



Ministry  
of Defence

## Contract

**704813450**

## Nautilator

**30<sup>th</sup> January 2023 to 30<sup>th</sup> April 2023**

<b>Between the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland (“The Authority”)</b>	And DIGI2AL Ltd (“The Contractor”)
Team Name and Address: Navy Commercial 4 Deck, NCHQ Leach Building Whale Island Portsmouth PO2 8BY	Contractor Address: Digi2al Ltd, Palmeira Avenue Mansions, 19 Church Road, Hove, East Sussex, BN3 2FA

Issued: 30th January 2023

Version: Contract Commencement

**SC1B (Edn 10/22)****1 Definitions - In the Contract:**

**Article** means, in relation to Clause 9 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;

**The Authority** means the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, (referred to in this document as "the Authority"), acting as part of the Crown;

**Business Day** means 09:00 to 17:00 Monday to Friday, excluding public and statutory holidays;

**Contract** means the agreement concluded between the Authority and the Contractor, including all terms and conditions, associated purchase order, specifications, plans, drawings, schedules and other documentation, expressly made part of the agreement in accordance with Clause 2.c;

**Contractor** means the person, firm or company specified as such in the purchase order. 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;

**Contractor Deliverables** means the goods and / or services including packaging (and supplied in accordance with any QA requirements if specified) which the Contractor is required to provide under the Contract in accordance with the schedule to the purchase order; **Effective Date of Contract** means the date stated on the purchase order or, if there is no such date stated, the date upon which both Parties have signed the purchase order;

**Firm Price** means a price excluding Value Added Tax (VAT) which is not subject to variation;

**Government Furnished Assets (GFA)** 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;

**Hazardous Contractor Deliverable** 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;

**Issued Property** 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;

**Legislation** means in relation to the United Kingdom any Act of Parliament, any subordinate legislation within the meaning of section 21 of the Interpretation Act 1978, any exercise of Royal Prerogative or any enforceable community right within the meaning of Section 2 of the European Communities Act 1972.

**Mixture** means a mixture or solution composed of two or more substances;

**Notices** means all notices, orders, or other forms of communication required to be given in writing under or in connection with the Contract;

**Parties** means the Contractor and the Authority, and Party shall be construed accordingly;

**PPT** means a tax called "plastic packaging tax" charged in accordance with Part 2 of the Finance Act 2021;

**PPT Legislation** means the legislative provisions set out in Part 2 and Schedules 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;

**Plastic Packaging Component(s)** shall have the same meaning as set out in Part 2 of the Finance Act 2021 together with any associated secondary legislation;

**Sensitive Information** means the information listed as such in the purchase order, 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;

**Substance** 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;

**Transparency Information** 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 Freedom of Information Act 2000 (FOIA) or the Environmental Information Regulations Act 2004 (EIR), which shall be determined by the Authority, and (ii) any Sensitive Information.

**2 General**

- a. The Contractor shall comply with all applicable Legislation, whether specifically referenced in this Contract or not.
- b. Any variation to the Contract shall have no effect unless expressly agreed in writing and signed by both Parties.
- c. If there is any inconsistency between these terms and conditions and the purchase order or the documents expressly referred to therein, the conflict shall be resolved according to the following descending order of priority:
  - (1) the terms and conditions;
  - (2) the purchase order; and
  - (3) the documents expressly referred to in the purchase order.
- d. Neither Party shall be entitled to assign the Contract (or any part thereof) without the prior written consent of the other Party.
- e. Failure or delay by either Party in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver of its rights or remedies. No waiver in respect of any right or remedy shall operate as a waiver in respect of any other right or remedy.
- f. The Parties to the Contract do not intend that any term of the Contract shall be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person that is not a Party to it.
- g. The Contract and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English Law, and subject to Clause 16 and without prejudice to the dispute resolution procedure set out therein, the Parties submit to the exclusive jurisdiction of the English courts. Other jurisdictions may apply solely for the purpose of giving effect to this Clause 2.g and for enforcement of any judgement, order or award given under English jurisdiction.

**3 Application of Conditions**

- a. The purchase order, these terms and conditions and the specification govern the Contract to the entire exclusion of all other terms and conditions. No other terms or conditions are implied.
- b. The Contract constitutes the entire agreement and understanding and supersedes any previous agreement between the Parties relating to the subject matter of the Contract.

**4 Disclosure of Information**

Disclosure of information under the Contract shall be managed in accordance with DEFCON 531 (SC1)

## 5 Transparency

- a. Notwithstanding any other condition of this Contract, and in particular Clause 4, the Contractor understands that the Authority may publish the Transparency Information to the general public.
- b. Subject to Clause 5.c, the Authority shall publish and maintain an up-to-date version of the Transparency 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 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 in its entirety. Accordingly, the Authority acknowledges that it shall only exclude Transparency 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.
- c. The Contractor shall assist and co-operate with the Authority as reasonably required to enable the Authority to publish the Transparency Information, in accordance with the principles set out above. 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 FOIA and/or the EIR, for the avoidance of doubt, including Sensitive Information;
  - (2) taking into account the Sensitive Information set out in the purchase order, 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 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.

## 6 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 the purchase order;
  - (4) marked with the number of the Contract; and
  - (5) delivered by hand, prepaid post (or airmail), facsimile transmission or, if agreed in the purchase order, 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.

## 7 Intellectual Property

- a. The Contractor shall as its sole liability keep the Authority fully indemnified against an infringement or alleged infringement of any intellectual property rights or a claim for Crown use of a UK patent or registered design caused by the use, manufacture or supply of the Contractor Deliverables.
- b. The Authority shall promptly notify the Contractor of any infringement claim made against it relating to any Contractor Deliverable and, subject to any statutory obligation requiring the Authority to respond, shall permit the Contractor to have the right, at its sole discretion to assume, defend, settle or otherwise dispose of such claim. The Authority shall give the Contractor such assistance as it may reasonably require to dispose of the claim and will not make any statement which might be prejudicial to the settlement or defence of the claim.
- c. 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

- d. Where any of the Conditions listed below (1 to 3) have been added to these Conditions of the Contract as Project Specific DEFCONs at Clause 21, 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 2 (Notification of Intellectual Property Rights (IPR) Restrictions):
  - (1) DEFCON 15 - including notification of any self-standing background Intellectual Property;
  - (2) DEFCON 90 - including copyright material supplied under clause 5;
  - (3) DEFCON 91 - limitations of Deliverable Software under clause 3b;
- e. 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 2.
- f. Any amendment to Schedule 2 shall be made in accordance with DEFCON 503 (SC1).

## 8 Supply of Contractor Deliverables and Quality Assurance

- a. This Contract comes into effect on the Effective Date of Contract.
- b. The Contractor shall supply the Contractor Deliverables to the Authority at the Firm Price stated in the Schedule to the purchase order.
- c. The Contractor shall ensure that the Contractor Deliverables:

- (1) correspond with the specification;
- (2) are of satisfactory quality (within the meaning of the Sale of Goods Act 1979, as amended) except that fitness for purpose shall be limited to the goods being fit for the particular purpose held out expressly by or made known expressly to the Contractor and in this respect the Authority relies on the Contractor's skill and judgement; and
- (3) comply with any applicable Quality Assurance Requirements specified in the purchase order. d. The Contractor shall apply for and obtain any licences required to import any material required for the performance of the Contract in the UK. The Authority shall provide to the Contractor reasonable assistance with regard to any relevant defence or security matter arising in the application for any such licence.

#### **9 Supply of Data for Hazardous Substances, Mixtures and Articles in Contractor Deliverables**

- a. Nothing in this Clause 9 shall reduce or limit any statutory duty or legal obligation of the Authority or the Contractor.
- b. As soon as possible and in any event within the period specified in the purchase order (or if no such period is specified no later than one month prior to the delivery date), the Contractor shall provide to the Authority's representatives in the manner and format prescribed in the purchase order:
  - (1) confirmation as to whether or not to the best of its knowledge any of the Contractor Deliverables contain Hazardous Substances, Mixtures or Articles; and
  - (2) 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);
  - (3) 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
  - (4) 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 supplier, to allow safe use of the Article including, as a minimum, the name of that Substance at the time of supply.
- c. For substances, Mixtures or Articles that meet the criteria list in clause 9.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 the purchase order; 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. 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.
- e. 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 on DEFFORM 68 of:
  - (1) activity; and
  - (2) the substance and form (including any isotope).
- f. If the Substances, Mixtures and Articles in Contractor Deliverables have magnetic properties which emit a magnetic field, the Contractor shall additionally provide details on DEFFORM 68 of the magnetic flux density at a defined distance, for the condition in which it is packed.
- g. 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 Substance, Mixtures or Articles in Contractor Deliverables shall be regarded as a material breach of Contract under Condition 18 (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 18.
- h. 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.

#### **10 Delivery / Collection**

- a. The purchase order 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. Title and risk in the Contractor Deliverables shall pass from the Contractor to the Authority on delivery or on collection in accordance with Clause 10.a.
- c. The Authority shall be deemed to have accepted the Contractor Deliverables within a reasonable time after title and risk has passed to the Authority unless it has rejected the Contractor Deliverables within the same period.

#### **11. Marking of Contractor Deliverables**

- a. Each Contractor Deliverable shall be marked in accordance with the requirements specified in the purchase order or if no such requirement is specified, the Contractor shall mark each Contractor Deliverable clearly and indelibly in accordance with the requirements of the relevant DEF-STAN 05-132 as specified in the contract or specification. In the absence of such requirements, the Contractor Deliverables shall be marked with the MOD stock reference, NATO Stock Number (NSN) or alternative reference number shown in the Contract.
- b. Any marking method used shall not have a detrimental effect on the strength, serviceability or corrosion resistance of the Contractor Deliverables.
- c. The marking shall include any serial numbers allocated to the Contractor Deliverable.
- d. Where because of its size or nature it is not possible to mark a Contractor Deliverable with the required particulars, the required information should be included on the package or carton in which the Contractor Deliverable is packed, in accordance with condition 12 (Packaging and Labelling (excluding Contractor Deliverables containing Ammunition or Explosives)).

#### **12 Packaging and Labelling of Contractor Deliverables (Excluding Contractor Deliverables Containing Ammunition or Explosives)**

## OFFICIAL-SENSITIVE COMMERCIAL

- a. The Contractor shall pack or have packed the Contractor Deliverables in accordance with any requirements specified in the purchase order and Def Stan 81-041 (Part 1 and Part 6).
- b. The Contractor shall establish if the Contractor Deliverables are, or contain, Dangerous Goods as defined in the Regulations set out in this Clause 12. Any that do shall be packaged for UK or worldwide shipment by all modes of transport in accordance with the following unless otherwise specified in the Schedule to the purchase order:
  - (1) the Technical Instructions for the Safe Transport of Dangerous Goods by Air (ICAO), IATA Dangerous Goods Regulations;
  - (2) the International Maritime Dangerous Goods (IMDG) Code;
  - (3) the Regulations Concerning the International Carriage of Dangerous Goods by Rail (RID); and
  - (4) the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR).
- c. Certification markings, incorporating the UN logo, the package code and other prescribed information indicating that the package corresponds to the successfully designed type shall be marked on the packaging in accordance with the relevant regulation.

### 13 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 DEFCON 609 (SC1) 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. The Authority shall have the right, on providing reasonable notice, to physically inspect or conduct an audit on the Contractor, to ensure any information that has been provided in accordance with clause 13.f above is accurate.
- 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.

### 14. Progress Monitoring, Meetings and Reports

The Contractor shall attend progress meetings and deliver reports at the frequency or times (if any) specified in the purchase order and shall ensure that its Contractor's representatives are suitably qualified to attend such meetings. Any additional meetings reasonably required shall be at no cost to the Authority.

### 15 Payment

- a. Payment for Contractor Deliverables will be made by electronic transfer and prior to submitting any claims for payment under clause 15b 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 15a, 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 15b 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 15c 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 this 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.

### 16 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 16.a the dispute shall be referred to arbitration and 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 it is agreed between the Parties that the arbitration process and anything said, done or produced in or in relation to the arbitration process (including any awards) shall be confidential as between the Parties, except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise. No report relating to anything said, done or

produced in or in relation to the arbitration process may be made beyond the tribunal, the Parties, their legal representatives and any person necessary to the conduct of the proceedings, without the concurrence of all the Parties to the arbitration.

### 17 Termination for Corrupt Gifts

The Authority may terminate the Contract with immediate effect, without compensation, by giving written notice to the Contractor at any

time after any of the following events:

- a. where the Authority becomes aware that the Contractor, its employees, agents or any sub-contractor (or anyone acting on its behalf or any of its or their employees):
  - (1) has offered, promised or given to any Crown servant any gift or financial or other advantage of any kind as an inducement or reward;
  - (2) commits or has committed any prohibited act or 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;
  - (3) has entered 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 it or on its behalf, or to its knowledge, unless before the contract is made particulars of any such commission and of the terms and conditions of any such agreement for the payment thereof have been disclosed in writing to the Authority.
- b. In exercising its rights or remedies to terminate the Contract under Clause 17.a. 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 committing the prohibited act;
  - (2) give 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 its or their behalf;
    - (b) requiring the Contractor to procure the dismissal of an employee (whether its own or that of a Subcontractor or anyone acting on its behalf) where the prohibited act is that of such employee.
- d. Where the Contract has been terminated under Clause 17.a. the Authority shall be entitled to purchase substitute Contractor Deliverables from elsewhere and recover from the Contractor any costs and expenses incurred by the Authority in obtaining the Contractor Deliverables in substitution from another supplier.

### 18 Material Breach

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. Where the Authority has terminated the Contract under Clause 18 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.

### 19 Insolvency

The Authority shall have the right to terminate the contract if the Contractor is declared bankrupt or goes into liquidation or administration.

This is without prejudice to any other rights or remedies under this Contract.

### 20 Limitation of Contractor's Liability

- a. Subject to Clause 20.b the Contractor's liability to the Authority in connection with this Contract shall be limited to £5m (five million pounds).
- b. Nothing in this Contract shall operate to limit or exclude the Contractor's liability:
  - (1) for:
    - a. any liquidated damages (to the extent expressly provided for under this Contract);
    - b. any amount(s) which the Authority is entitled to claim, retain or withhold in relation to the Contractor's failure to perform or under-perform its obligations under this Contract, including service credits or other deductions (to the extent expressly provided for under this Contract);
    - c. any interest payable in relation to the late payment of any sum due and payable by the Contractor to the Authority under this Contract;
    - d. any amount payable by the Contractor to the Authority in relation to TUPE or pensions to the extent expressly provided for under this Contract;
  - (2) under Condition 7 of the Contract (Intellectual Property), and DEFCONs 91 or 638 (SC1) where specified in the contract;
  - (3) for death or personal injury caused by the Contractor's negligence or the negligence of any of its personnel, agents, consultants or sub-contractors;
  - (4) for fraud, fraudulent misrepresentation, wilful misconduct or negligence;
  - (5) in relation to the termination of this Contract on the basis of abandonment by the Contractor;
  - (6) for breach of the terms implied by Section 2 of the Supply of Goods and Services Act 1982; or
  - (7) for any other liability which cannot be limited or excluded under general (including statute and common) law.
- c. The rights of the Authority under this Contract are in addition to, and not exclusive of, any rights or remedies provided by general (including statute and common) law.

### 21 The Project Specific DEFCONs and DEFCON SC Variants that apply to this Contract are:

DEFCON 5J (Edn 11/16) - Unique Identifiers  
DEFCON 76 SC1 (Edn 06/21) - Contractor's Personnel at Government Establishments  
DEFCON 129J SC1 (Edn 06/17) – The Use of the Electronic Business Delivery Form  
DEFCON 503 SC1 (Edn 06/22) – Formal Amendments to Contract  
DEFCON 524A SC1 (Edn 08/20) – Counterfeit Materiel  
DEFCON 531 SC1 (Edn.09/21) - Disclosure of Information  
DEFCON 532A SC1 (Edn 05/22) - Protection of Personal Data  
(Where Personal Data is not being processed on behalf of the Authority)

DEFCON 534 (Edn 06/21) – Subcontracting and Prompt Payment  
 DEFCON 538 (Edn 06/02) - Severability  
 DEFCON 566 Edn 10/20) - Change of Control of Contractor  
 DEFCON 609 SC1 (Edn 08/18) - Contractor's Records  
 DEFCON 620 SC1 (Edn 06/22) – Contract Change Control Procedure  
 DEFCON 656A (Edn 08/16) - Termination for Convenience Under £5m  
 DEFCON 658 SC1 (Edn 09/21) - Cyber  
 Further to DEFCON 658 the Cyber Risk Level of the Contract is  
 Very Low, as defined in Def Stan 05-138  
 DEFCON 659A (Edn 09/21) - Security Measures  
 DEFCON 660 (Edn 12/15) - Official-Sensitive Security  
 Requirements

**22 The special conditions that apply to this Contract are:**

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

- a. the Contract Deliverables and/or Services contain any Russian/Belarusian products and/or services; or
- b. that the Contractor or any part of the Contractor's supply chain is linked to entities who are constituted or organised under the law of Russia or Belarus, or under the control (full or partial) of a Russian/Belarusian person or entity. Please note that this does not include companies:

- (1) registered in the UK or in a country with which the UK has a relevant international agreement providing reciprocal rights of access in the relevant field of public procurement; and/or
- (2) which have significant business operations in the UK or in a country with which the UK has a relevant international agreement providing reciprocal rights of access in the relevant field of public procurement.

22.2 The Contractor shall, and shall procure that their Sub-contractors shall, include in such notification (or as soon as reasonably practicable following the notification) full details of the Russian products, services and/or entities and shall provide all reasonable assistance to the Authority to understand the nature, scope and impact of any such products, services and/or entities on the provision of the Contract Deliverables and/or Services.

22.3 The Authority shall consider the notification and information provided by the Contractor and advise the Contractor in writing of any concerns the Authority may have and/or any action which the Authority will require the Contractor to take. The Contractor shall be required to submit a response to the concerns raised by the Authority, including any plans to mitigate those concerns, within 14 business days of receipt of the Authority's written concerns, for the Authority's consideration.

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

**22.5 Security Clearances**

The Contractor shall ensure that they arrange for any relevant security clearances (including BPSS or SC) to be in place when their personnel are required deliver any goods or services on Authority sites.

If Contractor personnel are required to access any classified information at MOD sites or on a MOD provided laptop, they must ensure that this information remains at those sites or on that laptop, unless otherwise agreed and detailed on a Security Aspects Letter.

**22.6 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.

**23 The processes that apply to this Contract are:**

**Key Subcontractors**

The Contractor has advised that the following key sub-contractors will be used in delivery of this contract:

Name	Work Undertaken	Approximate Value
None / TBC		

The Contractor shall notify the Authority before engaging any further Key Subcontractors.

**Impediments**

The Contractor shall notify the Authority as soon as they become aware of any circumstance which will impact on their ability to deliver any of the requirements or meet any of the stated timescales.

**Tender Proposal**

Requirements to be delivered in accordance with this contract and, where it does not conflict with this contract, in line with proposal included in tender.

**Performance Management**

A date for delivery of goods or completion of each service will be stated in the contract or agreed between the Authority and the Contractor. Where this is not met by the Contractor, goods are not delivered or services are not completed, until after any stated or agreed date (unless the Authority accepts that circumstances were outside of the control of the Contractor), the Authority reserves the right to deduct 5% of the payment due for those services for each week or portion of a week that passes before the services are completed.

## OFFICIAL-SENSITIVE COMMERCIAL

If, at any time, any of the goods or services provided under the Contract do not meet the required standard or quality then the Authority will not be obligated to buy any more services unless it is satisfied that the required standard or quality will be met.

The Authority shall, at any time, be able to request that the supplier provide evidence that they are meeting any social value commitments and/or reporting metrics stated within their tender. The supplier shall provide evidence of this within 10 working days. If the supplier is unable to provide sufficient evidence or is not meeting those commitments or metrics, the Authority reserves the right to deduct 5% of the payments due for each week or portion of a week that passes before the supplier can evidence that those commitments or metrics are being met.

## **Schedule 1 – Additional Definitions of Contract**

As detailed in Statement of Requirements.

### Schedule 2 - Schedule of Requirements

Deliverables in accordance with Statement of Requirements						
Item Number	Description	Delivery Date	Unit of Measurement	Quantity	Firm Price (£) Ex VAT – Per Item	Firm Price (£) Ex VAT -Total
1	Preparation of Nautilator Feasibility Study	March 2023	Per Item	1	Redacted under FOIA Section 43, Commercial interests	Redacted under FOIA Section 43, Commercial interests
2	Presentation of Nautilator Feasibility Study	April 2023	Per Item	1	Redacted under FOIA Section 43, Commercial interests	Redacted under FOIA Section 43, Commercial interests
					<b>Contract Value Total Price</b>	123,350

<b>Item Number</b>	<b>Consignee Address (XY code only)</b>
1	HM Naval Base Portsmouth
<b>Item Number</b>	<b>Payment Schedule</b>
Enter Numbers	Payments to be made following successful completion of each service

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All prices stated are firm prices, to be paid in £ (GBP/Pounding Sterling), not subject to any increase or exchange rates.

The quantity of each item are expected numbers and not a guarantee of amounts required or due. Quantities ordered under the contract may be higher or lower based on Authority requirements during the contract period.

The contract value will be a limit of liability under which the Authority shall be entitled to purchase any goods and/or services listed at the firm prices set, dependent on Authority requirements.

The Prices set for each item shall be the total maximum price the Contractor shall charge for the delivery of the goods and/or services covered within that item (prior to any VOP adjustment, where adjustment date has not yet passed). This shall include, but not be limited to:

- Any direct or indirect costs
- Any labour costs or personnel salaries, pensions or contributions
- Any costs for manufacture or provision of goods and/or services
- Any costs for delivery to the Authority
- Any fuel costs
- Any related travel and subsistence
- Any packaging
- Any import costs or charges
- Any implementation or exit costs
- Any sub-contractor costs
- Any IT or system related costs
- Any costs required to provide Authority access to systems or accounts

### Schedule 3 - Contract Data Sheet

<b>Contract Period</b>	<p>Effective date of Contract: 30th January 2023</p> <p>The Contract expiry date shall be: 30th April 2023</p>
<b>Clause 6 - Notices</b>	<p>Notices served under the Contract can be transmitted by electronic mail</p> <p>Yes <input checked="" type="checkbox"/></p> <p>No <input type="checkbox"/></p> <p>Notices served under the Contract shall be sent to the following address:</p> <p>Authority: Commercial Officer</p> <p>Contractor: Contract Manager</p>
<b>Clause 8 – Supply of Contractor Deliverables and Quality Assurance</b>	<p>Is a Deliverable Quality Plan required for this Contract?</p> <p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p> <p>If Yes the Deliverable Quality Plan must be set out as defined in AQAP 2105 and delivered to the Authority (Quality) within Business Days of Contract Award. Once agreed by the Authority the Quality Plan shall be incorporated into the Contract. The Contractor shall remain at all times, solely responsible for the accuracy, suitability and applicability of the Deliverable Quality Plan.</p> <p><b>Other Quality Assurance Requirements:</b></p>

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<p><b>Clause 9 – Supply of Data for Hazardous Substance, Mixtures and Articles in Contractor Deliverables</b></p>	<p>A completed DEFFORM 68 (Hazardous and Non-Hazardous Substances, Mixtures or Articles Statement), and if applicable, UK REACH Article 31 compliant Safety Data Sheet(s) (SDS) including any related information to be supplied in compliance with the Contractor’s statutory duties under Clauses 9.b, and any information arising from the provisions of Clause 9 are to be provided by e-mail with attachments in Adobe PDF or MS WORD format to:</p> <p>The Authority’s Representative (Commercial)</p> <p>by the following date: With tender submission</p> <p>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.</p> <p>(1) Hard copies to be sent to:</p> <p>Hazardous Stores Information System (HSIS) Spruce 2C, #1260 MOD Abbey Wood (South) Bristol, BS34 8JH</p> <p>(2) Emails to be sent to:</p> <p><u><a href="mailto:DESEngSfty-QSEPSEP-HSISMulti@mod.gov.uk">DESEngSfty-QSEPSEP-HSISMulti@mod.gov.uk</a></u></p> <p>SDS which are classified above OFFICIAL including Explosive Hazard Data Sheets (EHDS) for Ordnance, Munitions or Explosives (OME) are not to be sent to HSIS and must be held by the respective Authority Delivery Team.</p>
<p><b>Clause 10 – Delivery/Collection</b></p>	<p>Contract Deliverables are to be:</p> <p>Delivered by the Contractor <input checked="" type="checkbox"/></p> <p>Special Instructions:</p> <p>Collected by the Authority <input type="checkbox"/></p> <p>Special Instructions (including consignor address if different from Contractor’s registered address)</p>
<p><b>Clause 12 – Packaging and Labelling of Contractor Deliverables</b></p>	<p>Additional packaging requirements:</p> <p>N/A</p>
<p><b>Clause 13 – Progress Meetings</b></p>	<p>The Contractor shall be required to attend the following meetings:</p> <p>To be arranged if and when required unless already detailed in Statement of Requirements.</p>

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<b>Clause 13 – Progress Reports</b>	The Contractor is required to submit the following Reports:  To be arranged if and when required unless already detailed in Statement of Requirements.
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**Appendix - Addresses and Other Information**

**1. Commercial Officer:**  
 Name: **Redacted** under FOIA Section 40, Personal Information  
 Address: 4 Deck, NCHQ, Leach Building, Whale Island, Portsmouth, PO2 8BY  
 Email: **Redacted** under FOIA Section 40, Personal Information

**8. Public Accounting Authority:**  
 1. Returns under DEFCON 694 (or SC equivalent) should be sent to DBS Finance ADMT – Assets In Industry 1, Level 4 Piccadilly Gate, Store Street, Manchester, M1 2WD  
 ☐ 44 (0) 161 233 5397  
 2. For all other enquiries contact DES Fin FA-AMET Policy, Level 4 Piccadilly Gate, Store Street, Manchester, M1 2WD  
 ☐ 44 (0) 161 233 5394

**2. Project Manager, Equipment Support Manager or PT Leader** (from whom technical information is available):  
 Name: **Redacted** under FOIA Section 40, Personal Information  
 Address: 4 Deck, NCHQ, Leach Building, Whale Island, Portsmouth, PO2 8BY  
 Email: **Redacted** under FOIA Section 40, Personal Information

**9. Consignment Instructions:**  
 The items are to be consigned as follows:  
 As detailed in Schedule of Requirements

**3. Packaging Design Authority:**  
 Organisation and point of contact:  
 (where no address is shown please contact the Project Team in Box 2)  
 ☐

**10. Transport.** The appropriate Ministry of Defence Transport Offices are:  
 A. **DSCOM**, DE&S, DSCOM, MoD Abbey Wood, Cedar 3c, Mail Point 3351, BRISTOL BS34 8JH  
Air Freight Centre  
 IMPORTS ☐ 030 679 81113 / 81114 Fax 0117 913 8943  
 EXPORTS ☐ 030 679 81113 / 81114 Fax 0117 913 8943  
Surface Freight Centre  
 IMPORTS ☐ 030 679 81129 / 81133 / 81138 Fax 0117 913 8946  
 EXPORTS ☐ 030 679 81129 / 81133 / 81138 Fax 0117 913 8946  
 B. **JSCS**  
 JSCS Helpdesk ☐ 01869 256052 (option 2, then option 3); JSCS Fax No 01869 256837  
 Users requiring an account to use the MOD Freight Collection Service should contact UKStratCom-DefSp-RAMP@mod.gov.uk in the first instance

**4. (a) Supply/Support Management Branch or Order Manager Branch/Name:**  
 As per box 2  
 ☐  
**(b) U.I.N.**

**5. Drawings/Specifications are available from:**

**11. The Invoice Paying Authority:**  
 Ministry of Defence ☐ 0151-242-2000  
 DBS Finance  
 Walker House, Exchange Flags Fax: 0151-242-2809  
 Liverpool, L2 3YL **Website is:**  
<https://www.gov.uk/government/organisations/ministry-of-defence/about/procurement#invoice-processing>

**6. Intentionally Left Blank**

**7. Quality Assurance Representative:**  
 Commercial staff are reminded that all Quality Assurance requirements should be listed under the General Contract Conditions.  
 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]

**12. Forms and Documentation are available through \*:**  
 Ministry of Defence, Forms and Pubs Commodity Management  
 PO Box 2, Building C16, C Site  
 Lower Arnclott  
 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)

**\* 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 Intranet site requests should be submitted through the Commercial Officer named in Section 1.

## Schedule 4 - Contractor's Sensitive Information (i.a.w. Clause 5)

This list shall be agreed in consultation with the Authority and the Contractor and may be reviewed and amended by agreement. The Authority shall review the list before publication of any information.

Contract Number:
Description of Contractor's Sensitive Information: None Stated
Cross Reference(s) to location of Sensitive Information:
Explanation of Sensitivity:
Details of potential harm resulting from disclosure:
Period of Confidence (if applicable):
Contact Details for Transparency / Freedom of Information matters: Name: Position: Address: Telephone Number: Email Address:

## Schedule 5 – Notification of Intellectual Property Rights (IPR) Restrictions (i.a.w. Clause 7)

### Part A – Notification of IPR Restrictions

1. Contract Number <b>704813450</b>				
2. ID #	3. Unique Technical Data Reference Number / Label	4. Unique Article(s)* Identification Number / Label	5. Statement Describing IPR Restriction	6. Ownership of the Intellectual Property Rights
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

\* 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.

## **Part B – System / Product Breakdown Structure (PBS)**

Insert PBS here or Modular Breakdown Structure or Not Applicable



## Schedule 6 - Statement of Requirements

### Introduction

MOD's digital strategy<sup>1</sup> seeks to gain operational advantage over our adversaries through the exploitation of data to achieve insight and subsequent foresight that informs the Command decision making process.

Project NAUTILATOR is an RN research and development accelerated project which aims to deliver a feasibility study into the use of Data Science that will support operational RN units and commanders. This study should be used to inform Navy Digital on the requirements to further an in progress Data Science platform by identifying, categorising, and providing risk mitigations and selection of options against suspect maritime adversary activity.

Project NAUTILATOR focusses on the use of Data Science for understanding the Maritime environment and specifically understanding vessel activity that both is an example of and supports adversary activity. The key objective is to demonstrate the feasibility in the application of Data Science techniques. This is to ultimately reason and predict adversary intentions to then support options to mitigate threats before they happen.

There are a number of on-going MOD and RN initiatives to use Data Science to better decision making in the maritime environment, better use of data is part of the MOD Data Strategy<sup>2</sup>. The differentiator for Project NAUTILATOR is that the outputs from this project are to be, from the outset, engineered as technically agnostic for use across the RN analytical community. This is to provide evidence for the feasibility of more transparency and accountability from data analysis by following best practices of reproducible analytical pipelines<sup>3</sup>.

This task aims to demonstrate the feasibility of using best in class data sets, data science approaches and cloud/micro service architecture as a means to scale RNs data analysis capability to gain operational advantage.

### Requirement & Deliverables

The selected commercial partner will combine technical expertise to deliver:

- a. **Feasibility Study** A feasibility study into the use of Data Science (making use of data on vessels such as where, when and what) to provide a better understanding of the intent of an adversary or supporting adversary vessel. It will demonstrate the application of Data Science techniques to characterise and develop the feature space of vessels which operate as part of or support the operation of adversary maritime activity to provide options to RN to mitigate future activities. This study will identify the framework required to develop the next generation of analytics on the best available data in a collaborative and supportive environment. It will seek to regain the information advantage and will take (but be transparent about) risk in the knowledge that failure to do so will bring far greater operational risks. Using open-source coding software

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<sup>1</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/990114/20210421\\_-\\_MOD\\_Digital\\_Strategy\\_-\\_Update\\_-\\_Final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/990114/20210421_-_MOD_Digital_Strategy_-_Update_-_Final.pdf)

<sup>2</sup> <https://www.gov.uk/government/publications/data-strategy-for-defence/data-strategy-for-defence>

<sup>3</sup> <https://gss.civilservice.gov.uk/reproducible-analytical-pipelines/>

alongside industry standard tools and practices it is envisioned that all capabilities created will be shareable across other MOD digital initiatives.

**Format Requirement** Soft copy (PDF, Word) – Provide a feasibility study on the use of Data Science for developing an objective VOI list. Covering what is currently available, what could be developed now and what the wider considerations should be if the project is further developed.

The mandatory questions to be addressed are as follows:

- What is the state of the art for making use of spatial, temporal and vessel property datasets to identify adversary and adversary support activity through Data Science? Explore and evaluate data sources, methods of analysis and means of delivering output.
- What datasets should the RN focus on for best analytical value for resource to identify actual adversary and supporting adversary activity? Are existing RN datasets best value for resource for this or are there alternative datasets?
- Where could RN's focus be on developing analytics and what hardware, software and people skills are required to deliver this? Are more quick wins available for identifying pre/during/post adversary activity or should time and effort be invested in more complex approaches for understanding and countering complex and potentially hidden sequences of events? Feasibility to include demonstration through code of this process.
- How Data Science outputs could be technically presented to ensure that the relevancy and impact is understandable by users. Given current/future software platforms and networks what should be the ideal architecture to enable re-use of analytical processes across RN and MOD?
- What one off, batch and streaming Data Science approaches should be developed? What mix of technologies would enable an approach of both recurring reporting and more explorative analysis? How should RN position its Data Science technical stack to enable better on-boarding of existing Data Science capabilities?
- How would RN prove through metrics that this approach is worthwhile to delivering mission assurance? How would options for intervention be presented from data?
- What are the pitfalls that other organisations, outside of MOD and RN, have faced in applying Data Science techniques to deliver insights to decisions makers and crucially what were the lessons learnt.

### **Optional Requirements**

Nil.

### **Location**

All work can be conducted off-site on supplier owned hardware; however, initial requirements meeting and milestone reviews to be held at Hamworthy Barracks, Poole.

Delivery and testing to be conducted at Hamworthy Barracks, Poole.

### **Governance**

- A monthly report/overview will be required detailing all service levels met
- A kick off meeting at the start of the task with the authority and the supplier
- An end of task demonstration and close down meeting.

**Acceptance***Report and Meeting Presentations*

Electronic copy provided as PDF, Word and with appropriate release conditions (IPR and license) as part of front and back material.

Datasets must be provided with terms of use and license agreements to understand the implications of storing and using the dataset with other information assets.

**Performance Management**

The supplier will work with the authority to develop a testing method to show how it is possible to deploy the developed data and software onto an internet disconnected test environment.

**Government Furnished Assets**

No GFA will be provided as part of this tasking request. The authority expects that the supplier will procure, obtain or license existing datasets which will then be delivered to the authority under an agreement for use.

**Security**

Personnel will be required to visit MOD establishments to provide any services and will need to be SC cleared.

Supplier will be provided with Official Sensitive information - a Security Aspects Letter will be raised to support this SOR.

**Personal Data**

Nil Required.

Additionally, data privacy and governance laws must be followed in the use and collection of any datasets.

**Quality & Standards**

(Mandatory) Supplier will need to ensure services are delivered in accordance with ISO9001.

(Optional) Supplier may have TickITPlus software development accreditation.

**Health & Safety**

Nil.

**Environmental**

Nil required.

**Implementation**

Supplier will be required to work alongside authority to facilitate transfer of services for one month prior to service commencement date.

**Exit**

Supplier to provide feasibility study in suitable format.

Supplier to provide all source code (via access to repositories)

Supplier to provide access to the system running in-Cloud for the duration of the contract

Supplier to provide high-level documentation describing the system

Supplier to provide high-level documentation regarding specific considerations when deploying the system in a disconnected environment.

### **Software**

No requirement for maintenance or ensuring availability as this is a feasibility study.

Training to be provided on use.

Best practice software and system documentation to be provided.

### **IPR or Other Rights**

- **Report** – MOD shall own usage rights to the details of the report under DEFCON 705 or similar to enable sharing within MOD.
- **Software and Service (code)** – MOD shall own the software delivered under DEFCON 703 or similar to enable use on existing MOD systems.
- **Data** – MOD shall have use of and can share within MOD and with partners the datasets used as part of this work. This may require the supplier to obtain permission from another data owner for this.

### **Acronyms**

AIS – Automated Information System

VOI – Vessel of Interest

MACH – Microservices, API-first, Cloud Native and Headless

MOD – Ministry of Defence

RN – Royal Navy

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

**For and on behalf of the Contractor:**

Name and Title	Redacted under FOIA Section 40, Personal Information
Signature	Redacted under FOIA Section 40, Personal Information
Date	February 6, 2023

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

Name and Title	Redacted under FOIA Section 40, Personal Information
Signature	Redacted under FOIA Section 40, Personal Information
Date	30 January 2023