/04/2028		
14	Quarterly Progress Report 10	42	14/07/2028		
15	Quarterly Progress Report 11	44	13/10/2028		
16	Quarterly Progress Report 12	47	15/01/2029		
					<b>TOTAL (ex VAT): £8,403,701.12</b>

**Schedule 2 Annex C – Contract Rates REDACTED under FOIA Section 43 - Commercially Sensitive Information****Contract Profit Rates**

The Parties have agreed the Profit Rates that shall apply to Year 1 (FY 25/26) of the Contract, on the following basis:

**FY 2025/2026 Profit Rates**

Calculation Steps	Profit Calculation	Profit (Core)	Non-Core Tasking Profit (Low Risk)	Non-Core Tasking Profit (Medium Risk)	Non-Core Tasking Profit (High Risk)
			FY 25/26	FY 25/26	FY 25/26
Step 1	Baseline Profit Rate				
Step 2	Cost Risk Adjustment up to +/- 25%				
Step 3	Incentive Adjustment				
Step 4	Capital Servicing Adjustment				
	<b>PROFIT RATE</b>				

**Contract Labour Rates REDACTED under FOIA Section 43 - Commercially Sensitive Information**

In accordance with Conditions 35 (Contract Price), 53 (Non-Core Tasking Process) and Schedule 21 (Contract Pricing) the following Labour Rates shall be used for the pricing of all activities falling under (but not limited to) Schedule 2, SoR Items 1-16 inclusive.

Job Family	Grade	Rate	Year 1	Year 2	Year 3	Year 4	Option 1 Year 5	Option 2 Year 6
			15/12/2025 31/03/2026	01/04/2026 31/03/2027	01/04/2027 31/03/2028	01/04/2028 31/03/2029	01/04/2029 31/03/2030	01/04/2030 31/03/2031
<b>All Labour Rates to be in GBP and <u>exclusive</u> of both profit &amp; VAT</b>								
JF03	Bid & Project Management	Hourly Rate						
JF07	Customer Service (Centralised UCC)	Hourly Rate						
JF08	Quality & Safety Assurance	Hourly Rate						
JF09	Purchasing	Hourly Rate						
JF10	Manufacturing Engineering	Hourly Rate						

To be agreed during the term of the Contract

JF11	Business Control	Hourly Rate	
JF13	Contract Management	Hourly Rate	
JF17	Engineering Management	Hourly Rate	
JF18	Systems Engineering	Hourly Rate	
JF19	Hardware Engineering	Hourly Rate	
JF20	Software Engineering	Hourly Rate	
JF21	Engineering and Technical Specialists	Hourly Rate	

Contract Travel & Subsistence Rates REDACTED under FOIA Section 43 - Commercially Sensitive Information

In accordance with Condition 53 (Non-Core Tasking Process) the following Travel and Subsistence rates shall be used for the pricing of all activities falling under (but not limited to) Schedule 2 SoR Items 5, 10 and 15.

Travel And Subsistence Rates	Year 1 15/12/2025 31/03/2026	Year 2 01/04/2026 31/03/2027	Year 3 01/04/2027 31/03/2028	Year 4 01/04/2028 31/03/2029	Option 1 Year 5 01/04/2029 31/03/2030	Option 2 Year 6 01/04/2030 31/03/2031
<b>All Travel &amp; Subsistence Rates to be in GBP and <u>exclusive</u> of both profit &amp; VAT</b>						
Rental Car in UK per day (including Insurance)						
Hotel in UK per day						
Lunch Subsistence Allowance in UK						
Dinner Subsistence						
Motor Mileage Pence Per Mile (UK)						

**Notes:**

1. All above Travel and Subsistence Rates are agreed as maximum costs, and where fair and reasonable actual costs can be achieved beneath these rates, the Contractor shall claim the lesser sum.
2. Where the performance of a Non-Core Task requires any air travel, airport parking and/or taxi fares, these shall be agreed on a case-by-case basis within each respective Tasking.

**Schedule 3 - Contract Data Sheet****General Conditions****Condition 2 – Duration of Contract:**

The Contract expiry date shall be: 31/03/2029 (End of Core Year 4), unless the term of the Contract is otherwise extended by The Authority's exercise of Options 1 and 2.

**Condition 4 – Governing Law:**

Contract to be governed and construed in accordance with:

English Law

Solicitors or other persons based in England and Wales (or Scotland if Scots Law applies) irrevocably appointed for Contractors without a place of business in England (or Scotland, if Scots Law applies) in accordance with clause 4.g (if applicable) are as follows:

Solicitors Appointed: Not Applicable

**Condition 7 – Authority's Representatives:**

The Authority's Representatives for the Contract are as follows:

Commercial: [REDACTED] REDACTED under FOIA Section 40 - Personal Information (as per Annex A to Schedule 3 (DEFFORM 111))

Project Manager: [REDACTED] REDACTED under FOIA Section 40 - Personal Information (as per Annex A to Schedule 3) (DEFFORM 111))

**Condition 18 – Notices:**

Notices served under the Contract shall be sent to the following address:

Authority: Mine Hunting Capability Team, Spruce 3C NH1, MoD Abbey Wood, Filton, Bristol, BS34 8JH (as per Annex A to Schedule 3 (DEFFORM 111))

Contractor: Thales UK Ltd, Throop Road, Templecombe, BA8 0DH, UK

Notices can be sent by electronic mail?

Yes

**Condition 19.a – Progress Meetings:**

The Contractor shall be required to attend the following regular progress meetings (in addition to the meetings and reviews required under its performance of the Contract as stated within the Schedule 2 Annex A SoW or applicable Non-Core Tasking Form):

- Annual Contract and Performance Review, to be presented by and led by the Contractor at the Contractor's premises, UK MoD premises, or online via MS Teams. The location of each meeting shall be agreed by the Parties prior to each meeting. The minimum requirement for Agenda topics required by The Authority to be covered within the Annual Contract and Performance Review Meetings are detailed within Schedule 2 Annex A (Statement of Work) of the Contract.
- Mid-Year Contract Progress Review, to be presented and led by the Contractor at the Contractor's premises, UK MoD premises, or online via MS Teams. The location of each meeting shall be agreed by the Parties prior to each meeting. The minimum Agenda topics to be covered within this meeting are:
  1. In-depth schedule review
  2. Detailed risk and emerging opportunities review

**Condition 19.b – Progress Reports:**

The Contractor is required to submit the following Reports:

- Annual Technical Summary Report (delivered at end of each FY)
- Quarterly Progress Report (delivered within 10 Business Days following the end of each financial quarter)
- EVM reporting (to be agreed on a TAF-by-TAF basis, and shall be in accordance with the Schedule 13 CDRL and Schedule 18 (EVM))

**Progress Reports:**

The minimum requirements for information to be contained within the above reports are detailed within Schedule 2 Annex A (Statement of Work) of the Contract.

Reports shall be Delivered to the following address:

Progress Reports shall be delivered to The Authority's named Commercial Officer and Project Manager as detailed within the DEFFORM 111 to the Contract.

**Supply of Contractor Deliverables****Condition 20 – Quality Assurance:**

Is a Deliverable Quality Plan required for this Contract?

Yes

A Deliverable Quality Plan with additional Quality Assurance Information is required in accordance with DEFCON 602C (SC2)

The Deliverable Quality Plan with Assurance Information must be delivered to The Authority (Quality) within sixty (60) Business Days of Contract Award.

**Other Quality Requirements:**

Submission of Programme Management Plan at CA+30 Business Days

As stated within Condition 61 (QA Assurance and Safety Compliance)

**Condition 21 – Marking of Contractor Deliverables:**

Special Marking requirements:

As stated within each discrete Non-Core Tasking Form

**Condition 24 - Supply of Data for Hazardous Substances, Mixtures and Articles in Contractor Deliverables:**

A completed Schedule 6 (Hazardous and Non-Hazardous Substances, Mixture or Articles Statement), and if applicable, UK REACH compliant Safety Data Sheet(s) are to be provided by e-mail with attachments in Adobe PDF or MS WORD format to:

a) The Authority's Representative (Commercial)

b) Defence Safety Authority – [DESTECH-QSEPEnv-HSISMult@mod.gov.uk](mailto:DESTECH-QSEPEnv-HSISMult@mod.gov.uk)

to be Delivered alongside tender submission, and updated throughout the term of the Contract as required.

**Condition 25 – Timber and Wood-Derived Products:**

A completed Schedule 7 (Timber and Wood-Derived Products Supplied under the Contract: Data Requirements) is to be provided by e-mail with attachments in Adobe PDF or MS WORD format to The Authority's Representative (Commercial)

**Condition 26 – Certificate of Conformity:**

Is a Certificate of Conformity (CoC) required for this Contract?

Yes, the requirement for a CoC shall be set out within each individual Non-Core Tasking Form if applicable. Contractor Deliverables will require traceability throughout the supply chain.

**Condition 28.b – Delivery by the Contractor:**

The following Line Items are to be Delivered by the Contractor:

All Schedule 2 SoR line items and associated Contractor Deliverables, unless explicitly stated and agreed between the Parties.

Special Delivery Instructions:

As per applicable Non-Core Tasking Form.

Each consignment is to be accompanied by a DEFFORM 129J.

**Condition 28.c - Collection by The Authority:**

The following Line Items are to be Collected by The Authority:

N/A

Each consignment is to be accompanied by a DEFFORM 129J.

**Condition 30 – Rejection:**

REDACTED under FOIA Section 43 - Commercially Sensitive Information

**Condition 32 – Self-to-Self Delivery:**

Self-to-Self Delivery required?

No

**Pricing and Payment****Condition 35 – Contract Price:**

The Contract shall be priced in accordance with Condition 35 (Contract Price), Schedule 2 Annex C (Contract Rates) and Schedule 21 (Contract Pricing).

**Termination****Condition 42 – Termination for Convenience:**

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**Other Addresses and Other Information** (*forms and publications addresses and official use information*)

See Annex A to Schedule 3 (DEFFORM 111)

## Schedule 3 Annex A – DEFFORM 111

DEFFORM 111  
(Edn 04/25)

## Appendix - Addresses and Other Information

## 1. Commercial Officer

Name: **REDACTED** under FOIA

## Section 40 - Personal Information

Address: MHC Delivery Team, Spruce 3C, NH1, MoD Abbey Wood, Bristol, BS34 8JH

Email: **REDACTED** under FOIA Section 40 - Personal Information

N/A

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

Name: **REDACTED** under FOIA

## Section 40 - Personal Information

Address: MHC Delivery Team, Spruce 3C, NH1, MoD Abbey Wood, Bristol, BS34 8JH

Email: **REDACTED** under FOIA Section 40 - Personal Information

N/A

## 3. Packaging Design Authority

Organisation &amp; point of contact:

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



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

Branch/Name: Mine Hunting Capability



(b) U.I.N. P0070A

## 5. Drawings/Specifications are available from Named Authority Project Manager at Box 2.

## 8. Public Accounting Authority

1. Returns under DEFCON 694 should be uploaded to Government Furnished Equipment Industry Portal - <https://assetmgmt.desdigital.mod.uk>2. Stock Certificates under DEFCON 694 should be returned to [DBSFin-FAADMT-AiiTeam@mod.gov.uk](mailto:DBSFin-FAADMT-AiiTeam@mod.gov.uk)3. For all general queries contact your Delivery Team or [DBSFin-FAADMT-AiiTeam@mod.gov.uk](mailto:DBSFin-FAADMT-AiiTeam@mod.gov.uk)4. For all portal queries contact [DESDigital-AAI-Artintel-Support@mod.gov.uk](mailto:DESDigital-AAI-Artintel-Support@mod.gov.uk)

## 9. Consignment Instructions

The items are to be consigned as follows:

To be agreed on a case-by-case basis as appropriate for each Article/Non-Core Tasking.

## 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 8943EXPORTS **030 679 81113 / 81114** Fax 0117 913 8943

## Surface Freight Centre

IMPORTS **030 679 81129 / 81133 / 81138** Fax 0117 913 8946EXPORTS **030 679 81129 / 81133 / 81138** Fax 0117 913 8946B. **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](mailto:UKStratCom-DefSp-RAMP@mod.gov.uk) in the first instance.

## 11. The Invoice Paying Authority

Ministry of Defence

**0151-242-2000**

DBS Finance

Walker House, Exchange Flags  
Liverpool, L2 3YL

Fax: 0151-242-2809

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](mailto:Leidos-FormsPublications@teamleidos.mod.uk)

**7. Quality Assurance Representative:**

Simon Winsbury

**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.

**Schedule 4 - Contract Change Control Procedure****(i.a.w. Contract Condition 6)****Contract Change Control Procedure (i.a.w. clause 6.d) for Contract No: 713095450****Authority Changes**

1. The Authority shall be entitled to propose any change to the Contract (a "Change") or (subject to Clause 2) Changes in accordance with this Schedule 4.
2. Nothing in this Schedule shall operate to prevent The Authority from specifying more than one Change in any single proposal, provided that such changes are related to the same or similar matter or matters.

**Notice of Change**

3. If The Authority wishes to propose a Change or Changes, it shall serve a written notice (an "Authority Notice of Change") on the Contractor.
4. The Authority Notice of Change shall set out the Change(s) proposed by The Authority in sufficient detail to enable the Contractor to provide a written proposal (a "Contractor Change Proposal") in accordance with clauses 7 to 9 (inclusive).
5. The Contractor may only refuse to implement a Change or Changes proposed by The Authority, if such change(s):
  - a. would, if implemented, require the Contractor to deliver any Contractor Deliverables under the Contract in a manner that infringes any applicable law relevant to such delivery; and/or
  - b. would, if implemented, cause any existing consent obtained by or on behalf of the Contractor in connection with their obligations under the Contract to be revoked (or would require a new necessary consent to be obtained to implement the Change(s) which, after using reasonable efforts, the Contractor has been unable to obtain or procure and reasonably believes it will be unable to obtain or procure using reasonable efforts); and/or
  - c. would, if implemented, materially change the nature and scope of the requirement (including its risk profile) under the Contract;

and:

- d. the Contractor notifies The Authority within 10 (ten) Business Days (or such longer period as shall have been agreed in writing by the parties) after the date of The Authority Notice of Change that the relevant proposed Change or Changes is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c providing written evidence for the Contractor's reasoning on the matter; and
- e. further to such notification:

(1) either The Authority notifies the Contractor in writing that The Authority agrees, or (where The Authority (acting reasonably) notifies the Contractor that The Authority disputes the Contractor's notice under Clause 5.d) it is determined in accordance with Condition 40 (Dispute Resolution), that the relevant Change(s) is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c; and

(2) (where The Authority either agrees or it is so determined that the relevant Change(s) is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c) The Authority fails to make sufficient adjustments to the relevant Authority Notice of Change (and issue a revised Authority Notice of Change) to remove the Contractor's grounds for refusing to implement the relevant Change under Clauses 5.a, 5.b and/or 5.c within 10 (ten) Business Days (or such longer period as shall have been agreed in writing by the parties) after:

- i) the date on which The Authority notifies in writing the Contractor that The Authority agrees that the relevant Change(s) is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c); or
- ii) the date of such determination.

6. The Contractor shall at all times act reasonably, and shall not seek to raise unreasonable objections, in respect of any such adjustment.

### **Contractor Change Proposal**

7. As soon as practicable, and in any event within:

a. (where the Contractor has not notified The Authority that the relevant Change or Changes is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c in accordance with Clause 5) fifteen (15) Business Days (or such other period as the Parties agree (acting reasonably) having regard to the nature of the Change(s)) after the date on which the Contract shall have received The Authority Notice of Change; or

b. (where the Contractor has notified The Authority that the relevant Change or Changes is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c in accordance with Clause 5 and:

(1) The Authority has agreed with the Contractor's conclusion so notified or it is determined under Condition 40 (Dispute Resolution) that the relevant Change(s) is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c and The Authority has made sufficient adjustments to the relevant Authority Notice of Change (and issued a revised Authority Notice of Change(s)) to remove the Contractor's grounds for refusing to implement the relevant Change(s) under Clauses 5.a, 5.b and/or 5.c) fifteen (15) Business Days (or such other period as the parties shall have agreed (both parties acting reasonably) having regard to the nature of the Change(s)) after the date on which the Contractor shall have received such revised Authority Notice of Change; or

(2) The Authority has disputed such conclusion and it has been determined in accordance with Condition 40 (Dispute Resolution) that the relevant Change(s) is/are not a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c) fifteen (15) Business Days (or such other period as the parties shall have agreed (both parties acting reasonably) having regard to the nature of the Change(s)) after the date of such determination,

the Contractor shall deliver to The Authority a Contractor Change Proposal. For the avoidance of doubt, the Contractor shall not be obliged to deliver to The Authority a Contractor Change Proposal where the Contractor notifies The Authority, and The Authority agrees or it is determined further to such notification in accordance with Clause 5, that the relevant Change or Changes is/are a Change(s) falling within the scope of Clauses 5.a, 5.b and/or 5.c.

8. The Contractor Change Proposal shall comprise in respect of each and all Change(s) proposed:

- a. the effect of the Change(s) on the Contractor's obligations under the Contract;
- b. a detailed breakdown of any costs which result from the Change(s);
- c. the programme for implementing the Change(s);
- d. any amendment required to this Contract as a result of the Change(s), including, where appropriate, to the Contract Price; and
- e. such other information as The Authority may reasonably require.

9. The price for any Change(s) shall be based on the prices (including rates) already agreed for the Contract and shall include, without double recovery, only such charges that are fairly and properly attributable to the Change(s).

#### **Contractor Change Proposal – Process and Implementation**

10. As soon as practicable after The Authority receives a Contractor Change Proposal, The Authority shall:

- a. evaluate the Contractor Change Proposal; and
- b. where necessary, discuss with the Contractor any issues arising (and (in relation to a Change(s) proposed by The Authority) following such discussions The Authority may modify The Authority Notice of Change) and the Contractor shall as soon as practicable, and in any event not more than ten (10) Business Days (or such other period as the Parties shall have agreed in writing) after receipt of such modification, submit an amended Contractor Change Proposal.

11. As soon as practicable after The Authority has evaluated the Contractor Change Proposal (amended as necessary) The Authority shall:

- a. either indicate its acceptance of the Change Proposal by issuing a DEFFORM10B in accordance with Condition 6 (Formal Amendments to the Contract), whereupon the Contractor shall promptly sign and return to The Authority the Contractor's DEFFORM 10B indicating their unqualified acceptance of such amendment in accordance with, and otherwise discharge their obligations under, such Condition and implement the relevant Change(s) in accordance with such proposal; or
- b. serve Notice on the Contractor rejecting the Contractor Change Proposal and

withdrawing (where issued in relation to a Change or Changes proposed by The Authority) The Authority Notice of Change (in which case such notice of change shall have no further effect)

12. If The Authority rejects the Contractor Change Proposal, it shall not be obliged to give its reasons for such rejection.

13. The Authority shall not be liable to the Contractor for any additional work undertaken or expense incurred in connection with the implementation of any Change(s), unless a Contractor Change Proposal has been accepted by The Authority in accordance with Clause 11a. and then subject only to the terms of the Contractor Change proposal so accepted.

### **Contractor Changes**

14. If the Contractor wishes to propose a Change or Change(s), they shall serve a Contractor Change Proposal on The Authority. Such proposal shall be prepared and reviewed in accordance with and otherwise be subject to the provisions of Clauses 8 to 13 (inclusive).

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Schedule 5 - Contractor's Commercial Sensitive Information Form

(i.a.w. condition 12)

**REDACTED** under FOIA Section 43 - Commercially Sensitive Information

**Schedule 6 - Hazardous Contractor Deliverables, Materials or Substances Supplied under the Contract**

(In accordance with Condition 24)

**Hazardous and Non-Hazardous Substances, Mixtures or Articles Statement by the Contractor**

Contract No: 713095450

Contract Title: MHC Block 2 Remote Command Centre (RCC) Integration and Supply

Contractor: Thales UK Ltd

Date of Contract: 15<sup>th</sup> Dec 2025

\* To the best of our knowledge there are no hazardous Substances, Mixtures or Articles in the Contractor Deliverables to be supplied.

~~\* To the best of our knowledge the hazards associated with Substances, Mixtures or Articles in the Contractor Deliverables to be supplied under the Contract are identified in the Safety Data Sheets or UK REACH Communication attached in accordance with Condition 24.~~

Contractor's Signature: **REDACTED** under FOIA Section 40 - Personal Information

Name: **REDACTED** under FOIA Section 40 - Personal Information

Job Title: Delegated Design Authority

Date: 24/10/2025

.....

To be completed by The Authority

Domestic Management Code (DMC): [ ]

NATO Stock Number: [ ]

Contact Name: [ ]

Contact Phone Number: [ ]

Contact Address: [ ]

Copy to be forwarded to:

Hazardous Stores Information System (HSIS)  
Spruce 2C, #1260  
MOD Abbey Wood (South)  
Bristol BS34 8JH

Email: DESEngSfty-QSEPSEP-HSISMuti@mod.gov.uk

Schedule 7 - Timber and Wood- Derived Products Supplied under the Contract**Data Requirements for Contract No: 713095450**

The following information is provided in respect of condition 25 (Timber and Wood-Derived Products):

Schedule of Requirements item and timber product type	Volume of timber Delivered to The Authority with FSC, PEFC or equivalent evidence	Volume of timber Delivered to The Authority with other evidence	Volume (as Delivered to The Authority) of timber without evidence of compliance with Government Timber Procurement Policy	Total volume of timber Delivered to The Authority under the Contract
N/A	N/A	N/A	N/A	N/A

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713095450 - REDACTED

Schedule 8 – Acceptance and Rejection Procedure (i.a.w. Conditions 29 and 30)

**REDACTED** under FOIA Section 43 - Commercially Sensitive Information

**Schedule 9 – Publishable Key Performance Indicator Information REDACTED under FOIA Section 43 - Commercially Sensitive Information**

Key Performance Indicator Data Report (i.a.w. Condition 12 and Condition 13)

KPI Description*	Rating Thresholds	Frequency of Measurement	Quarter & Year*	Average for Reporting Period	Rating*	Comment*
<b>KPI-01</b> <b>CDRL Delivery</b> All Schedule 13 CDRL documentation delivered to The Authority by the stipulated "Deliverable Due Date" detailed within Schedule 13.	<b>Good*</b> : Documentation delivered on or before agreed "Deliverable Due Date" within Schedule 13.  <b>Approaching Target</b> :   <b>Requires Improvement</b> :   <b>Inadequate</b> : 	Quarterly	Quarter end for each respective Financial Year commencing 1 <sup>st</sup> Jan 2026			

KPI Description*	Rating Thresholds	Frequency of Measurement	Quarter & Year*	Average for Reporting Period	Rating*	Comment*
<b>KPI-02</b> <b>Non-Core Tasking Completion vs Estimate</b>  <b>NOTE:</b> This KPI shall measure the time taken by the Contractor to successfully complete Non-Core Tasking against the estimated date/timescale provided.	<b>Good*:</b> 90-100% of Non-Core Tasking completed by or within estimated date/timescale.  <b>Approaching Target:</b>   <b>Requires Improvement:</b>   <b>Inadequate:</b> 	Quarterly	Quarter end for each respective Financial Year commencing 1 <sup>st</sup> Jan 2026			

**NOTES:**

- (1) **Average for Reporting Period** – The Contractor shall insert the average Rating for the period being reported upon. This should show the actual performance achieved during the period. The format must be consistent with 'Rating Thresholds'.
- (2) **Rating** – The Contractor shall insert the Rating for the period being reported. The Rating must correspond to the appropriate 'Rating Thresholds'.
- (3) \*Publishable fields: **ONLY** the 'Good' threshold is published.
- (4) Please see the [DEFFORM 539B Explanatory Notes](#) for guidance on completing the KPI Data Report.

**Schedule 10 – Notification of Intellectual Property Rights (IPR) Restrictions (DEFFORM 711)****PART A – Notification of IPR Restrictions**

This Schedule 10/DEFFORM 711 shall be regularly updated as required throughout the term of the Contract in accordance with Conditions 6 (Formal Amendments to the Contract), 11 (Third Party Rights) and DEFCON 707.

**REDACTED under FOIA Section 43 - Commercially Sensitive Information**

Please continue on additional sheets where necessary.

\* Article(s), for the purpose of this form only, means part or the whole of any item, component or process which the Contractor is required under the Contract to supply or in connection with which it is required under the Contract to carry out any service and any other article or part thereof to the same design as that article.

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**PART B – System / Product Breakdown Structure (PBS)**

The Contractor should insert their PBS here. For Software, please provide a Modular Breakdown Structure.

(Please see the [DEFFORM 711 Completion Notes](#) for guidance on completing the Notification of Intellectual Property Rights (IPR) Restrictions form)

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**Schedule 11 – Security Aspects Letter**

**REDACTED under FOIA Section 43 - Commercially Sensitive Information**

Issued 15 April 2024

## **UK OFFICIAL AND UK OFFICIAL-SENSITIVE CONTRACTUAL SECURITY CONDITIONS**

### **Purpose**

This document provides guidance for Defence Suppliers where classified material provided to or generated by the Defence Supplier 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](mailto:COO-DSR-IIPCSy@mod.gov.uk)).

### **Definitions**

The term "Authority" for the purposes of this Annex means the UK MOD Contracting Authority.

The term "Classified Material" for the purposes of this Annex means classified information and assets.

### **Security Grading**

The SENSITIVE marking 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 Defence Supplier, or which is to be developed by it, under this Contract. The Defence Supplier shall mark all UK OFFICIAL-SENSITIVE documents which it originates or copies during the Contract with the applicable security grading. The Defence Supplier is not required to mark documents graded UK OFFICIAL unless they are transmitted overseas or generated by a Defence Supplier based outside the UK in a third-party country.

### **Security Conditions**

The Defence Supplier shall take all reasonable steps to adhere to the provisions specified in the Contract or listed in this Annex. The Defence Supplier 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.

Where a Defence Supplier is based outside the UK in a third-party country the national rules and regulations of the third-party country take precedence over these conditions only if the third-party country has an extant bilateral security agreement or arrangement with the UK.

The Authority shall state the data retention periods to allow the Defence Supplier to produce a data management policy.

If you are a Defence Supplier located in the UK, your attention is also drawn to the provisions of the Official Secrets Act 1989 and the National Security Act 2023.

### **Protection of UK OFFICIAL and UK OFFICIAL-SENSITIVE Classified Material**

The Defence Supplier 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 Defence Supplier shall take all

reasonable steps to prevent the loss or compromise of classified material whether accidentally or from deliberate or opportunist attack.

Once the Contract has been awarded, where the Defence Supplier is required to store or process UK MOD classified information electronically, they shall comply with the 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-notices-isns>.

<https://www.dstan.mod.uk/toolset/05/138/000004000.pdf>

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

All UK classified material including documents, media and other assets shall 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.

Disclosure of UK classified material shall be strictly controlled in accordance with the "need to know" principle. Except with the written consent of The Authority, the Defence Supplier shall not disclose the Contract or any provision thereof to any person other than to a person directly employed by the Defence Supplier or Subcontractor.

Except with the consent in writing of The Authority the Defence Supplier 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 9 above, the Defence Supplier shall not make use of any article or part thereof similar to the articles for any other purpose.

Subject to any intellectual property rights of third parties, nothing in this Security Condition shall restrict the Defence Supplier from using any specifications, plans, drawings and other documents generated outside of this Contract.

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 shall be returned on completion of the Contract or, if directed by The Authority, destroyed in accordance with paragraph 37.

### Access

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.

The Defence Supplier shall ensure that all individuals requiring access to UK OFFICIAL and 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 Defence Supplier; 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/publications/government-baseline-personnel-security-standard>

**Hard Copy Distribution**

UK OFFICIAL and UK OFFICIAL-SENSITIVE documents may be distributed internally and externally of Defence Supplier premises. To maintain confidentiality, integrity and availability, distribution shall 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.

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**

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 and CPA scheme are available at:

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

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

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.

UK OFFICIAL and UK OFFICIAL-SENSITIVE information may be discussed verbally on corporate telephones and other corporate electronic devices with persons located both within the country of the Defence Supplier and overseas. UK OFFICIAL-SENSITIVE information should only be discussed where there is a strong business need to do so.

UK OFFICIAL information may be faxed to recipients located both within the country of the Defence Supplier 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**

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.

The Defence Supplier 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.

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

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. Within the framework of the 10 Steps to Cyber Security, the following describes the minimum security requirements for processing and accessing UK OFFICIAL and UK OFFICIAL-SENSITIVE information on IT systems.

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.

Identification and Authentication (ID&A). All systems are to have the following functionality:

Up-to-date lists of authorised users.

Positive identification of all users at the start of each processing session

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.

Internal Access Control. All systems are to have internal Access Controls to prevent unauthorised users from accessing or modifying the data.

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 20 above.

Security Accounting and Audit. Security relevant events fall into two categories, namely legitimate events and violations.

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.

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.

Integrity & Availability. The following supporting measures are to be implemented:

Provide general protection against normally foreseeable accidents/mishaps and known recurrent problems (e.g., viruses and power supply variations),

Defined Business Contingency Plan,

Data backup with local storage,

Anti-Virus Software (Implementation, with updates, of an acceptable industry standard Anti-virus software),

Operating systems, applications and firmware should be supported,

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.

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*".

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.

Internet Connections. Computer systems must not be connected direct to the Internet or "untrusted" 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).

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.

### **Portable Electronic Devices**

Portable Electronic Devices holding any UK OFFICIAL-SENSITIVE information shall be encrypted using a CPA product or equivalent as described in paragraph 20 above.

Unencrypted Portable Electronic Device and drives containing personal data are not to be taken outside of secure sites<sup>1</sup>. 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.

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.

Portable Electronic 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

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<sup>1</sup> Secure Sites are defined as either Government premises or a secured office on the Defence Supplier premises.

luggage compartment at any time. When the vehicle is being driven the Portable Electronic Device 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

The Defence Supplier shall immediately report any loss or otherwise compromise of any Defence Related Classified Material to The Authority. The term Defence Related Classified Material includes 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 Suppliers which are owned by a third party e.g., NATO or another country for which the UK MOD is responsible.

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 Defence Supplier concerned. The UK MOD Defence Industry WARP will also advise the Defence Supplier what further action is required to be undertaken.

#### UK MOD Defence Industry WARP Contact Details

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

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

Telephone (Office hours): +44 (0) 3001 583 640

Mail: Defence Industry WARP, DE&S PSyA Office

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

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-notices-isns>

### Subcontracts

Where the Defence Supplier wishes to subcontract any elements of a Contract to Subcontractors within its own country or to Subcontractors located in the UK such subcontracts will be notified to The Authority. The Defence Supplier shall ensure that these Security Conditions are incorporated within the subcontract document.

The prior approval of The Authority shall be obtained should the Defence Supplier wish to subcontract any UK OFFICIAL-SENSITIVE elements of the Contract to a Subcontractor facility located in another (third party) country. The first page of MOD Form 1686 (F1686) is to be used for seeking such approval. The MOD Form 1686 can be found in the "Subcontracting or Collaborating on Classified MOD Programmes ISN" at the link below:

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

If the subcontract is approved, the Defence Supplier shall flow down the Security Conditions in line with paragraph 34 above to the Subcontractor. Defence Suppliers located overseas may seek further advice and/or assistance from The Authority with regards the completion of F1686.

### Physical Destruction

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 Defence Supplier 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**

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.

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

### **Publicity Material**

Defence Suppliers 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 Defence Supplier'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.

For UK Defence Suppliers where the exhibition assets relate to multiple Delivery Teams or for Private Venture defence related classified material where there is no defined Delivery Team, the Defence Supplier shall request clearance for exhibition from the Directorate of Security and Resilience. 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**

The Form 680 (F680) security procedure enables MOD to control when, how, and if defence related classified material is released by UK Defence Suppliers 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 Defence Supplier 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 Authority, or PV Security Grading issued by the MOD Directorate of Security and Resilience. Guidance regarding the F680 procedure can be found at:

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

If a Defence Supplier has received an approval to subcontract, 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 Defence Supplier has MOD Form 680 approval for supply of the complete equipment, as long as:

they are identical, except for component obsolescence, to items produced under the UK programme that the approval to subcontract relates to; and

no additional OFFICIAL-SENSITIVE or above material is required to be released to the overseas Subcontractor.

### **Interpretation/Guidance**

Advice regarding the interpretation of the above requirements should be sought from The Authority.

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**

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

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### Schedule 12 – Non-Core Ad-Hoc Tasking

### Record of Non-Core Tasking Placed by Financial Year (in accordance with Condition 53)

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**Schedule 12 Annex A – Non-Core Tasking Authorisation Form Template**

See MS Excel Spreadsheet '713095450-Schedule 12 Annex A-Task Approval Form-OSC'

Schedule 13 – Contract Deliverable Requirements List (CDRL)

Note: For 'Authority Recipients' column, PM = Project Manager COM = Commercial Officer  
 For 'Submission Method' column, DS = DefenceShare

CDRL Ref No	CDRL Deliverable	DID Ref <i>In accordance with Schedule 18 (EVM)</i>	Submission Method	Authority Recipient	Acceptance Criteria	Deliverable Due Date
Core Deliverable & EVM Requirements						
1	QDC Contract Initiation Report <ul style="list-style-type: none"> <li>• Contract Pricing Statement</li> <li>• Contract Reporting Plan</li> <li>• Contract Notification Report</li> </ul>		DefCARS	COM	N/A	Contract Award + 30 Calendar Days
2	Completed DEFFORM 565 - Provision of details of first and second tier subcontractors (Schedule 17)		Email	COM	N/A	Contract Award + 30 Business Days
3	Programme Management Plan (PMP)		Email/DS	PM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	Contract Award + 30 Business Days
4	Deliverable Quality Plan (DEFCON 602C)		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	Contract Award + 60 Business Days
5	DEFFORM 647 – Financial Accruals Report 1		Email	PM/COM	N/A	20/03/2026
6	Annual Technical Summary Report 1		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/03/2026
7	Design Definition Review Pack		Email/DS	PM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/03/2026

8	Design Definition Review Minutes		Email/DS	PM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/03/2026
9	KPI Performance Report 1		Email/DS	PM/COM	N/A	16/04/2026
10	Quarterly Progress Report 1		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	16/04/2026
11	QDC Interim Contract Report 1 (Covering CA date to 31/03/2026)		DefCARS	COM	N/A	29/05/2026
12	KPI Performance Report 2		Email/DS	PM/COM	N/A	14/07/2026
13	Quarterly Progress Report 2		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/07/2026
14	Preliminary Design Review Pack		Email/DS	PM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/07/2026
15	Preliminary Design Review Minutes		Email/DS	PM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/07/2026
16	IPR Baseline Document		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/07/2026
17	KPI Performance Report 3		Email/DS	PM/COM	N/A	14/10/2026
18	Quarterly Progress Report 3		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/10/2026
19	QDC Interim Contract Report 2 (Covering 01/04/2026 to 30/09/2026)		DefCARS	COM	N/A	30/11/2026

20	Critical Design Review Pack		Email/DS	PM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/12/2026
21	Critical Design Review Minutes		Email/DS	PM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/12/2026
22	KPI Performance Report 4		Email/DS	PM/COM	N/A	14/01/2027
23	Quarterly Progress Report 4		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/01/2027
24	DEFFORM 647 – Financial Accruals Report 2		Email	PM/COM	N/A	19/03/2027
25	Annual Technical Summary Report 2		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/03/2027
26	KPI Performance Report 5		Email/DS	PM/COM	N/A	14/04/2027
27	Quarterly Progress Report 5		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/04/2027
28	QDC Interim Contract Report 3 (Covering 01/10/2026 to 31/03/2027)		DefCARS	COM	N/A	31/05/2027
29	KPI Performance Report 6		Email/DS	PM/COM	N/A	14/07/2027
30	Quarterly Progress Report 6		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/07/2027
31	KPI Performance Report 7		Email/DS	PM/COM	N/A	14/10/2027
32	Quarterly Progress Report 7		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/10/2027

33	QDC Interim Contract Report 4 (Covering 01/04/2027 to 30/09/2027)		DefCARS	COM	N/A	30/11/2027
34	KPI Performance Report 8		Email/DS	PM/COM	N/A	14/01/2028
35	Quarterly Progress Report 8		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/01/2028
36	DEFFORM 647 – Financial Accruals Report 3		Email	PM/COM	N/A	17/03/2028
37	Annual Technical Summary Report 3		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	31/03/2028
38	KPI Performance Report 9		Email/DS	PM/COM	N/A	14/04/2028
39	Quarterly Progress Report 9		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/04/2028
40	QDC Interim Contract Report 5 (Covering 01/10/2027 to 31/03/2028)		DefCARS	COM	N/A	31/05/2028
41	KPI Performance Report 10		Email/DS	PM/COM	N/A	14/07/2028
42	Quarterly Progress Report 10		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	14/07/2028
43	KPI Performance Report 11		Email/DS	PM/COM	N/A	13/10/2028
44	Quarterly Progress Report 11		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	13/10/2028
45	QDC Interim Contract Report 6 (Covering 01/04/2028 to 30/09/2028)		DefCARS	COM	N/A	30/11/2028
46	KPI Performance Report 12		Email/DS	PM/COM	N/A	15/01/2029

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47	Quarterly Progress Report 12		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	15/01/2029
48	DEFFORM 647 – Financial Accruals Report 4		Email	PM/COM	N/A	16/03/2029
49	KPI Performance Report 13 (Reduced timeframe due to Contract expiry date)		Email/DS	PM/COM	N/A	30/03/2029
50	Annual Technical Summary Report 4		Email/DS	PM/COM	In accordance with Conditions 29 and 30, and Schedule 8 (Acceptance and Rejection Procedure)	30/03/2029
51	QDC Contract Completion Report		DefCARS	COM	N/A	TBD (subject to contract completion date)
52	QDC Contract Cost Statement		DefCARS	COM	N/A	TBD (subject to contract completion date)

**Schedule 14 – Qualifying Defence Contracts – Contract Reports Requirement**

1. For the purposes of Contract 713095450 the Contractor shall compile and submit the following QDC Reports via the DefCARS portal:

Report Title	Additional Information	Report Due	Report Requirement (Mandatory/Additional)
<b>Contract Initiation Report (CIR)</b>	Consisting of: <ul style="list-style-type: none"> <li>• Contract Pricing Statement (CPS)</li> <li>• Contract Reporting Plan (CRP)</li> <li>• Contract Notification Report (CNR)</li> </ul>	30 days following Contract Award Date	Mandatory
<b>Interim Contract Report (ICR)</b>	Set at 6-monthly reporting intervals, as Quarterly Contract Reports are not mandated for QDC contracts awarded with a value under £50M.  In the event The Authority exercises the Options to extend the term of the Contract, additional ICRs will be inserted into the Schedule 13 CDRL via contract amendment to reflect the extended duration.	2 months following the conclusion of each 6-monthly reporting period.	Mandatory
<b>Contract Completion Report (CCR)</b>		6 months following completion date of the Contract	Mandatory
<b>Contract Costs Statement (CCS)</b>		12 months following completion date of the Contract	Mandatory

<b>On-Demand Contract Reports</b>  May include: <ul style="list-style-type: none"><li>• Contract Pricing Statement (CPS)</li><li>• Contract Reporting Plan (CRP)</li><li>• Interim Contract Report (ICR)</li><li>• Contract Costs Statement (CCS)</li></ul>	On-Demand Contract Reports will always include the requirement for an updated CRP, to ensure DefCARS remains up to date with all reports requested.	On-demand by The Authority, up to the completion date of the Contract	Additional
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2. The exact due dates for the submission of all QDC Reports into DefCARS shall be as detailed within the Contract Deliverable Requirements List (CDRL) at Schedule 13.

Schedule 15 – Personal Data (DEFFORM 532)

DEFFORM 532

Personal Data Particulars

DEFFORM 532

Edn 10/19

<b>Data Controller</b>	<p>The Data Controller is the Secretary of State for Defence (The Authority).</p> <p>The Personal Data will be provided by:</p> <p><i>DE&amp;S Mine Hunting Capability Team #1027, Spruce 3C, NH1, MoD Abbey Wood, Bristol, BS34 8JH</i></p>
<b>Data Processor</b>	<p>The Data Processor is the Contractor.</p> <p>The Personal Data will be processed at:</p> <p><i>Thales Reading (UK Head Office) 350 Longwater Ave, Green Park, Reading, RG2 6GF</i></p> <p><i>Thales Templecombe Horizon House &amp; Ocean House, Throop Rd, Templecombe, Somerset, BA8 0DH</i></p> <p><i>and any other Thales UK sites.</i></p>
<b>Data Subjects</b>	<p>The Personal Data to be processed under the Contract concern the following Data Subjects or categories of Data Subjects:</p> <p><i>UK MoD and Royal Navy personnel (Training courses and site visits)</i></p>
<b>Categories of Data</b>	<p>The Personal Data to be processed under the Contract concern the following categories of data:</p> <p><i>Name, telephone/contact details, nationality information, details of UKSV/security clearance held</i></p>
<b>Special Categories of data (if appropriate)</b>	<p>The Personal Data to be processed under the Contract concern the following Special Categories of data:</p>

	N/A
<b>Subject matter of the processing</b>	The processing activities to be performed under the contract are as follows:  <i>Collection of data as specified above, for the purposes of booking/recording attendance at training courses and attendance at Thales UK sites.</i>
<b>Nature and the purposes of the Processing</b>	The Personal Data to be processed under the Contract will be processed as follows:  <i>Collection, recording, consultation and destruction of the data.</i>
<b>Technical and organisational measures</b>	The following technical and organisational measures to safeguard the Personal Data are required for the performance of this Contract:  <i>Personal Data will be transmitted, stored and destroyed in accordance with the requirements of the Cyber Risk Profile applicable to the Contract, as detailed in Condition 60 and Annex A to <u>Def Stan 05-138</u>.</i>
<b>Instructions for disposal of Personal Data</b>	The disposal instructions for the Personal Data to be processed under the Contract are as follows:  <i>The Personal Data shall be destroyed by shredding (hard copy) or deletion (soft copy), within 14 calendar days of the completion of the associated training course or site visit.</i>
<b>Date from which Personal Data is to be processed</b>	Where the date from which the Personal Data will be processed is different from the Contract commencement date this should be specified here:  N/A

The capitalised terms used in this form shall have the same meanings as in the General Data Protection Regulations.

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**Schedule 16 – Commercial Exploitation Levy**

**REDACTED under FOIA Section 43 - Commercially Sensitive Information**

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**Schedule 17 – Listing of Key and Direct Subcontractors (DEFFORM 565)**

See MS Excel Spreadsheet '713095450-Schedule 17 DEFFORM 565 SCRIPT-OSC'

**Schedule 18 – Earned Value Management**

This Schedule 18 includes the following sections which detail the EVM deliverables the Contractor shall operate and deliver during its performance of the Contract, where these are stated as required within each Non-Core Tasking Form:

- EVM Level 4 Terms and Definitions
- Project Controls Requirements – *Details each type of PC reporting information required*
- Data Item Descriptions (DIDs) – *Sets out the specific requirements for reporting of the information*

## Level 4 Project Controls Requirements Terms and Definitions

Term	Definition
Actual Cost of Work Performed (ACWP or AC)	This is what the work achieved actually cost. The sum of all cost incurred or accrued up to a point in time.
Association for Project Management (APM)	<p>A UK based chartered body for the project profession that sets standards and values that describe the benchmark for professional project management. For Earned Value Management and Project Controls, the APM guidelines are embodied in these publications:</p> <ol style="list-style-type: none"> <li>1. <i>Earned Value Management: APM Guidelines (2008)</i>,</li> <li>2. <i>The Earned Value Management Compass (APM, 2010)</i>, and;</li> <li>3. <i>The Earned Value Management Handbook (APM, 2013)</i>.</li> <li>4. <i>A Guide to Conducting Integrated Baseline Reviews (IBR) (2016)</i></li> <li>5. <i>Interfacing Risk and Earned Value Management (2008)</i>.</li> <li>6. <i>Planning, Scheduling, Monitoring and Control (APM 2015)</i></li> </ol>
Budgeted Cost for Work Performed (BCWP)	This is what the amount of work achieved should have cost, according to the planned budget.
Budgeted Cost for Work Scheduled (BCWS)	This is the detail of the plan, what is being done, and includes the schedule for the expenditure of budgeted resources necessary to meet project scope and schedule objectives, forming the basis for both the time and cost assessment of the progress of a project
Basis of Estimate (BoE)	The rationale for the estimates that underpin the budget and schedule data; a definition of how each estimate was derived and any associated assumptions.
Basis of Schedule (BOS)	A record of the planning methodology and context for the schedule, highlighting overall duration, schedule reserve, key dates, critical path and assumptions and relationship with other schedules.
Change Control	A process for ensuring configuration control and obtaining appropriate approval
Contract Budget Baseline (CBB)	The amount of the authorised cost of a contract and the estimated cost of authorised non-priced work. This is the baseline that measures cost compliance.
Contract Cost and Schedule Status Report (CSSR)	A simplified report that provides to DE&S a contractor's position with regard to planned, actual and forecast expenditures over the period of performance of the contract.
Contract Data Requirements List (CDRL)	A listing of the deliverables in a contract.

Term	Definition
Contract Extensions	An expansion of some element of a contract that may increase the period of performance or scope of work
Contract Line Item Number (CLIN)	A clause in a contract that identifies the items or services being acquired.
Contract Master Schedule (CMS)	The contractor's schedule for accomplishing the scope of work.
Contract Milestones	Those points in time when the Contractor will achieve or expects to receive significant deliverables
Contract Performance Reports (CPR)	A set of reports used in an Earned Value Management System that complies with the APM requirements and EIA 748.
Contracting, Purchasing and Finance (CP&F)	A DE&S software tool.
Contract Work Breakdown Structure (CWBS)	That portion of the DE&S Work Breakdown Structure which devolves the contractor's scope of work into manageable subordinate elements.
Contract Work Breakdown Structure (CWBS) Dictionary	The definition of the content of each element in a WBS that makes clear the scope, schedule and cost associated with each element
Control Account	An element of the Work Breakdown Structure (WBS) where control of scope, schedule and cost are assigned to a responsible person
Control Account Manager (CAM)	The person responsible for achieving the scope, schedule and cost associated with an element of the Work Breakdown Structure.
Cost Variance (CV)	An EVM term for the difference between the value of work performed and its cost. (BCWP-ACWP=CV)
Data Item Description (DID)	Document defining the data required from a contractor
DEFCON(s)	Defence Conditions to be held in the contract. Refer to KiD for condition and their associated defence forms (DEFFORMS)
DEFFORMS	Defence Forms
Defined Pricing Structure (DPS)	A format defined within UK regulation requiring industry to provide data to the Government for all Single Source Qualifying Defence Contracts. A product or service orientated hierarchy that defines the logical relationship among all components to a specific level that does not constrain the contractor's ability to define or manage the project or resources to deliver that project
Earned Value Management Plan (EVMP)	A description of how the Earned Value Management System will be applied.

Term	Definition
Earned Value Management System (EVMS)	<p>A sound management approach that provides all levels of management with early visibility into cost and schedule performance. An EVMS will:</p> <ul style="list-style-type: none"> <li>• Relate time-phased budgets to specific contract tasks or statements of work.</li> <li>• Provide the basis to capture work progress assessments against the baseline plan.</li> <li>• Relate technical, schedule, and cost performance.</li> <li>• Provide valid, timely and auditable data and information for proactive project management analysis and action.</li> <li>• Supply managers with a practical level of summarisation for effective decision making.</li> </ul>
EIA	Electronic Industries Alliance.
Government Furnished Asset (GFA)	An asset that is furnished by the government.
Government Furnished Equipment (GFE)	Equipment that is furnished by the government.
Government Furnished Information (GFI)	Information that is furnished by the government.
Government Furnished Structures (GFS)	Structures or facilities that are furnished by the government.
Government Furnished Items (GFX)	Includes Government Furnished Equipment (GFE), Government Furnished Assets (GFA), Government Furnished Information (GFI), and Government Furnished Structures (GFS).
Integrated Baseline Review (IBR)	An assessment of the content and integrity of the performance measurement baseline.
Major Subcontractor(s)	Those subcontractors where the subcontractor portion of the overall contract cost is equal to or greater than 20% or £20M of the contract
Managerially Significant	Having importance and recognition to the management team.
Mandated EVMS Review	A required assessment.
Mandated Reviews	Required assessments.
New Contract Phases	Additional, subsequent portions of a scope of work.
Nominated EV Standard	The standard that has either been mandated or agreed as governing the Earned Value requirements for a contract.
Payment Milestone	A milestone that has a payment value associated with it.
Performance Measurement Baseline (PMB)	A time-phased budget of the work to be performed against which cost and schedule performance is measured

Term	Definition
Pre-Contract Award Readiness Review	An assessment of a contractor's ability to execute a contract should it be awarded
Project Control Manager (PCM)	The senior member of the project control team.
Project Controls	The organisation tasked with developing and implementing data gathering, management and analytical processes that predict, understand and constructively influence time and cost outcomes.
Project Controls System Description (PCSD)	A narrative that identifies and describes how a project control system will be implemented, including the data gathering, management and analytical processes used to predict, understand and constructively influence time and cost outcomes.
Project Management Plan (PMP)	A narrative that documents the actions necessary to define, prepare, integrate and coordinate the various project activities, including how it will be executed, monitored, controlled, and closed.
Readiness Assessments	The Contractor process for measuring organisational preparedness and identification of needs and development prior to the execution of major phases of a contract.
Risk Register	A log or table that contains the identified risks for performing a body of work. It includes a description of the risks, a description of the actions which are to be taken to avoid or reduce the risk, the probability of occurrence and the impact if realised.
Statement of Work (SOW)	A narrative of the scope to be accomplished.
Suitably Qualified and Experienced Personnel (SQEP)	A person or persons with sufficient demonstrated experience and relevant qualifications to provide assurance that they will be able to accomplish the work assigned to them.
Schedule Variance (SV)	The difference between the Earned Value (EV) and the Planned Value (PV).
System Surveillance	An assessment which is undertaken to assure that a system, such as an EVMS, is performing as expected.
Variance at Completion (VAC)	The difference between the Budget at Completion (BAC) and the Estimate at Completion (EAC).
Work Breakdown Structure (WBS)	Defines how the scope of work is subdivided to accomplish the overall objective.

**Project Controls Requirements****1. Project Control (PC) System Implementation**

1.1. The Contractor, in accord with CDRL (DID-PC-001A), shall develop, deliver and update as needed over the term of the Contract, a Project Management Plan (PMP) that:

1.1.1. Describes a PC system that is compliant with the Planning, Scheduling, Monitoring and Control (APM 2015); and

1.1.2. Describes how tools, processes and Suitably Qualified and Experienced Personnel (SQEP) are available to support the implementation and use of a PC system throughout the Contract duration. The Contractor shall conduct Project Management in accordance with the Approved PMP until Contract completion.

1.1.3. Describes how the PC system is governed, lists the accountabilities and outlines the approval and timeframe for regular review and updating.

1.1.4. Details how configuration control is applied to the PC system. Describes the Change Control process (including but not limited to change to the PMP, engineering, technical, baseline, or contract changes).

1.1.5. The Contractor shall facilitate The Authority's Representative to conduct a Pre-Contract Award Readiness Review to enable assurance to The Authority of the Contractor's ability to comply with the Contract.

2. Not used.

**3. Contract Master Schedule (CMS)**

3.1. The Contractor shall develop, deliver and update a Contract Master Schedule (CMS) in accordance with CDRL-(DID-PC-003A). This will include the Baseline, a current forecast schedule with the updated performance against the Baseline, and a high-level summary schedule as agreed with The Authority.

3.2. The Contractor shall use the approved CMS as the primary schedule for managing the Contract.

3.3. The Contractor shall conduct schedule health checks to assure compliance with DE&S standards consistent with the Defence Contract Management Agency (DCMA) Fourteen Point Schedule Health Checks, or as otherwise agreed with The Authority.

3.4. The Contractor shall ensure that the CMS fully incorporates all of the defined scope within the CWBS and will be used as the basis of the Baseline.

3.5. Rolling wave planning may be used when establishing the baseline schedule to set the detail at an appropriate level in relation to the understanding of the work to be delivered. Typically, the planning horizon between detailed work packages and outline planning packages would be approximately 18 months or at natural project break points, as agreed with The Authority. Where planning packages are used they are expected to have a defined scope, duration and associated budget.

3.6. The Contractor shall ensure that the CMS is created in a format that allows an Export file compatible with scheduling software as defined by The Authority, e.g. Primavera P6 XER or XML file. The output of any alternative software systems must be compatible with being translated to an alternative file format as agreed by The Authority.

3.7. The Baseline must be under configuration control with any approved changes in accord with the standards defined in this Schedule 18 of the Contract. The Baseline change log shall describe the changes to time and budget to Control Account level on the change request.

3.8. The Contractor shall preserve a record of historical Planned cost and not implement retroactive changes, including but not limited to re-baselining the Baseline, unless approved by The Authority.

3.9. The Contractor may amend the agreed CMS, without first obtaining The Authority's Approval under clause 3.7 as long as:

- 3.9.1. payments under the Contract are not affected;
- 3.9.2. the Baseline dates for Contract Milestones are not affected;
- 3.9.3. the ability of The Authority to meet its obligations under the Contract is not affected; and,
- 3.9.4. it does not impact any Authority dependent activities.

3.10. Authority approval of an amendment to the Approved CMS under clause 3.9 shall be obtained when the next update to the CMS is required, as specified in the DID.

3.11. Authority Approval of an amendment to the approved CMS shall not affect either party's responsibilities or obligations under the PC system.

3.12. If the Contractor becomes aware that the baseline is no longer achievable, they shall notify The Authority within seven days.

#### 4. Risk and Opportunity Management

4.1. In accordance with DID-PC-005A, the Contractor shall maintain a Risk and Opportunity Management Plan (ROMP) that enables a risk process to be jointly managed with The Authority.

4.2. The Contractor shall make it possible for The Authority to engage with the regular risk update process via regular risk reviews and formal risk reporting.

#### 5. Change Control

5.1. The Contractor shall identify a process that ensures their Baseline is not changed without appropriate analysis, communication, and approval. The change control process shall:

- 5.1.1 Document, track and communicate changes to the Baseline

5.1.2 Reconcile current budgets to prior budgets in terms of changes to the authorised work in the detail needed by management for effective control

5.1.3 Control retroactive changes to records pertaining to work performed that would change previously reported amounts for actual costs or budgets. Adjustments should be made only for correction of errors, routine accounting adjustments, effects of customer or management directed changes, or to improve the baseline integrity and accuracy of performance measurement data

5.1.4 Prevent revisions to the program budget except for authorised changes

5.2. The Authority shall review, and the Contractor shall ensure that the change control process and procedures meet the needs of The Authority, in accord with DID-PC-006A.

## 6. Subcontractor Management – Project Control

6.1. The Contractor shall ensure that all Major Subcontractors shall manage their contracts in accordance with the Contractors own approved project management and Project Management Plans.

6.2. Contract elements delivered by Major Subcontractor(s) must be listed in the Contractor PMP or Contractor Management Plan (as appropriate) with the value and scope of the subcontract. Major Subcontractors must have separate Control Accounts within the Contractors Baseline.

6.3. Unless otherwise agreed by The Authority, the minimum requirement for a Project Control Management System (including CWBS, CMS and Subcontractor Baseline) shall be flowed down to the appropriate material level agreed with The Authority to represent a Managerially Significant breakdown of the work where the Subcontract or group of Subcontracts requires effort:

- 6.3.1. in excess of 12 months and the Subcontract price exceeds £20m;
- 6.3.2. represents more than 20% of the contract value;
- 6.3.3. As deemed appropriate by the Contractor; or,
- 6.3.4. as directed by The Authority. Authority direction will be based on a risk assessment of the scope of work being undertaken in the subcontract.

7. Not used.

## 8. Deliverable Data Formats

8.1. The Contractor shall ensure that project/programme data can be exchanged using The Authority preferred software tools. These include:

- 8.1.1. Microsoft Office tools for narrative documents;
- 8.1.2. Primavera P6 for schedules; or outputs that can be translated to a XER or XML file as agreed by The Authority.

8.1.3. Microsoft Excel compatible for numerical reports

8.1.4. Risk Register from Active Risk Manager (ARM) or similar

8.2. The output of an alternative software system must be compatible with being translated to a XER or XML format file or alternative file as agreed by The Authority. The Contractor shall ensure that the CMS is created in a format that allows an export file compatible with scheduling software defined above or as approved by The Authority.

**Data Item Descriptions****Project Controls Management Plan - DID-PC-001A**

1. **Title:** PROJECT CONTROLS MANAGEMENT PLAN (PCMP)
2. **Number:** DID-PC-001A
3. **Version:** 1.0
4. **Delivery Schedule:** Refer to Schedule 13 (CDRL).
5. **Applicable Forms:** N/A
6. **Description:** The PCMP documents the Contractor's plans, methodologies and processes for ensuring compliance with the PCMS requirements of the Contract. The PCMP shall include a description of the system structure and data flows, Project Controls System Description (PCSD), plans for implementation and subsequent review and maintenance of the Contractor's PCMS.
7. **Use/Relationship:**
  - 7.1. The Authority will use the PCMP to:
    - 7.1.1. Gain confidence that the full scope of work related to the PCMS Contractual requirements, together with associated system implementation risk have been captured and are within the plan for implementation of a compliant PCMS on the Contract;
    - 7.1.2. Review and assess the Contractor's proposed PCMS for:
      - 7.1.2.1. compliance with the requirements of the Contract;
      - 7.1.2.2. the PCMS ability to support effective Contract Performance Management; and
      - 7.1.2.3. the PCMS ability to meet The Authority's data requirements.
    - 7.1.3. Understand the design and functionality of the Contractor's PCMS as the basis for the conduct of PCMS related reviews;
    - 7.1.4. Gain confidence that the Contractor has appropriate controls procedures in place to maintain a compliant system during the course of the Contract; and,
    - 7.1.5. Form a basis for assessing the ongoing compliance of the PCMS.
  - 7.2. The PCMP is subordinate to the Project Management Plan (PMP) where this document exists.
8. **Applicable Standards, Governance & Related Documentation**
  - 8.1. The Project Controls Management Plan (PCMP) shall describe an PCMS that is compliant with the Association for Project Management (APM)
9. **Reference Documents**
  - 9.1. Association for Project Management (APM)
    - 9.1.1. Planning, Scheduling, Monitoring and Control (APM 2015)
  - 9.2. DCMA Fourteen Point Schedule Health Check.
10. **Requirements:**
  - 10.1. PCMP Overview
    - 10.1.1. The PCMP shall describe the objectives, scope, constraints, and assumptions associated with the Contractor's PCMS activities related to this contract. Any risks identified with the Contractor's PCMS implementation and operation shall be documented in the Risk Register; however, the PCMP shall describe

the risk management strategies associated with any PCMS implementation and operation related risks.

- 10.1.2. Configuration Management to be defined within the context of EV within the EVMP.

#### 10.2. Project Controls Implementation

- 10.2.1. The PCMP shall describe the processes and schedule that the Contractor intends to use to implement the PCMS including:

- 10.2.1.1. a description of the areas of non-compliance between the Contractor's current project management system and the PCMS contractual requirements
- 10.2.1.2. the corrective actions planned to be undertaken to rectify the areas of non-compliance, including the timeframes involved.
- 10.2.1.3. identification of any new or modified procedures, an overview of the scope of the new or modified procedures, and the responsibilities and timeframes for developing and approving these procedures;
- 10.2.1.4. identification of areas of risk to the proposed PCMS implementation and proposed mitigation strategy;
- 10.2.1.5. a summary of the implementation schedule, with the full implementation schedule being provided as part of the Contractor Master Schedule (CMS);
- 10.2.1.6. a description of the activity to ensure Subcontractor implementation of PC related contract requirements.

#### 10.3. PCMS Description

- 10.3.1. The PCMP shall provide a description of the Contractor's PCMS that demonstrates compliance with the requirements of the contract covering all relevant PC Criteria as defined by the applicable standard. Where Contractor generated processes are referenced copies are to be provided to The Authority. These will include, but not be limited to, processes for Work Authorisation, Scheduling, Risk Management, Change Management, Cost Control, and Accounting processes

#### 10.4. Contractor PCMS Assurance

- 10.4.1. The PCMP shall describe the Contractor's PCMS quality assurance strategy to ensure that the PCMS remains compliant with the requirements of the Contract, including:
  - 10.4.1.1. The criteria to determine that an PCMS Review is required; and,
  - 10.4.1.2. the company roles/personnel involved in the reviews/activities.
- 10.4.2. Details of any continuous improvement process the company utilises. Results of Contractor Internal PCMS Assurance reviews and processes shall be shared with The Authority.

#### 10.5. Project Controls Performance Reports

- 10.5.1. The PCMP shall describe the PCMS performance reporting processes and timescales used by the Contractor. The PCMP shall confirm adherence to the Contract Terms & Conditions by describing the reporting levels, structures reporting levels by CWBS elements.

- 10.5.2. The PCMP shall confirm the electronic formats to be used for the provision of EVMS data to The Authority in order to facilitate data transfer and analysis.
- 10.5.3. The PCMP shall describe the level and methodology to produce trend data.

#### 10.6. Data Integrity Checks

- 10.6.1. The PCMP shall detail the methodology and frequency of data and schedule health checks.
- 10.6.2. The PCMP shall define the process through which it will be possible to reconcile the financial data within the system back to the contract value (price).

#### 10.7. PCMS Related Reviews

- 10.7.1. The PCMP shall describe the facilities and support that will be provided to The Authority in support of PCMS Reviews. This should include but is not limited to:
  - 10.7.1.1. The provision of supporting documentation to The Authority review team no later than forty-two days prior to a review;
  - 10.7.1.2. All documentation shall be delivered electronically to The Authority;
  - 10.7.1.3. Documentation delivered in support of a review shall be the final version that will be presented at the review unless otherwise agreed by The Authority;
  - 10.7.1.4. Selected Control Account Managers (CAM) and Project Management & Control staff shall be available to support pre-planned interviews; and,
  - 10.7.1.5. Access provisions are to be made for the review of documentation in electronic formats such as PCMS process and procedures, schedules, documentation and any related data requested to support the review.

#### 10.8. PC Flow Down to Major Subcontractors

- 10.8.1. Unless otherwise agreed by The Authority, the requirement for an PCMS (including PCMP, CWBS, CMS and Subcontractor Baseline shall be flowed down to the appropriate material level agreed with The Authority to represent a Managerially Significant breakdown of the work where the Subcontract or group of Subcontracts requires effort:
  - 10.8.1.1. in excess of 12 months and the Subcontract price exceeds £20m;
  - 10.8.1.2. represents more than 20% of the contract value; or
  - 10.8.1.3. as directed by The Authority. Authority direction will be based on a risk assessment of the scope of work being undertaken in the subcontract.
- 10.8.2. The PCMP will detail a list of all significant Subcontracts (where the subcontractor portion of the overall contract cost is => 20% or £20M) incorporating the following information:
  - 10.8.2.1. Subcontract title and description;
  - 10.8.2.2. Subcontract type;
  - 10.8.2.3. Subcontract value and Duration;
- 10.8.3. Subcontractor PCMS experience including standards that applied and any formal recognition of the applied PCMS.

10.8.4. The PCMS Description of Flow Down arrangements to each Subcontract shall include the following information:

- 10.8.4.1. Contractors Plans for assessing PC maturity to meet The Authority's PC Standards and Contract Requirements, including plans for Subcontractor Reviews. Note The Authority shall be given the opportunity to participate in these reviews in accordance with the Contract terms.
- 10.8.4.2. Plans for subcontract report data incorporation against WBS and Schedule Reports.
- 10.8.4.3. Proposed timing of Subcontract data incorporation

**11. Preparation Instructions:**

- 11.1. The data item shall comply with the general format, content and preparation instructions contained in this DID.
- 11.2. Where referenced information is included, it shall refer to the lower-level PCMS procedures, these referenced procedures and any related instructions shall be delivered as attachments to the PCMP.
- 11.3. The content requirements of this data item should be considered as the minimum standard that is required. It is not intended to constrain or otherwise restrict the inclusion of any content required to effectively develop the plan or implement the EVMS requirements of the Contract.
- 11.4. The PCMP shall be delivered by the Contractor to The Authority within 30 calendar days of Contract Award and following any significant updates to the Contractor's Project Controls Management System.

**Contractor Master Schedule (CMS) – DID-PC-003A**

1. **Title:** CONTRACTOR MASTER SCHEDULE (CMS)
2. **Number:** DID-PC-003A
3. **Version:** 1.0
4. **Delivery Schedule:** Refer to Schedule 13 (CDRL).
5. **Applicable Forms:** N/A
6. **Description:** The CMS describes the contracted activities, milestones and decision points to enable the objectives and deliverables of the contract to be satisfied. The CMS will define the project schedule status through a comparison of the current schedule status and appropriate accepted baseline schedule.

**7. Use/Relationship:**

- 7.1. The Authority will use the CMS to:
  - 7.1.1. Provide visibility into the Contractor's planning baseline and current forecast schedules;
  - 7.1.2. Understand and evaluate the Contractors approach to meeting the requirements of the contract;
  - 7.1.3. Monitor Contractor progress in meeting the requirements of the Contract;
  - 7.1.4. As a source of input when completing Authority planning activities; and,
  - 7.1.5. Understand the required touch points between the Contractor's and The Authority's work.
- 7.2. The CMS relates to the following documents required within the Contract:
  - 7.2.1. Project Controls Management Plan (PCMP);
  - 7.2.2. Project Management Plan (PMP); and,
  - 7.2.3. Contract Work Breakdown Structure (CWBS).
- 7.3. The CMS shall be traceable and integrated with:
  - 7.3.1. The CWBS (DID-PC-002A) – all activities and milestones on the schedule will be coded to the lowest level of the CWBS that represent the scope to which the activity pertains;
  - 7.3.2. Contract Milestones – shall be clearly identifiable within the logic linked activity network;
  - 7.3.3. The Contractor's PCMS – the integration of scope, schedule and budget will be undertaken around the CWBS, which will form the primary structure for PC Performance reporting; and,
  - 7.3.4. Each submission of the CMS shall be consistent with the associated Contract Performance Report (CPR) delivered within this Contract.

**8. Applicable Standards, Governance & Related Documentation**

- 8.1. Nominated EV Standard - unless otherwise stated in the Contract Terms and Conditions.
- 8.2. Defence Contract Management Agency (DCMA) Fourteen Point Schedule Health Checks, or as otherwise agreed with The Authority.

**9. Requirements:**

- 9.1. The CMS shall be capable of comparing planned and current forecast data and being displayed in a variety of formats to include:
  - 9.1.1. A Gantt chart
  - 9.1.2. A listing of all tasks, together with planned (baseline and current progress including forecast) and actual start and finish dates
  - 9.1.3. A listing of project milestones (to include all contract milestones) together with original, rescheduled, forecast and actual completion dates
  - 9.1.4. All activity durations within the schedule shall be in days unless otherwise agreed by The Authority.
  - 9.1.5. All resource units within the schedule shall be in hours and costs shall be in Great British Pounds Sterling unless otherwise agreed by The Authority.
- 9.2. The CMS shall be capable of being displayed at the following levels:
  - 9.2.1. Summary Level – The Summary level of the CMS shall provide a graphical display of Contract activities, key events, and milestones at a managerial significant level of the WBS.
- 9.3. The CMS shall identify the following aspects:
  - 9.3.1. Activities and associated durations
  - 9.3.2. Milestones, including Contract Milestones, Payment Milestones and significant project events
  - 9.3.3. The relationships and dependencies of activities and associated milestones that are to be completed within the scope of this contract.
  - 9.3.4. Earliest and latest start and finish dates for all activities and associated milestones
  - 9.3.5. Total float and free float of the overall schedule
  - 9.3.6. Critical Path, list of activities on the critical path and those that are near the critical path from start through to completion of the contract.
  - 9.3.7. Cost Profiles, depicting workforce, materials and equipment.
  - 9.3.8. The baseline budget for all activities aggregating to the total Baseline.
  - 9.3.9. Subcontracting schedules to include all major sub-contract activities and outputs at the appropriate level of detail, reflecting complexity and risk.
  - 9.3.10. Required Government Furnished Items (GFX) to include Government Furnished Equipment (GFE), Government Furnished Assets (GFA), Government Furnished Information (GFI), Government Furnished Structures (GFS) if applicable, together with 'required by' dates and 'end of loan dates'.
  - 9.3.11. All non-working time such as holidays and known disruptions
- 9.4. A Basis of Schedule (BOS) shall be produced and maintained under configuration control. The BOS should include the following:
  - 9.4.1. How the CMS has been produced;
  - 9.4.2. Detail methodologies used to establish estimated durations;
  - 9.4.3. Key assumptions and exclusions;
  - 9.4.4. Details of the standard working time and calendar that has been included;
  - 9.4.5. Risks, including risk analysis techniques used, and any mitigations embedded in the schedule;

- 9.4.6. The standards used to establish duration lengths and use of constraints, ensuring no open-ended activities and compliance with DE&S Schedule guidance;
- 9.4.7. The basis of estimate and associated assumptions for the cost and duration of baseline activities, covering both labour and materials. This may take the form of a master data and assumptions list; and,
- 9.4.8. The Configuration and assurance procedures that will be used to manage and ensure the ongoing integrity of the CMS.

**10. CMS Reports** - The following reports, which collectively comprise CPR Format 6, are required:

10.1. Baseline Reports

- 10.1.1. Reports that describe and reflect the initial baseline
- 10.1.2. Subsequently approved changes that caused a revision of the baseline.
- 10.1.3. A Schedule narrative shall be provided with the original baseline and any subsequent baseline revisions outlining how the schedule has been constructed, the key assumptions together with the basis of estimate and logic of milestone selection and a description of the critical and near critical paths.
- 10.1.4. A set of Authority agreed schedule health metrics.
- 10.1.5. Schedule Risk Analysis shall be conducted on the Contractor schedule, at least quarterly and on The Authority's request, a Schedule Risk Analysis Report and electronic copies of the SRA schedule and the Contractor SRA models shall be provided to The Authority.

10.2. Progress Reports (Statused Current Working Schedule)

- 10.2.1. Electronic copy of the progressed schedule each reporting period that has formed the basis of the CSSR for that period.
- 10.2.2. A Schedule narrative shall be provided with the progressed schedule outlining, the key assumptions underlying the progress and forecast together with the basis of estimate for key forecast activities where this is significantly different to the baseline, the impact and rationale of any significant logic changes and the resulting change to the schedule risk implications, and the resulting impact on key (including Contract) milestone and deliverables, if any. The analysis shall include a narrative description of the current Critical and near Path Analyses.
- 10.2.3. Milestone Report. Agreed milestones to be shown with the baseline and current forecast dates. Report to provide RAG status and indication of float. Note that there shall be clear definitions and acceptance criteria for reporting milestones.
- 10.2.4. Critical Path, Sub-Critical Path and Float Erosion Analysis Reports. Critical path analysis against the baseline and current forecast dates within the CMS. Summary / variance commentary of movements / changes to the critical path to be reported.
- 10.2.5. Interdependencies (Give/Get Milestones) Table. To indicate key interdependencies between supply chain, MoD and contractor schedules. Report should indicate movements in the period relating to both the baseline schedules and the current forecast version of these schedules. Variance commentary to be provided.

10.2.6. A set of agreed schedule health metrics for the submitted progressed schedule.

**11. Preparation Instructions:**

11.1. The data item shall comply with the general format, content and preparation instructions contained in this DID.

11.2 The CMS shall be the primary schedule used for the contract; all other schedules produced in support of this are considered as subordinate to this primary schedule.

**12. Data Format & Delivery Instructions:**

12.1. Acceptable file formats are those that are compatible with The Authority IT System.

12.2. CMS deliveries shall include the original baseline schedule and Basis of Schedule, all agreed baseline amendments, the current working schedule together with forecast completion dates and durations.

12.3. Contractor schedules updated to reflect current progress to the end of each calendar month shall be provided to The Authority on a monthly basis unless agreed otherwise. The monthly reports shall be provided within 4 Business Days of the end of the reporting period.

12.3. Schedule documentation shall be issued electronically via email or the Defence Share portal.

**Contract and Schedule Status Report (CSSR) – DID-PC-004A**

1. **Title:** CONTRACT AND SCHEDULE STATUS REPORT (CSSR)
2. **Number:** DID-PC-004A
3. **Version:** 1.0
4. **Delivery Schedule:** Refer to Schedule 13 (CDRL).
5. **Applicable Forms:** N/A
6. **Description:** The CSSRs are prepared by the Contractor to provide The Authority with progress data designed to report multiple aspects of contract performance and future planning activity.
7. **Use/Relationship:**
  - 7.1. The Authority will use the CSSRs to:
    - 7.1.1. Assess and evaluate contract performance and as the basis for contract performance meetings and reviews;
    - 7.1.2. Assess the impact of existing and potential problems encountered resulting in significant cost and schedule variances and as the basis for discussing potential mitigation actions.
    - 7.1.3. Provide accurate, timely status information to aid Authority view of Contractor performance and as the basis for summarisation of performance across The Authority.
    - 7.1.4. CSSRs directly relate to the requirements specified in the Project Controls Management Plan (PCMP) and reconcile to progress incorporated in any related status reports that may be required within the scope of the Project Management Plan (PMP) where required.
8. **Applicable Standards, Governance & Related Documentation:**
  - 8.1. Planning, Scheduling, Monitoring and Control (APM 2015) Guidelines unless otherwise stated in the Contract terms.
9. **Requirements:**
  - 9.1. Data provided within the CSSRs shall relate to the authorised contract work undertaken in support of this contract, demonstrating compliance to PC requirements.
  - 9.2. Data provided shall include both priced and unpriced effort.
  - 9.3. The level of detail required for each report shall be as agreed by The Authority.  
**NOTE:** Lower level detail may be required on an ad hoc basis in areas where a problem has occurred until such time that The Authority is content to return to the higher level.
10. **Preparation Instructions:**
  - 10.1. The content requirements of this data item should be considered as a minimum standard that is required. It is not intended to constrain or otherwise restrict the inclusion of any content required to effectively develop the plan or implement the PCMS requirements of the Contract.
11. **Data Format & Delivery Instructions:**
  - 11.1. The data item shall comply with the general format, content and preparation instructions contained in this DID.

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11.2.CSSRs are to be delivered in both static and electronic format to The Authority and in accordance with the CDRL timescales. Electronic format shall permit drill down to the lowest level where cost performance is captured.

11.3.Reports shall be delivered on a 6-monthly basis in line with the mid-point and end of each Financial Year. The reports shall be provided within 4 Business Days of the end of the reporting period.

**Risk and Opportunity Management Plan (ROMP) – DID-PC-005A**

1. **Title:** RISK MANAGEMENT
2. **Number:** DID-PC-005A
3. **Version:** Draft
4. **Delivery Schedule:** Refer to Schedule 13 (CDRL).
5. **Applicable Forms:** N/A
6. **Description:** The Contractor shall maintain a Risk and Opportunity Management Plan (ROMP) that enables a formal risk process to be managed in conjunction with The Authority. The Contractor shall make it possible for The Authority to engage with the regular risk update process via regular risk reviews and formal risk reporting.
7. **Use/Relationship:**
  - 7.1. The Authority will use the risk management process to:
    - 7.1.1. Assess and evaluate potential events that might have either a positive or negative impact on the delivery of the baseline scope of work;
    - 7.1.2. Enable joint risk management effort between The Authority and the Contractor.
8. **Applicable Standards, Governance & Relevant Documentation**
  - 8.1. APM Project Risk Analysis and Management guide (PRAM).
  - 8.2. APM Interfacing Risk and Earned Value Management guide.
  - 8.3. APM Prioritising Project Risks guide.
9. **Requirements**
  - 9.1. The ROMP defines roles, responsibilities, methodology (process), tools and techniques specific to the project and how threats and opportunities are to be managed through life as part of the overall project management strategy.
  - 9.2. In the ROMP the contractor must take due cognisance of the scope of the project (performance, cost and time) to establish a mutually agreed risk appetite (agreed tolerances) that enables the contractor to develop their scoring criteria for cost time and performance.
  - 9.3. The process shall:
    - 9.3.1. Establish ownership for significant project risks;
    - 9.3.2. Reduce overall project risk exposure;
    - 9.3.3. Ensure all scope is considered to give a balanced view of risk;
    - 9.3.4. Deliver information in support of the overall project decision making and governance processes;
    - 9.3.5. Enable quantitative analysis to support forecasts of project cost and schedule out-turn.

**Formal Reports**

- 9.4. In support of the risk management process the following reports are required:
  - 9.4.1. Risk register. Full risk register for contracted scope, defining risk (case, event, consequence), owner, proximity, current and target impact (probability and cost/schedule/performance impact) and associated management responses. The register shall cover both risks (threats) and opportunities.
  - 9.4.2. Risk and opportunity change report. Standard Risk Report - Risk & Opportunities Change Report. Report of risks that have been escalated to a higher level for action/ information.
  - 9.4.3. Risk profile. Risk exposure profiled over the duration of the Contract.

**10. Preparation Instructions:**

10.1. The content requirements of this data item should be considered as a minimum standard that is required.

**11. Data Format & Delivery Instructions**

11.1. The data item shall comply with the general format, content and preparation instructions contained in this DID.

11.2. Documents are to be delivered in both static and electronic format to The Authority and in accordance with the CDRL timescales.

11.3. Reports shall be provided to The Authority on a monthly basis following the end of each calendar month unless agreed otherwise. The monthly reports shall be provided within 4 Business Days of the end of the reporting period.

**Baseline Change Control – DID-PC-006A**

1. **Title:** BASELINE CHANGE CONTROL
2. **Number:** DID-PC-006A
3. **Version:** Draft
4. **Delivery Schedule:** Refer to Schedule 13 (CDRL).
5. **Applicable Forms:** N/A
6. **Description:** The change control process describes how the baseline will be maintained under configuration control, including defining how revisions will be analysed, communicated and approved (in conjunction with The Authority when appropriate).

**7. Use/Relationship:**

- 7.1. The Authority will use the change management process to:
  - 7.1.1. Assess and approve potential changes to the baseline where they break defined thresholds as agreed with The Authority;
  - 7.1.2. Assess and understand potential impact to the funding profile and key dates as agreed with the MOD Front Line Command via the CASP;
  - 7.1.3. Understand the status of changes and as such the basis of the performance measurement baseline;
  - 7.1.4. Enable The Authority to obtain visibility of specific change request documentation where it is requested.

**8. Applicable Standards, Governance & Relevant Documentation**

- 8.1. APM Planning, Scheduling, Monitoring and Control (PSMC) guide.

**9. Requirements**

- 9.1. The change control process shall:
  - 9.1.1. Document, track and communicate to stakeholders' changes to the Performance Measurement Baseline;
  - 9.1.2. Ensure that the full impact of any change is articulated, including scope, schedule and budget;
  - 9.1.3. Ensure that all changes are assessed and endorsed by the right group of stakeholders;
  - 9.1.4. Reconcile current budgets to prior budgets in terms of changes to the authorised work in the detail needed by management for effective control;
  - 9.1.5. Control retroactive changes to records pertaining to work performed that would change previously reported amounts for actual costs, earned value, or budgets. Adjustments should be made only for correction of errors, routine accounting adjustments, effects of customer or management directed changes, or to improve the baseline integrity and accuracy of performance measurement data;
  - 9.1.6. Allow a forward view of potential changes;
  - 9.1.7. Prevent revisions to the budget except for authorised changes;
  - 9.1.8. Be in accordance with best practice as defined by the standards referenced above (i.e. not be used to cover poor performance).
- 9.2. The Contractor's Change Control Process is required to accept and control:
  - 9.2.1. Internal changes that do not impact the contract – can often be processed without the need for Authority approval, but specialist requirements, e.g., safety, may result in a requirement for Authority assessment and endorsement;
  - 9.2.2. Internally raised changes that impact the contract – will always require formal approval from The Authority (in accordance with Condition 6 and Schedule 4).

Changes that impact the contract include any that has an impact on contractually agreed scope, milestones, or the funding split across financial years;

9.2.3. Externally directed changes – raised by The Authority and formally submitted to the Contractor.

9.3. All changes are required to follow the agreed formal process, noting that changes that impact contract must also follow the associated commercial processes before being contractually agreed.

## 10. Formal Reports

10.1. In support of the change management process the following reports are required:

10.1.1. Contract Baseline Change Request Log. Baseline Change Requests (BCR), impact statements and approval status. The log shall cover all identified changes, including potential and approved changes. Access shall be provided to individual BCRs as required.

10.1.2. Contingency drawdown reports. Indicates contractor forecast contingency burn rate (i.e. Risk Drawdown, uncertainty or associated BCR) for both cost and schedule

## 11. Preparation Instructions:

11.1. The content requirements of this data item should be considered as a minimum standard that is required.

11.2. The agreed change thresholds shall be defined within the PCMP.

## 12. Data Format & Delivery Instructions

12.1. The data item shall comply with the general format, content and preparation instructions contained in this DID.

12.2. Documents are to be delivered in both static and electronic format (MS Excel, XER or other format agreed with The Authority) to The Authority and in accordance with the CDRL timescales.

12.3. Reports shall be delivered on a 6-monthly basis in line with the mid-point and end of each Financial Year. The reports shall be provided within 4 Business Days of the end of the reporting period.

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**Schedule 19 – Government Furnished Assets Register**

See MS Excel Spreadsheet '713095450-Schedule 19-Government Furnished Assets Register-OSC'

**Schedule 20 – DEFFORM 701 – Commercial Terms for Procurement of Licensed Software****Head Agreement for Licence Terms for Commercial Software Purchased by the Secretary of State for Defence**

This Agreement is made this 15th day of December in the year 2025

**BETWEEN**

**The Secretary of State for Defence**, a corporation sole, (afterwards referred to as The Authority) as represented by the Directorate of Intellectual Property Rights, Poplar 2a #2218, MOD Abbey Wood, Bristol BS34 8JH

**AND**

**Thales UK Ltd** (afterwards referred to as the COMPANY);

each being referred to as a "Party" and collectively as the "Parties".

**BACKGROUND**

- I. The Authority wishes to agree standard terms of licence with the COMPANY which will apply to "Commercial Software" products it procures from the COMPANY in order to avoid the need to negotiate individual terms each time those products are purchased; and
  
- II. The COMPANY is prepared to agree standard terms of licence with The Authority in order to facilitate sales of Commercial Software to The Authority.

For the purpose of this Agreement "Commercial Software" means software available commercially including that software modified on sale to suit the requirements of a customer.

THE HEAD AGREEMENT

1. The Parties agree that they will adopt the terms of licence set out in the Annex to this Head Agreement (the "Annex"), as the standard terms of licence for the procurement of Commercial Software by The Authority from the COMPANY and from any of their wholly owned subsidiaries for which the COMPANY is entitled to make this Head Agreement. This shall not imply that either Party may not propose other conditions for any particular licence or that either Party shall be bound to accept any particular licence in the terms set out in the Annex.
2. Each software licence which is to be procured subject to the standard terms of licence set out in the Annex, shall be established by a schedule (the "Schedule") which incorporates those terms by making reference to this Head Agreement and the Annex. Each licence so concluded shall be legally separate from this Head Agreement.
3. Each Schedule will take the format provided in the Attachment to the Annex. Individual Schedules may include special conditions adding to, varying, or setting aside any condition set out in the Annex and in the event of any conflict between the terms of the Annex and the special conditions of a Schedule the latter shall prevail.
4. Either Party shall be entitled to terminate this Head Agreement at any time on written notice to the other Party but the termination shall not vary the conditions of or terminate any extant Licences.
5. This Head Agreement shall be subject to and construed and interpreted in accordance with the Laws of England and shall be subject to the jurisdiction of the Courts of England. Other jurisdictions may apply solely for the purpose of giving effect to this Agreement and for the enforcement of any judgement, order or award given under English jurisdiction.

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Signed for and on behalf of the Secretary of State for Defence

.....  
[Print name] .....

In the capacity of .....[Insert capacity of signatory]

Signed for and on behalf of the COMPANY (*Thales UK*)

.....  
[Print name] .....

In the capacity of .....[Insert capacity of signatory]

**Annex to the Head Agreement****ANNEX TO THE HEAD AGREEMENT FOR LICENCE TERMS FOR COMMERCIAL SOFTWARE BETWEEN THE SECRETARY OF STATE FOR DEFENCE AND THALES UK LTD****DATED: 15<sup>th</sup> December 2025****Agreed Standard Conditions****1 Definitions**

1.1 "AUTHORITY" shall mean the Secretary of State for Defence.

1.2 "LICENSOR" shall mean the Company identified in the Head Agreement or the wholly owned subsidiary of the Company identified in the Schedule as being the Party granting the Licence to The Authority.

1.3 "Licensed Software" means the computer programs listed in Part I of the Schedule together with any user documentation, update programs and anything else furnished to The Authority by the LICENSOR under the Licence in connection with those listed programs, and any portion and copy of any of them.

1.4 "Use" (or "to Use") in relation to the Licensed Software means copying the software from a store unit or medium into equipment, customising it within its existing functionality and consistent with the user documentation, running or processing it, operating upon it, all of these acts either alone or with other programs, and producing copies including, where appropriate, in eye-readable form.

1.5 "Designated Equipment" means that equipment in respect of which Use of the Licensed Software is licensed. It shall be the equipment specified in Part II of the Schedule unless changed to alternative equipment in accordance with the provisions of Clauses 2.3 or 2.4.

1.6 "Designated Site" means that site for which the Licensed Software is licensed. It shall be the site specified at Part III of the Schedule unless changed to an alternative site in accordance with the provisions of Clause 2.3.

1.7 "Licence" means the rights granted by the LICENSOR to The Authority in respect of the Licensed Software and all the conditions associated with it, as set out in the Standard Conditions in combination with a relevant Schedule.

1.8 "Schedule" means a schedule to the Head Agreement (in the format provided in the Attachment to this Annex) established by signature of The Authority and the LICENSOR, under which the LICENSOR undertakes to supply the Licensed Software for Use by The Authority under the conditions of the Licence. Each Schedule, in combination with these Standard Conditions, constitutes a distinct Licence independent of any other Licence existing by operation of the Head Agreement.

1.9 "Standard Conditions" means the conditions set out in this Annex to the Head Agreement, comprising Clauses 1 to 15.

1.10 "Special Conditions" means those conditions (if any) specified in Part VIII of the Schedule.

## 2 Licence Grant

2.1 The Authority may Use the Licensed Software on the Designated Equipment at the Designated Site in accordance with the Licence from the date of receipt of the Licensed Software by The Authority.

2.2 The Authority may allow contractors of The Authority and their sub-contractors to Use the Licensed Software on the Designated Equipment at the Designated Site on AUTHORITY contracts only, provided that The Authority ensures or procures that those contractors and sub-contractors are bound by the conditions of the Licence and that, unless prevented by security considerations, The Authority shall notify the LICENSOR of the identity of those contractors or sub-contractors as soon as is reasonably practical. The Authority shall not charge for that Use.

2.3 The Authority may specify alternative Designated Equipment or an alternative Designated Site by notification to the LICENSOR, in which case Clause 2.1 shall apply only to the alternative Designated Equipment or Designated Site as notified. However, in the event that the alternative Designated Equipment shall be equipment of a greater processing capacity or capability or a different operating system outside the parameters of the original Designated Equipment the LICENSOR may require The Authority to pay a fair and reasonable additional fee which will not exceed the difference between the corresponding fees shown in respect of Use of the Licensed Software on the existing and alternative Designated Equipment respectively in the LICENSOR's price list current at the time when The Authority has specified the alternative Designated Equipment.

2.4 The Authority may Use the Licensed Software on alternative equipment if the Designated Equipment is temporarily inoperative until the Designated Equipment is again operative without notification or additional payment to the LICENSOR.

2.5 Notwithstanding the above, The Authority may copy the Licensed Software in machine-readable form for back-up purposes for Use of the Licensed Software. The Authority may also create eye readable copies of documentation solely for utilisation by operating personnel of the Licensed Software. All copyright in such copies shall remain the property of the LICENSOR.

## 3 Delivery and Acceptance

3.1 The LICENSOR shall deliver the Licensed Software at a time and to a place agreed with The Authority.

3.2 The LICENSOR or The Authority as mutually agreed shall install each program of the Licensed Software on the Designated Equipment and test it against acceptance tests if agreed between the LICENSOR and The Authority.

3.3 The Authority may reject the Licensed Software within the acceptance period specified in Part IV of the Schedule only (which period starts on receipt of the Licensed Software by The Authority) if it fails an agreed acceptance test or if it does not perform on the Designated Equipment in accordance with the functionality set out in an agreed statement or user document provided by the LICENSOR. The Authority shall be understood to have accepted

the Licensed Software if it has not been validly rejected before the expiry of the acceptance period.

3.4 If The Authority rejects the Licensed Software in accordance with Clause 3.3 the Licence for it shall terminate and The Authority shall be entitled to reimbursement of any fees paid in respect of the Licensed Software.

3.5 The Authority and the LICENSOR may mutually agree to extend the acceptance period, or to amend the Schedule appropriately, for any Licensed Software that would otherwise have been rejected under Clause 3.3.

#### 4 Payment

4.1 The LICENSOR will invoice The Authority for the agreed licence fees in the amount and in accordance with the invoice arrangements set out respectively in Parts V and VI of the Schedule on or after receipt by The Authority of the Licensed Software.

4.2 The Authority shall pay the invoice value within 30 days from the later of delivery of the Licensed Software or the date of receipt of a valid invoice related to that Licensed Software. Payment does not constitute acceptance of the Licensed Software.

#### 5 Confidentiality

5.1 Subject to Clause 5.2 and except as otherwise agreed in writing, The Authority and the LICENSOR shall each hold in confidence and shall not use, disclose or otherwise make available, except in accordance with the Licence, all the following information received from the other under or in connection with the Licence:

- a. the Licensed Software;
- b. details of The Authority's use and application of the Licensed Software;
- c. any other information which is identified as being disclosed in confidence at the time of disclosure

provided that:

the obligation for b. and c. relates only to information received in writing or other material form; and

if such information is disclosed orally, the obligation shall apply for 30 days unless the discloser confirms such information in writing or other material form within 30 days when the obligation of confidence shall apply thereafter.

5.2 The obligations under Clause 5.1 shall not require the receiving Party to maintain confidence in, or refrain from using, any part of the information to the extent that the receiving Party can show that such part of the information:

- a. was already known to that Party, without restraint on use or disclosure, prior to the date of receipt or acquisition under or in connection with the Licence; or
- b. has been received by that Party, without restraint on use or disclosure, from a third party having the right to disclose it; or

c. has entered the public domain otherwise than in breach of the Licence or any other agreement between the Parties; or

d. was generated by that Party independently of the information which is subject to Clause 5.1;

provided that the relationship of such part of the information to the remainder of the information which is subject to Clause 5.1 is not revealed.

5.3 The obligations under Clause 5.1 shall be perpetual.

5.4 The Authority shall ensure or procure that any individual to whom the Licensed Software is made available is made aware of, and complies with, the obligations as to confidentiality and other relevant conditions of the Licence.

5.5 The Authority shall reproduce and maintain any copyright notices and trademarks on or in any of the copies of the Licensed Software made in accordance with the Licence, including partial copies, and on any software changed under the terms of the Licence.

## 6 IPR Actions and Liabilities for IPR Infringement

6.1 The LICENSOR declares that they are entitled as either owner or licensee to provide the Licensed Software to The Authority on the terms and conditions of the Licence.

6.2 Subject to the limitations imposed in Clauses 6.3 and 6.4, the LICENSOR shall assume all liability and indemnify The Authority against all costs or liabilities arising under any valid claim or action brought by a third party against either Party, or against any of its contractors (which expression shall include any sub-contractor) engaged in tasks relevant to the provision of the Licensed Software or to The Authority's exercise of the Licence, in respect of any third party intellectual property right, including a patent, registered or unregistered design right, trade mark, copyright, trade secret or confidential information, which relates to the supply of the Licensed Software or the Use of the Licensed Software in accordance with the Licence by The Authority or its contractor, then:

a. If the claim or action is brought against the LICENSOR they shall take full responsibility for dealing with settling or defending the claim or action;

b. If any claim is made against The Authority or its contractors the LICENSOR shall be given full responsibility for dealing with settling or defending the claim as appropriate in their judgement;

c. If legal action is taken against The Authority or its contractor that Party shall be entitled to join the LICENSOR in the action.

6.3 Clause 6.2 shall not apply, and The Authority shall assume all liability for and indemnify the LICENSOR and its contractors, against all costs and liabilities under the claim or action in the event that it arises as a consequence of any of :

a. Use of the Licensed Software by The Authority, or by a contractor permitted to use the Licensed Software pursuant to Clause 2.2, outside the LICENSOR's specification or user documentation on the Designated Equipment or in a manner outside the reasonable knowledge or expectation of the LICENSOR or in circumstances particular to The Authority as distinct from other customers for the equivalent Licensed Software;

- b. Use of modifications to the Licensed Software not provided or not approved in writing by the LICENSOR;
- c. infringement by the LICENSOR of any third party intellectual property right by reason only of use of any material provided by The Authority for the purposes of the Licence, but only to the extent that this material is held and used within the terms under which it was provided and used solely for the purposes of the Licence.

6.4 Clause 6.2 shall not apply in the event that, without the consent of the LICENSOR (which shall not be unreasonably withheld) The Authority:

- a. has made or makes an admission of any sort to the third party relevant to the claim or action;
- b. The Authority has entered or enters into negotiations with the third party relevant to the claim or action;
- c. The Authority has made or makes an offer to the third party for settlement of the claim or action.

6.5 Each Party undertakes to notify and consult the other promptly in the event of any enquiry, claim or action brought or likely to be brought against them or their contractor or the Parties jointly, which relates to infringement of any third party intellectual property right in connection with the supply or Use of the Licensed Software under the Licence. By joint agreement, The Authority may take the lead in dealing with settling and defending any such enquiry claim or action made against it directly in consultation with the LICENSOR and, subject to the LICENSOR's agreement as to the terms of any settlement, this shall not displace any liability of the LICENSOR arising under Clause 6.2. If any claim is made against The Authority under Section 55 of the Patents Act 1977 as a result of The Authority's use of the Software, and if The Authority offers a settlement of the claim, otherwise than as a result of a Court order and without the agreement of the LICENSOR, the LICENSOR shall be relieved of any liability which might otherwise arise under Clause 6.2.

6.6 In the event that any claim or action is made which is subject to Clause 6.2 or if in the LICENSOR's reasonable opinion such claim or action is likely to be made, the LICENSOR shall promptly utilise all reasonable endeavours to:

- a. establish or secure The Authority's right to continue to Use the Licensed Software or, failing to do so,
- b. avoid that claim or action by, and after consultation with The Authority as to how to minimise The Authority's loss of Use of the Licensed Software, replacing or modifying the Licensed Software without significant change to the specification of the Licensed Software all at the LICENSOR's expense, including installation and testing.

6.7 In the event of the LICENSOR being unable to satisfy the requirements of sub-Clauses 6.6a. or 6.6b. the LICENSOR may terminate the Licence relating to the Licensed Software upon not less than three months written notice unless a lesser period is determined by any court order, and the LICENSOR shall make a refund of the licence fee to The Authority, either in full or with the agreement of The Authority (which shall not be unreasonably withheld) of a portion of the licence fee representing the lost portion of the Licence.

6.8 The conditions set forth in clauses 6.2 to 6.7 represent the total liability and responsibility of each Party to the other under a Licence in respect of any actual or alleged

infringement of any intellectual property right owned by a third party, and take precedence over any other liability condition in the Licence.

## 7      **Warranty**

7.1     LICENSOR warrants that discrepancies between Licensed Software and the LICENSOR's specification or user documentation current at the time of delivery reported and demonstrated by The Authority during the warranty period stated in Part VII of the Schedule will be remedied by LICENSOR without unreasonable delay in a manner commensurate with good software industry practice and without payment by The Authority. During the warranty period the LICENSOR undertakes to provide to The Authority free of charge corrections to material errors known to the LICENSOR.

7.2     All warranties in the Licensed Software and its user documentation other than that given under Clause 7.1 are hereby excluded including, without limitation, the implied warranty and conditions of satisfactory quality and fitness for a particular purpose, but this shall not prejudice the right of The Authority to reject the Licensed Software in accordance with Clause 3.3.

7.3     No oral or written information or advice given by the LICENSOR, their agents or employees shall create a warranty or extend the scope of the warranty given under Clause 7.1.

7.4     The LICENSOR shall utilise all reasonable endeavours to ensure that any Licensed Software supplied, irrespective of the mode of delivery, is free from any published computer virus. In the event that it can be shown that, at the time of delivery, the Licensed Software incorporated such a virus then The Authority may require the LICENSOR to remove the virus and within the limits of backup data provided by The Authority to restore any computer system incorporating the Designated Equipment to its pre-infected state or bear the cost of the necessary restoration work.

## 8      **General Liability Conditions**

8.1     The LICENSOR shall have no liability to The Authority for any indirect or consequential damages or losses which might arise by reason of Use of the Licensed Software by or for The Authority including, without limitation, loss of profit, loss of revenue, loss of use, loss of business information produced by Use of the Licensed Software.

8.2     The exclusion provided under Clause 8.1 shall not apply where The Authority suffers loss because of a defect within the Licensed Software which defect is known to the LICENSOR at the time the Licensed Software is furnished to The Authority unless The Authority has previously been made aware of and accepted the presence of the defect and its relevance to The Authority's application of the Licensed Software.

8.3     The total of the LICENSOR's liability under or in connection with this Agreement (whether arising from contract, negligence or any other basis) is limited in respect of each event or series of connected events to the value given in Part IX of the Schedule, provided that no limitation shall apply in respect of liability for death of or injury to persons arising from the LICENSOR's negligence, as provided by the Unfair Contracts Act 1977, and, except in relation to sub-Clause 13.2.2, no limitation shall apply in respect of any liability arising under the provisions of Clause 6.2.

**9 Term and Termination of the Licence**

9.1 Each Licence shall continue until The Authority terminates it by written notification to the LICENSOR, or it is terminated pursuant to Clauses 3.4 or 6.7.

9.2 The Authority shall within thirty days of termination of a Licence, through all reasonable endeavours and to the best of its knowledge, return or destroy, at the LICENSOR's option, all originals and destroy all copies of the Licensed Software including partial copies and modifications except that The Authority may on prior written authorisation from the LICENSOR retain one copy for archival purposes only. The Authority shall promptly certify in writing once it has so done.

9.3 In the event of the LICENSOR drawing the attention of The Authority to a breach of any condition of a Licence then:

- a. where the breach is of a nature that cannot be remedied, The Authority undertakes to settle with the LICENSOR on fair and reasonable terms and to utilise all reasonable endeavours to ensure that a further breach does not occur,
- b. where the breach is capable of being remedied, The Authority shall promptly remedy the breach and where appropriate put in place measures to ensure that a further breach does not occur. The Authority shall indemnify the LICENSOR for all loss and damage incurred by it as a result of the breach.

9.4 The termination of any Licence shall be without prejudice to the continuation of the Head Agreement or any other Licence under it.

**10 Combination of Software**

10.1 The Authority may combine all or part of the Licensed Software with other materials to form a new work. Any portion of the Licensed Software included in a new work shall be Used only on Designated Equipment and shall be subject to the conditions of the Licence. The LICENSOR shall be absolved from any obligation or liability under the Licence to the extent that this arises as a result of the creation or use of any new work not approved in writing by the LICENSOR.

**11 Output**

11.1 The Authority may freely copy and utilise any output resulting from Use in accordance with LICENSOR - supplied documentation of the Licensed Software.

**12 Disputes**

12.1 Other than for any claim arising from non payment of a valid invoice should any question, dispute or difference whatsoever arise between The Authority and LICENSOR in relation to or in connection with this Agreement or the Schedule of any Licence granted under it, The Authority or the LICENSOR may give notice to the other in writing of the existence of that question, dispute or difference and both Parties will attempt to reach a solution. If no mutually acceptable solution is found The Authority or the LICENSOR may give notice to the other in writing (the ADR notice) that the matter is to be referred to Alternative Dispute Resolution (ADR).

12.2 Upon receipt of the ADR notice and subject to sub-Clause 12.3, the Parties shall define the type of ADR to be adopted and the rules for its implementation. Failing agreement to adopt, or to achieve, resolution by one such type, the Parties may decide to adopt a second type of ADR. The Parties agree that after a period of two (2) months from the date of receipt of the ADR notice, or such other date as may be agreed by the Parties, and provided that the dispute remains unresolved, it shall finally be settled by arbitration by a sole arbitrator at the request in writing by either party to the other. Failing agreement on the appointment of the arbitrator within 14 days of receipt of such request, the arbitrator shall be appointed by the President for the time being of the Law Society, in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment of it. The costs of any ADR shall be shared equally by The Authority and the LICENSOR, however, the costs of arbitration shall be settled by the arbitrator.

12.3 Where a Party rejects the referral of the matter to ADR they shall promptly notify the other Party in writing of that rejection and the reasons for it.

### **13 Transfer**

13.1 The LICENSOR shall not assign their interest in any Licence or the intellectual property licensed thereunder without providing for the continuance of The Authority's rights under the Licence and without notifying The Authority in writing of the identity of the assignee.

13.2 Unless prevented by law or national regulation The Authority shall have the right to novate any Licence to a separate legal entity, without charge to itself or the legal entity, upon two months written notice to the LICENSOR, as provided below:

13.2.1 following a transfer from The Authority to the legal entity of any function of The Authority for which the Licensed Software has been obtained; or

13.2.2 on disposal to the legal entity of surplus Designated Equipment where the Licensed Software is essential to the running of that equipment, whether or not it is embedded in the equipment, provided that all warranties (whether express or implied) and all indemnities shall be void, the Licensed Software shall be supplied "as is", and the liability referred to in Clause 8.3 shall be ten pounds sterling only.

PROVIDED THAT the Licensed Software novated in accordance with this sub-Clause may only be used for the same purposes for which The Authority was licensed in accordance with Clause 2 and wider use shall require the written approval of, and the grant of a further licence by, the LICENSOR.

### **14 Discontinuance of Business**

14.1 The Authority shall have the right to secure from the LICENSOR, or from the authorised trustees or receivers acting on behalf of the LICENSOR, in the event of the LICENSOR permanently ceasing to maintain the Licensed Software or the LICENSOR permanently discontinuing in business because of bankruptcy, receivership, dissolution, or other form of permanent business disruption and that business is not continued by a successor in interest to the LICENSOR to whom the benefits and obligations of this Agreement and any licence granted under it have been assigned, Licensed Software documentation including program source code in the possession and control of the LICENSOR, but no more than the LICENSOR uses themselves, as The Authority shall

consider necessary for it to maintain and continue its normal Use of the Licensed Software for the duration of the Licence but for no other purpose.

14.2 If so required by a Special Condition, the LICENSOR shall compile and maintain, at a price or in accordance with a price formula identified in the Special Condition, an up to date copy of the Licensed Software documentation to which The Authority is entitled under Clause 14.1 which copy shall be held by the LICENSOR as a bailee without lien for The Authority and be made available to The Authority without additional charge. In the absence of such a Special Condition, the copy shall be prepared on The Authority's demand and it shall be made available to The Authority at a fair and reasonable price based on the cost of compilation, reproduction and dispatch.

14.3 The Authority shall have the right to utilise the Licensed Software documentation to which it is entitled under Clause 14.1 for the purpose of maintaining its Use of the Licensed Software for the duration of the Licence but for no other purpose. The Authority shall hold in confidence all information in the documentation.

## 15 General

15.1 If any provision of this Agreement is held to be invalid, illegal or unenforceable to any extent then:

- a. that provision shall (to the extent it is invalid, illegal or unenforceable) be given no effect and shall be understood not to be included in the Agreement but without invalidating any of the remaining provisions of the Agreement; and
- b. the Parties shall use all reasonable endeavours to replace the invalid, illegal or unenforceable provision by a valid, legal and enforceable provision the effect of which is as close as possible to the effect of the invalid, illegal or unenforceable provision.

15.2 No act or omission of either Party shall by itself amount to a waiver of any right or remedy unless expressly stated by that Party in writing. In particular, no reasonable delay in exercising any right or remedy, shall by itself constitute a waiver of that right or remedy.

15.3 No waiver of any right or remedy shall operate as a waiver in respect of any other right or remedy.

15.4 Neither the LICENSOR nor The Authority shall be liable for failure to perform any of their obligations under the Licence if that failure results from circumstances beyond their reasonable control.

15.5 Headings have been included for convenience only and shall not be used in construing any condition of the Licence.

15.6 The Licence shall be subject to and construed and interpreted in accordance with the Laws of England and shall be subject to the non-exclusive jurisdiction of the Courts of England for the enforcement of any arbitral decision.

15.7 The Licence shall constitute the entire agreement between the Parties relating to the Licensed Software and supersedes any previous agreement.

15.8 No right is granted to any person who is not a Party to the Licence to enforce any term of the Licence in their own right and the Parties declare that they have no intention to grant any such right.

**Attachment to Annex to Head Agreement – Standard Form of Licencing Schedule****SCHEDULE TO THE HEAD AGREEMENT BETWEEN THE AUTHORITY AND THALES UK LTD**

DATED ..... Version Number: .....

CONTRACT REFERENCE NUMBER: 713095450

By their respective signatures of this Schedule the Secretary of State For Defence (the "AUTHORITY") undertakes to purchase and Thales UK Ltd ( the "LICENSOR") undertakes to supply the Licensed Software for Use on the Designated Equipment at the Designated Site (all as identified below) under the Standard Conditions set down in the Annex to the Head Agreement and any Special Conditions set down in Part VIII below which may vary or add to those Standard Conditions.

PART I - LICENSED SOFTWARE PROGRAMSPART II - DESIGNATED EQUIPMENTPART III - DESIGNATED SITEPART IV – ACCEPTANCE PERIOD & TESTPART V - LICENCE FEESPART VI - INVOICE ARRANGEMENTS

PART VII - WARRANTY PERIODPART VIII - SPECIAL CONDITIONS

*Provisions for library compiler or software generator.*

PART IX – LIMITS OF LICENSOR's LIABILITY

In the event that no separate limit of liability is inserted in connection with the Licence the LICENSOR's liability under this PART IX shall not exceed five million pounds sterling.

FOR LICENSOR

FOR AUTHORITY

Signed .....

Signed .....

Name .....

Name .....

[Print Name] .....

[Print Name] .....

Appointment .....

Appointment .....

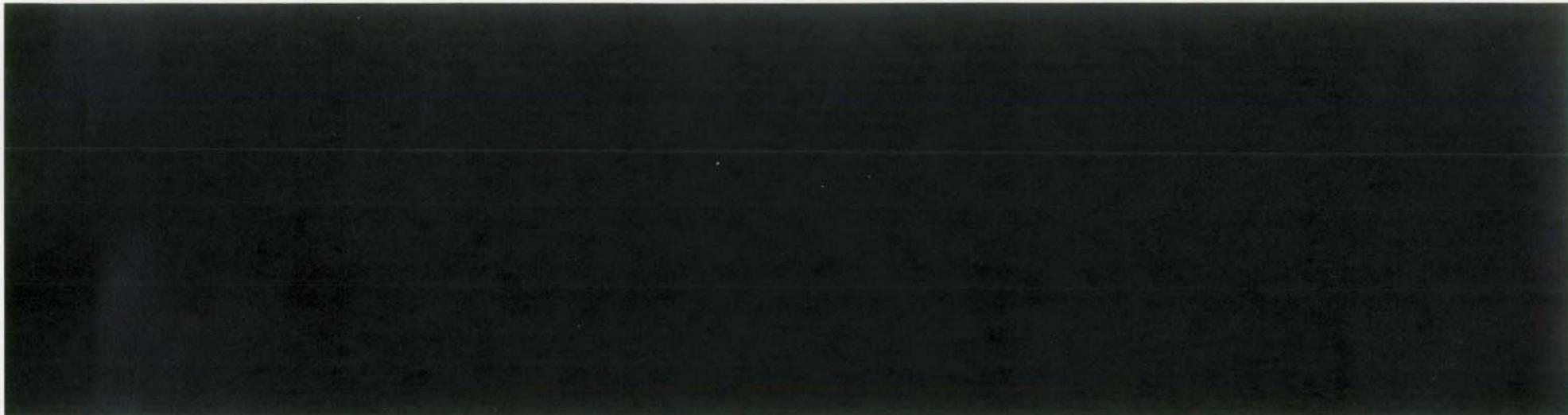
Date.....

Date.....

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**Schedule 21 – Contract Pricing REDACTED under FOIA Section 43 - Commercially Sensitive Information**



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## Schedule 22 – Quality Assurance Compliance

REDACTED under FOIA Section 43 - Commercially Sensitive Information

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The figure consists of a 4x4 grid of 16 horizontal bar charts. The first three columns are white, and the fourth column is black. Each bar chart has a black bar on the left and a white bar on the right. The length of the black bar varies across the grid, with some bars in the fourth column being significantly longer than others. There are also a few instances of colored bars (green) appearing within the black bars.

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**Contract Offer and Acceptance**

**Contract 713095450 for the Provision of MHC Block 2 Remote Command Centre (RCC)  
Integration and Supply**

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

**For and on behalf of Thales UK Limited:**

Name, Title and Company Position	
Signature	
Date	

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

Name and Title	
Signature	
Date	