

**TERMS AND CONDITIONS FOR THE PURCHASE OF SERVICES  
BY LEGAL ENTITIES REGISTERED IN THE UNITED KINGDOM**

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**1. DEFINITIONS**

- A. "Buyer" means the Northrop Grumman legal entity identified on the face of the Order.
- B. "Buyer's Equipment" means any equipment, including tools, systems, cabling or facilities, provided by the Buyer, its agents, subcontractors or consultants which is used directly or indirectly in the supply of the Services.
- C. "Buyer Materials" means all documents, information, drawings, data, items and materials in any form (whether owned by the Buyer or a third party), which are provided by the Buyer to the Seller in connection with the Services.
- D. "Conditions" means these standard terms and conditions of purchase of Services.
- E. "Confidential Information" means information in whatever form (including without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) relating to the business, operations, customers, products, affairs and finances of the Buyer for the time being confidential to the Buyer and trade secrets including, without limitation, technical data and know-how relating to the business of the Buyer or any of its suppliers, customers, agents, distributors, shareholders, management or business contacts, and including (but not limited to) information that the Seller creates, develops, receives or obtains in connection with this Agreement, whether or not such information (if in anything other than oral form) is marked confidential.
- F. "Contract" means this Contract comprising the Order, the Conditions, any Specification, the Special Terms if any, and/or as applicable any Framework Agreement between the Buyer and the Seller for the supply of the Services.
- G. "Day" means calendar day.
- H. "Deliverables" means all records, reports, documents, papers, drawings, designs, transparencies, photos, graphics, logos, typographical arrangements, software, and all other materials in whatever form, including but not limited to hard copy and electronic form, prepared by the Seller in the provision of the Services as listed in the Specification or as required for the delivery of the Services.
- I. "Framework Agreement" means an agreement for the supply of Services entered into between the Buyer and the Seller that sets the terms on which future sub-contracts will be made between the Parties.
- J. "Intellectual Property Rights" means patents, utility models, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer

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software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets) and all other intellectual property rights of any nature, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

- K. "Order" means the Buyer's purchase order for the Services.
- L. "Party/Parties" means Buyer and Seller individually/collectively.
- M. "Price" means the price as set out in the Order.
- N. "Seller" means the Party with whom Buyer is contracting under this Contract.
- O. "Seller Personnel" means all directors, officers, employees, representatives, any key personnel nominated in the Order or Framework Agreement, agents, consultants, advisers and contractors of the Seller engaged in the performance of the Seller's obligations under this Contract.
- P. "Service(s)" means the services described in the Order, including any Deliverables.
- Q. "Special Terms" means any special terms agreed between the Parties and which are appended to or incorporated in the Order or the Framework Agreement, or to which these Conditions are appended.
- R. "Specification" means any description of the Services and the Deliverables relating to the Services provided in the Order.
- S. The headings in these Conditions are for convenience only and will not affect their interpretation.
- T. A person includes a corporate or unincorporated body, words in the singular include the plural and in the plural include the singular and references to one gender includes a reference to the other gender.
- U. Writing or written includes e-mails.

**2. ORDER CONFIRMATION**

- A. The Order shall be deemed to be accepted on the earlier of the Seller: (a) issuing a written acceptance of the Order; (b) commencing performance under the Contract; (c) performing any part of the Services under the Contract; (d) accepting any payment for the Services under the Contract, or (d) doing any act consistent with fulfilling the Order, at which point the Contract will come into existence. Any additional terms proposed in the Seller's acceptance of the Buyer's offer including, but not limited to, shrink-wrapped or click-through terms not specifically negotiated and identified on the Contract, which add to, vary from, or conflict with the terms herein are hereby rejected by the Buyer. Any such proposed terms shall be void and the terms herein shall constitute the complete and exclusive statement of the terms and conditions of the contract between the Parties.
- B. If, after acceptance of the Order or at any time during the performance of the Order, the Seller believes that any portion of the Order is inaccurate, inconsistent or incomplete, the Seller shall promptly notify the Buyer in writing identifying any discrepancies and requesting resolution before proceeding or continuing with the portion of the Order in question. In the event that the Seller fails to contact the Buyer in a timely manner to resolve said discrepancies or inconsistencies and the Seller proceeds with or continues any work in question, the Seller shall be deemed to have proceeded on its own accord and shall be solely responsible for any errors or omissions, including all associated cost or schedule impacts or both resulting therefrom.

**3. ORDER OF PRECEDENCE**

- A. In the case of any conflict or ambiguity between any provisions contained in the Order, any Special Terms and these Conditions, the order of precedence shall be as follows, except where the Parties enter into a Framework Agreement in which case the terms in the Framework Agreement takes precedence over these Conditions:
1. the Special Terms;
  2. the Order;
  3. these Conditions.

**4. SELLER'S DUTIES AND OBLIGATIONS**

- A. The Seller shall:
1. provide the Services and the Deliverables in accordance with the Contract;
  2. ensure that the Services and Deliverables will conform in all respects with the Contract and that the Deliverables shall be fit for any purpose expressly or implicitly made known to the Seller by the Buyer;
  3. ensure that the Deliverables, and all goods, materials, standards and techniques used in providing the Services are of the best quality and are free from defects in workmanship, installation and design;
  4. co-operate with the Buyer in all matters relating to the Services, and comply with the Buyer's instructions;
  5. before the date on which the Services are to start, obtain and at all times, maintain during the term of the Contract, all necessary licences and consents;
  6. and shall procure that all Seller Personnel shall, comply with: (a) all health and safety rules and regulations and any other reasonable security requirements that apply at any premises where the Services will be performed from time to time; and (b) the policies and procedures as may be prescribed by the Buyer in connection with the delivery of the Services;
  7. hold all Buyer Materials in safe custody at its own risk and maintain the Buyer Materials in good condition until returned to the Buyer, and not dispose of or use the Buyer Materials other than in accordance with the Buyer's written instructions or authorisations;
  8. take good care of any of the Buyer's Equipment provided by the Buyer; and
  9. not do or omit to do anything which may cause the Buyer to lose any licence, authority, consent or permission on which it relies for the purposes
- B. Unless the Seller has been specifically authorised to do so by the Buyer in writing in advance:
1. neither the Seller nor the Seller Personnel shall have any authority to incur any expenditure in the name of or for the account of the Buyer; or
  2. the Seller shall not, and shall procure that the Seller Personnel shall not, hold itself out as having authority to bind the Buyer.

**5. PRICE OF THE SERVICES**

- A. The currency of the Order is pounds sterling and all amounts due under the Order shall be invoiced in pounds sterling (sterling). Where the Seller's local currency is different from sterling, the Buyer shall have the option of paying all amounts due under the Order in either sterling or the Seller's local currency.
- B. In consideration for the proper performance of the Services, the Buyer shall pay the Seller the amounts due in respect of a properly constituted and undisputed invoice.
- C. The Price will be calculated and set out in the Order. Unless otherwise stated in the Order, the Price will be: (a) exclusive of any applicable value added or other sales tax (which will be payable by the Buyer subject to receipt of a VAT or other sales invoice); and (b) inclusive of all other charges.

- D. No increase in the Price or extra charges may be made (whether on account of material, labour, or transport costs, fluctuations in rates of exchange or otherwise) without the prior consent of the Buyer in writing.
- E. The Buyer will be entitled to, and afforded, any discount for prompt payment, bulk purchase, or volume of purchase customarily granted by the Seller, whether or not shown on the Order.

**6. PLACE OF PERFORMANCE AND ACCEPTANCE**

- A. The Seller shall perform the Services at the location(s) specified in the Order (if applicable) or at such other substitute or supplemental locations as may be agreed to in writing by the Parties. If the Services are performed at a location owned by the Seller, the Seller shall ensure that such location have the required certifications and accreditations to handle the level of classified information required to perform the Contract.
- B. The Buyer reserves the right to refuse any of the Seller Personnel involved in the provision of the Services access to the Buyer's premises, which access shall only be given to the extent necessary for the performance of the Services.
- C. The Buyer will, without penalty, be entitled to delay or reschedule the date or period of performance stated in the Contract by giving not less than seven (7) Days' notice to the Seller, specifying the revised date or period for the performance of the Services.
- D. Where the date or performance of the Services is to be specified after the placing of the Contract, the Buyer will give the Seller reasonable notice of the specified date.
- E. The time of performance of the Services is of the essence of this Contract and no acts of Buyer, including without limitation, modifications to this Contract or acceptance of late deliveries, shall constitute a waiver of this provision.
- F. Subject to the exercise by the Buyer of the provisions of Clause 6.3, if the Services are not performed on the due date or within the specified period then the Buyer will be entitled to deduct from the Price or (if the Buyer has paid the Price) to claim from the Seller by way of liquidated damages for delay, nought point one percent (0.1%) of the Price for every day of delay up to a maximum of ten percent (10%) of the Price, at which time the Buyer will be entitled, without penalty, to terminate this Contract with immediate effect on notice to the Seller. The provisions of this Clause 6.6 will be without prejudice to any other remedy of the Buyer, including the right to recover from the Seller any loss or damage incurred by the Buyer in excess of the amount of liquidated damages paid by the Seller.
- G. The Seller will supply the Buyer in good time with any instructions or other information required to enable the Buyer to use the Services and Deliverables required in the Order.
- H. This Clause 6 shall apply to any Services that need to be re-performed by the Seller.
- I. The Buyer's rights and remedies under this Clause 6 are in addition to its rights and remedies implied by statute and common law.

**7. INVOICING AND PAYMENT**

- A. Unless otherwise specified in the Order, the Seller will refer to the Buyer's invoice instructions document on the Online Automated Supplier Information System (OASIS) website located at <https://www.northropgrumman.com/suppliers/doing-business-with-northrop-grumman/payment-and-invoicing/> for invoicing and submission information.
- B. Unless otherwise specified in the Order, the Buyer will pay the Seller within thirty (30) Days from the receipt by the Buyer of a properly constituted and undisputed invoice.
- C. Payments to the Seller shall be made to the designated financial account at an office or branch of a regulated bank located in the jurisdiction where the Seller maintains its principal place of business or is providing the Services under this Contract, unless prior written consent is received from the Buyer. To prevent and detect fraudulent and unauthorized payment instructions, Seller shall implement and maintain multifactor authentication and other

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reasonable security measures on Seller's network systems accounts, including any Seller Ariba Network account, and any Seller email accounts, including cloud-based email accounts such as Microsoft365, through which payment account instructions could be transmitted to the Buyer. Buyer shall not be responsible to pay Seller for any misdirected payments or other damages or losses attributable to Seller's failure to use multifactor authentication and other reasonable security measures.

- D. Payment may be delayed if the Seller fails to: (a) supply the required documentation quoting the relevant Contract number, or (b) send a monthly statement of account quoting the invoice numbers applicable to each item, but the Buyer will remain entitled to all prompt payment discounts.
- E. If following receipt of any invoice the Buyer notifies the Seller in writing of a bona fide dispute concerning the price payable under such invoice, the Buyer will pay any undisputed amount but will be entitled to withhold the amount in dispute pending resolution in accordance with Clause 20.7. The Seller's obligations to provide the Services shall in no way be affected by any such dispute.
- F. The Buyer will be entitled to set off against the Price any sums owed to the Buyer by the Seller under this Contract or any other contract between the Parties.
- G. Any sums not paid to the Seller by the Buyer on the due date will be subject to an interest charge to the Buyer at the rate of two per cent (2%) above the Base Rate of Barclays Bank PLC compounded monthly on all amounts overdue until payment is made.
- H. The Seller acknowledges that the performance of the Services may require the use of information classified as official-sensitive, secret or top-secret. In such circumstances, the Seller undertakes to the Buyer not disclose any of such classified information in the invoices or supporting documentation to be issued for the Services.

**8. BUYER PROPERTY**

- A. Title to all the Buyer's Equipment and Buyer Materials shall remain with the Buyer. The Seller shall not alter or use such property for any purpose other than for the purpose of the Services or for any other party other than that specified by the Buyer.
- B. The Seller shall assume the risk of, and be responsible for, any loss, theft, destruction or damage to the Buyer's Equipment and the Buyer Materials while in the Seller's possession or control. If the Seller damages any of the Buyer's Equipment and/or the Buyer Materials, the Seller shall be responsible for making repairs at no cost to the Buyer. Upon the Buyer's written request to the Seller for any property under this Clause, if Seller cannot locate the Buyer property within five (5) Days, the Seller shall notify the Buyer that the item was not located and the Seller subsequently has twenty (20) Days to find the misplaced property. After such period, if it has not been located, the property shall be deemed "lost" and at the Buyer's election, the Seller shall either reimburse the Buyer for the replacement and all related delay costs, or remake the lost property at no cost to the Buyer.
- C. The Seller shall return all Buyer's Equipment and the Buyer Materials in a condition as good as when received except for reasonable wear and tear. The Seller shall establish and maintain a property control system approved by the Buyer. At all times, the Buyer shall have access to the Seller's facilities for the purpose of reviewing its compliance with the management of the Buyer's Equipment and the Buyer Materials related to this Contract.

**9. SELLER PERSONNEL**

- A. The Seller shall ensure that all Seller Personnel are appropriately suitably skilled, qualified, trained and experienced to provide the Services.

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- B. The Buyer, in its sole discretion, may require the Seller to remove any Seller Personnel whose performance or conduct is deemed unacceptable or who does not meet the requirements of Clauses 4 and 9.1, including but not limited to:
1. misuse of Buyer Materials and/or Buyer's Equipment;
  2. misuse of computer systems or equipment belonging to the Buyer's customer;
  3. unethical behaviour;
  4. violation of any applicable laws, rules, regulations or contract requirements;
  5. behaviour that poses a security risk for the Buyer and/or the Buyer's customer.
- The Seller shall bear all costs associated with such removal, including costs for replacement of any Seller Personnel so removed.
- C. Neither the Seller nor the Seller Personnel are permitted to directly or indirectly communicate with any employee, agent, or representative of the Buyer's customer (or the end customer when the end customer is not the Buyer's direct customer) regarding any matter related to this Contract, unless the Seller has obtained the prior written consent of the Buyer.
- D. The Buyer may require the Seller to provide key personnel to perform the Services specifically agreed in an Order or a Framework Agreement. In the instance that the Buyer requires the Seller to provide key personnel under an Order or a Framework Agreement, the Seller shall comply with all the terms and conditions in the Order or the Framework Agreement relating to the key personnel including, but not limited to, qualifications and security clearance requirements, selection, replacement and removal of key personnel, responsibility assignments and performance. The Seller shall: (a) provide key personnel who meet the qualifications and security clearance requirements as defined in the Order or the Framework Agreement; (b) supervise techniques used in their work; and (c) keep them informed of all improvements, changes and methods of operation as required by the Buyer. The Seller shall not replace any key personnel without the prior written approval from the Buyer.
- E. If at any time during the term of the Contract any Seller Personnel does not perform the Services in accordance with the Contract, or is absent from work without a reasonable cause, or ceases performance of the Services for any reason, including, but not limited to, resignation or termination, then the Seller shall notify the Buyer immediately and, within five (5) business days, unless otherwise agreed with the Buyer, propose replacement personnel of equivalent qualification, skill and experience for the Buyer's approval.
- F. The Seller agrees that the Buyer shall not be liable for any charges attributable to the first five (5) business days of Services undertaken by Seller Personnel who subsequently prove to be unsatisfactory in the reasonable opinion of the Buyer. The Buyer agrees in turn to notify the Seller of such unsatisfactory performance in a timely manner, which will enable the Seller to provide a substitute, if required, with the least possible impact on the Buyer's schedule requirements.
- G. The Seller shall not, without the prior written consent of the Buyer, during the term of this Contract and for a period of one (1) year after the date of termination or expiration of this Contract, solicit for employment any person(s) employed by the Buyer and performing the Services. The Seller's normal advertising to the public and/or disclosure to recruiters of employment openings is not restricted by this Clause.

**10. WARRANTIES AND LIABILITY**

- A. The Seller warrants to the Buyer that, and shall ensure that, the Services and Deliverables will be provided:
1. by appropriately qualified and trained personnel, performed with due skill, care and diligence and to such a high standard of quality as it is reasonable for the Buyer to expect in all the circumstances in accordance with this Contract; and

2. in compliance with all applicable statutory requirements and regulations concerning the performance of the Services and with all applicable policies and procedures of the Buyer where the Services are carried out at any Buyer's premises.
- B. Without prejudice to any other remedy available to the Buyer, if the Services are not performed in accordance with this Contract, then the Buyer will be entitled to refuse to confirm satisfactory completion of the Services and require the Seller to re-perform such Services within seven (7) Days of notification. If re-performance of the Services is not timely, the Buyer may at its sole option: (a) elect to re-procure the non-conforming Services at the Seller's expense; or (b) treat this Contract as discharged by the Seller's breach and require the repayment of the Price (or any part thereof) which has been paid by the Buyer in respect of such rejected Services.
- C. The Seller will indemnify the Buyer in full against all liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred by the Buyer as a result of or in connection with: (a) breach of any warranty given by the Seller in relation to the Services; (b) any loss of or damage to property including the property of the Buyer and any personal injury or death caused in whole or in part by the neglect, act or omission of the Seller and/or the Seller Personnel; (c) any act or omission of the Seller or the Seller Personnel in connection with the supply of the Services; and (d) the performance or non-performance of the Services.
- D. Save in the event of (a) death or personal injury caused by negligence, (b) fraud or fraudulent misrepresentation, or (c) any other liability that cannot be excluded or limited by applicable law, the Buyer's liability under this Contract will be limited to the Price.
- E. This Clause 10 shall survive termination of the Contract.

## **11. TERMINATION**

- A. The Buyer will be entitled to cancel the Order in respect of all or part of the Services by giving written notice to the Seller at any time. Upon receipt of a notice of termination, and except as otherwise directed by the Buyer, the Seller shall immediately cease work. Termination under this Clause shall not affect the Buyer's obligation to pay for the Services performed up to the date of termination and the Buyer shall, in addition, be liable to pay the Seller its documented, reasonable and unavoidable direct costs incurred, subject always to Buyer's receipt of notice thereof and a detailed invoice therefore being presented within thirty (30) Days of such cancellation.
- B. The Buyer will be entitled to terminate this Contract without liability to the Seller by giving written notice to the Seller at any time if: (a) the Seller commits any breach or continuing breach of any of the terms of the Contract (which for the avoidance of doubt, shall automatically include a breach of Clauses 12, 13, 14 or 16) which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of fifteen (15) Days after being notified to do so; (b) the Seller becomes debarred from contracting with the government of the United Kingdom ("UK"), the United States of America ("USA"), any member of the European Union, or the United Nations, or becomes designated on a relevant sanctions list; or (c) the Seller makes any voluntary arrangement with its creditors (within the meaning of the insolvency Act 1986) or becomes subject to an administration order or goes into liquidation (otherwise than for the purpose of amalgamation or reconstruction), is unable to pay its debts as they become due, suffers any act of bankruptcy, any resolution or petition to wind up the Seller is passed or a third party seizes or threatens to seize the Services before legal ownership has passed to the Buyer in accordance with this Contract, an encumbrancer takes possession, or a receiver is appointed of any of the property or assets of the Seller, it ceases or threatens to cease to carry on business or any circumstance arises or event occurs in relation to the Seller or any of its material assets in any country or territory in which it carries on business or to the jurisdiction of whose courts it or any of its assets is subject which

corresponds with or has an effect equivalent or similar to any of those stated in this Clause 11.2(b).

- C. Upon the expiration or termination of this Contract for whatever reason, the Seller shall as soon as reasonably practicable return or destroy (as directed by the Buyer) the Buyer's Equipment, the Buyer Materials and any other documents, handbooks, materials and other information or data provided to it by the Buyer in the performance of the Contract, other than normal correspondence, letters, orders and the like.
- D. The rights and remedies of the Buyer in this Clause are in addition to any other rights and remedies provided by law or under this Contract.

## **12. PROHIBITED ACTIVITIES**

- A. Anti-Corruption Compliance: The Seller confirms its understanding of the UK Bribery Act 2010 (the "UKBA") and the United States Foreign Corrupt Practices Act (the "FCPA") (15 U.S.C. Section 78dd-1, et. seq.) as amended. The Seller represents, warrants and covenants that it will comply with and not violate any provision of the UKBA or the FCPA, regardless of applicability of the law as a whole to the Seller.
- B. The Seller specifically represents, warrants and covenants that:
  - 1. It has not and will not, directly or indirectly, pay, promise, offer, or authorise the payment of any money or anything of value to:
    - a. an officer, employee, agent or representative of any government, including any department, agency, or instrumentality thereof or any person acting in an official capacity thereof;
    - b. a candidate for political office, any political party or any official of a political party; or
    - c. any other person or entity;while knowing or having reason to know that all or any portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person or entity for the purpose of assisting the Buyer in obtaining or retaining business (including this Contract), or an improper business advantage. Without limiting the generality of the foregoing, the Seller shall not directly or indirectly, pay, promise, offer, or authorise the payment of any facilitation payment intended to expedite or secure performance of a routine governmental action, such as, customs clearance on behalf of the Buyer.
  - 2. No gratuities such as, but not limited to, gifts, travel expenses, business courtesies, hospitalities or entertainment of any nature have been or will be accepted or made in connection with this Contract where the intent was, or is, to unlawfully influence the recipient of the gratuity. The Seller also represents that any gratuities offered or provided shall meet the following conditions:
    - a. be permitted under the UKBA, the FCPA and the laws and regulations of the country in which this Contract will be performed;
    - b. be consistent with applicable social and ethical standards and accepted business practices;
    - c. be of such limited value as not to be deemed a bribe, payoff or any other form of improper inducement or payment; and
    - d. be of such nature that its disclosure will not cause embarrassment for the Buyer.
  - 3. Breach of any of the foregoing provisions of Clauses 12.2.1 and 12.2.2 by the Seller shall be considered an irreparable material breach of this Contract and shall entitle the Buyer to terminate this Contract immediately without compensation to the Seller.
- C. Prohibited Activity: Unless specifically authorised in writing by the Buyer, the Seller shall not engage in any of the following activities on behalf of the Buyer under this Contract: acting as an agent of the Buyer; marketing or sales promotion; lobbying; freight forwarding; offset



- consulting services; performing offset (industrial participation) consulting or brokering services; acting as a distributor or reseller; or activity as a joint venture party.
- D. Prohibited Contact: Unless specifically authorised in writing in advance by the Buyer, the Seller shall not contact, either directly or indirectly, public officials or government officials of any country in furtherance of its performance on behalf of the Buyer under this Contract.
  - E. No part of any compensation, fee or expense reimbursement paid by the Buyer will be used directly or indirectly to make any payment to any person or entity, or to provide any payment, gratuity, emolument, or other benefit to an official of any government or any political party.
  - F. In the event the Buyer notifies the Seller that the Buyer has information or reasonable belief that there may be a breach of this Contract by the Seller (or by the Buyer as a result of the activities of the Seller) or by an employee, agent, consultant or other party retained by or paid by the Seller in connection with the performance of this Contract, the Seller shall respond to the Buyer's inquiries as to the possible breach and upon request by the Buyer shall make available to the Buyer for audit the Seller's books, records and other relevant documentation.
  - G. If the Seller has information or belief that there may be a violation of the UKBA or the FCPA in connection with the performance of this Contract or work performed for the Buyer, the Seller shall immediately advise the Buyer of such knowledge or suspicion.

### **13. EXPORT AND IMPORT COMPLIANCE**

- A. Performance of the Order may involve the use of or access to products and technology of multiple origin, including the USA. The Seller shall comply with all applicable export laws, rules and regulations including but not limited to those of the UK, the European Union and the USA (collectively hereinafter referred to as the "Export Laws and Regulations"). From time to time, the United Nations, the European Union (and its Member States individually) and the USA may impose trade sanctions or embargoes involving trade with a particular nation. The scope of the Export Laws and Regulations identified in this Clause includes such sanctions and embargoes. The Seller shall comply with any and all Export Laws and Regulations, and any license(s) issued there under. The Seller is responsible for obtaining at its cost (unless otherwise stated in the Contract) all export authorisation(s) required to provide the Services to the Buyer. The Seller shall not re-transfer any export-controlled information (e.g. technical data, technology or software) in performance of the Contract to any other person or entity (including the Seller's dual and/or third-country national employees) without first complying with all the requirements of the applicable Export Laws and Regulations. Prior to any proposed re-transfer, the Seller shall first obtain the written consent of the Buyer and ensure any needed export authorisations have been obtained.
- B. No consent granted by the Buyer in response to any Seller's request shall relieve the Seller of its obligations to comply with the provisions of Clause 13.1 or the Export Laws and Regulations, nor shall any such consent constitute a waiver of the requirements of Clause 13.1 hereinabove, nor constitute consent for the Seller to violate any provision of the Export Laws and Regulations.
- C. For all Services and Deliverables rendered by the Seller to the Buyer, the Seller shall provide the classification on the UK Strategic Goods Lists or the export control laws and regulations of the applicable country of origin for such products, except when the Seller is manufacturing to the Buyer's design. If any Deliverables furnished by the Seller to the Buyer is subject to the ITAR (i.e., contains any ITAR-controlled content, or was produced using ITAR-controlled technical data or ITAR-controlled defence services), or "Subject to the EAR" as defined in Part 734 of the U.S. Export Administration Regulations (i.e., is U.S.-origin, or contains more than applicable de minimis levels of controlled U.S. content as defined in 15 C.F.R. §734.4 and Supplement 2 to Part 734 of the EAR, or is the "foreign produced direct product of U.S.-origin software or technology" as described in 15 C.F.R. § 736.2(b)(3)), the Seller shall provide the

applicable Export Control Classification Number ("ECCN") or ITAR categorization for such Goods, except when the Seller is manufacturing to the Buyer's design. If the Seller is not the Original Equipment Manufacturer (OEM), the Seller shall obtain the applicable export control classification information from its source of supply. The Seller will include the export controls information on its packing slips and shipping documentation and also provide to the Buyer at the Buyer's request.

- D. The Seller shall comply with the Export Laws and Regulations pertaining to the importations of the Services. For domestic purchase orders (that is, Contracts issued to entities addressed in the same country as the Buyer), the Seller shall assume all import responsibilities. When requested by the Buyer, the Seller shall provide the Buyer with any documentation that is reasonably necessary for the Buyer to comply with any applicable import regulations. Unless otherwise agreed in writing, the Buyer will not assume any import responsibility or liabilities for customs duty and other taxes for Services procured through a domestic purchase order.

#### **14. ANTI-HUMAN TRAFFICKING**

- A. The Buyer prohibits its employees, agents, subcontractors, suppliers and contract labour from engaging in activities that support or promote trafficking in persons, including, but not limited to, any of the following:
1. Trafficking in persons, including, but not limited to the following:
    - a. sex trafficking; or
    - b. the recruitment, harbouring, transportation, provision, or obtaining of a person for labour or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, debt bondage, or slavery.
  2. The procurement of a commercial sex act;
  3. The use of forced labour in the performance of company business;
  4. The use of any form of child labour;
  5. The use of misleading or fraudulent recruitment activities;
  6. Charging employees' recruitment fees;
  7. Failing to pay for the return transportation at the end of employment for an employee who is not a national of the country in which the work is taking place and who was brought into that country for the purpose of working;
  8. Providing or arranging housing that fails to meet the host country housing and safety standards; or
  9. If required, failing to provide an employment contract, recruitment agreement, or similar work document in writing, in the individual's native language and prior to the individual departing from his or her country of origin.
- B. The Seller represents and warrants that it shall abide by and comply with the requirements of this Clause and any relevant applicable laws or regulations. Further, the Seller shall require its employees, agents, contract labour, subcontractors and suppliers to abide by and comply with the requirements of this Clause.
- C. The Buyer or its authorised representatives may, at any time, audit all pertinent books, records, work sites, offices, and documentation of the Seller in order to verify compliance with this Clause. The Seller will, in all of its lower-tier subcontracts and contracts relating to this or any other Buyer's Contract with the Seller, include provisions which secure for the Buyer all of the rights and protections provided for within this Clause.
- D. The Seller acknowledges that if the Seller or any of its employees, agents, or contract labour engages in any of the prohibited activities in this Clause, this Contract is subject to termination.
- E. Whenever the Seller has knowledge, whether substantiated or not, that any actual or suspected violation of this Clause has occurred, the Seller shall immediately give written notice

to Buyer and provide all relevant information including, but not limited to, the nature of the actual or suspected violation.

- F. The Seller shall provide its full cooperation during any subsequent investigation of the actual or suspected violation by the Buyer, the Buyer's representative, or regulatory authority. Seller's cooperation shall include, but not be limited to, permitting inspection of its work sites, offices, and documentation, as necessary to support any investigation.
- G. The Seller shall, at its own expense, defend, indemnify and hold harmless the Buyer and its affiliates, and all of their directors, officers, agents, employees, successors and assigns, against any claims, loss, damage or expense, regardless of how arising and even if unforeseeable, including, without limitation, payment of direct, special, incidental and consequential damages and attorney's fees, arising out of, or relating to, the Seller's or the Seller's employees, agents, subcontractors, suppliers or contract labour's failure to comply with the requirements of this Clause.
- H. The Seller agrees to insert the substance of this Clause, including this sentence, in any lower-tier subcontract or labour contract.

### **15. Status**

- A. The relationship of the Seller (and the Seller Personnel) to the Buyer will be that of independent contractor and nothing in this Contract shall render the Seller (nor the Seller Personnel) an employee, worker, agent or partner of the Buyer and the Seller shall not hold itself out as such and shall procure that the Seller Personnel shall not hold themselves out as such.
- B. This Contract constitutes a contract for the provision of services and not a contract of employment and accordingly the Seller shall be fully responsible for and shall indemnify the Buyer for and in respect of:
  - 1. any income tax, National Insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with either the performance of the Services or any payment or benefit received by the Seller Personnel in respect of the Services, where the recovery is not prohibited by law. The Seller shall further indemnify the Buyer against all reasonable costs, expenses and any penalty, fine or interest incurred or payable by the Buyer in connection with or in consequence of any such liability, deduction, contribution, assessment or claim other than where the latter arise out of the Buyer's negligence or wilful default;
  - 2. any liability arising from any employment-related claim or any claim based on worker status (including reasonable costs and expenses) brought by the Seller or the Seller Personnel against the Buyer arising out of or in connection with the provision of the Services.
- C. The Buyer may at its option satisfy such indemnity (in whole or in part) by way of deduction from any payments due to the Seller.

### **16. COMPLIANCE WITH LAWS**

- A. Without limiting any other obligations under these Conditions, the Seller shall ensure that, at all times in the performance of the Services, it complies with all applicable laws and regulations, and shall ensure that the Seller Personnel similarly comply.
- B. The Seller shall specifically ensure that it complies with all laws, in any part of the world, in relation to the registration for or payment of any taxes which might be due in connection with the performance of the Services under this Contract. Without limiting the foregoing, the Seller shall: (a) not, directly or indirectly, knowingly participate in, be concerned in or take steps with a view to, the fraudulent evasion of tax by another person; (b) provide prompt notification to the Buyer of any tax offence related to the provision of the Services or any

attempt to evade the proper payment of tax in relation to the Services; and (c) include the substance of this Clause in all subcontracts or other agreements with its agents, representatives or subcontractors performing any of the Services and be responsible for the observance and performance by such agents, representatives or subcontractors of this Clause. For purposes of this Clause 16.2, the terms "tax" or "taxes" include income tax, property tax, sales tax, value added tax, and similar taxes.

- C. The Seller shall maintain environmental, health and safety management systems as appropriate to ensure compliance with applicable laws. The Seller further agrees to continuously promote a safe and healthy workplace and a sustainable environment related to water and air quality, water and energy conservation, greenhouse gas emission reductions, solid and hazardous waste reductions. The Seller shall convey the requirement of this Clause to its suppliers.

## **17. SUPPLIER STANDARDS OF BUSINESS CONDUCT**

Pursuant to Seller's certified profile in Buyer's supplier management system, Seller shall comply with the Northrop Grumman Standards of Business Conduct for Suppliers and Other Trading Partners (available at <https://www.northropgrumman.com/suppliers/doing-business-with-northrop-grumman/northrop-grumman-standards-of-business-conduct-for-suppliers-and-other-trading-partners/>) (the "Northrop Grumman Supplier Code") or Seller's equivalent. Seller shall ensure that its employees are aware of the compliance requirements, as outlined in the Northrop Grumman Supplier Code or Seller's equivalent, and the importance of ethical behaviour. Seller represents and warrants that it has not participated, and will not participate, in any conduct that violates the Northrop Grumman Supplier Code or Seller's equivalent. If Buyer determines that Seller is in violation of the Northrop Grumman Supplier Code or Seller's equivalent, Buyer may terminate this Order upon written notice to Seller and Buyer shall have no further obligation to Seller. If Seller's equivalent ever ceases to be equivalent to the Northrop Grumman Supplier Code, Seller shall immediately comply with the Northrop Grumman Supplier Code.

## **18. NOTIFICATION OF STATUS CHANGE**

- A. The Seller agrees to provide prompt notification to the Buyer of any event or change in circumstances that could affect the Seller's performance of the Contract such as ineligibility to contract with the government of the UK or USA, designation on a UK, USA, or European Union sanctions list, assignment of consent agreement, change in place of performance, decrease in manufacturing capacity, diminishing manufacturing sources or material shortages, increase in production requirements, labour reductions, financial or organizational conflicts of interest, and significant financial conditions requiring any of the preceding changes.
- B. By accepting this Contract, the Seller certifies that the most recent representations and certifications provided by the Seller continue to remain valid and unchanged. If the Seller provided anti-corruption compliance due diligence information (e.g., related to its ownership and personnel, subsidiaries and third parties, the due diligence questionnaire, and related certifications) to a Buyer representative or through the Buyer's Global Trust website, the Seller shall provide the Buyer with prompt notification and details of any changes to information contained in such due diligence materials, and agrees to promptly cooperate with the Buyer and provide additional information reasonably requested in relation to such changes. In the event of a material change to information contained in the due diligence material supplied to the Buyer, the Buyer reserves the right to suspend performance under this Contract by providing written notice to the Seller in order for the Buyer to conduct additional anti-corruption due diligence upon such changed circumstances.
- C. The Seller shall notify the Buyer of any proposed change in Control within thirty (30) Days prior to such event. The notice shall describe in reasonable detail the proposed transaction

structure and any proposed changes to management, operations, domicile, key locations, the board of directors and/or ownership (along with a commitment to cooperate with the Buyer and provide additional information reasonably requested related to such proposed change in Control). The Seller shall not effect a change in Control without prior, written consent from Buyer, such consent not to be unreasonably withheld. For purposes of this Contract, "**Control**" means the power, directly or indirectly, to (a) vote more than fifty (50) percent of the securities that have ordinary voting power for the election of the Seller's directors; or (b) direct, or cause the direction of, the management and policies of the Seller whether by voting power, contract, or otherwise. If a person obtains Control by acquiring more than fifty (50) percent of the securities that have ordinary voting power for the election of the Seller's directors, that acquisition may be accomplished by one or multiple transfers.

- D. Failure to provide the notice under this Clause shall be deemed a material breach of this Contract.

## **19. RESPONSE TO AUDIT**

- A. The Buyer shall have access to and the right to examine any of the Seller's directly pertinent records involving transactions related to this Contract and to interview any current employee regarding such transactions. This requirement may not be construed to require the Seller to create or maintain any record that the Seller does not maintain in the ordinary course of business or pursuant to a provision of law.
- B. Without prejudice to clause 19.1, if the Buyer reasonably suspects the Seller of breach of Clauses 12, 13 and/or 16, the Buyer and its third party representatives shall have the right to immediately access and take copies of any records and any other information held at the Seller's premises and to meet with the Seller's staff to audit the Seller's compliance with its obligations under Clauses 12, 13 and/or 16.
- C. For the purpose of this Clause 19, the Seller shall make available at its premises at all reasonable times the records, materials, and other evidence for examination, audit, or reproduction, until seven (7) years after final payment under this Contract or for any longer period required by other Clauses of this Contract.

## **20. GENERAL**

- A. Force Majeure: Neither Party will be liable to the other for any failure to comply with its obligations due to the following events: acts of God, civil or military disturbances, acts of governmental authority, or industrial action (excluding industrial action of the Seller's employees) (each a "Force Majeure Event"). In the event that a Party suffers a Force Majeure Event it will notify the other Party of such as soon as reasonably possible (and in any event within seven (7) Days) and advise the other Party of the date it expects to resume performance of the Services as the case may be. In the event that the Force Majeure Event endures for more than sixty (60) Days, the Parties will meet and review in good faith, the desirability of and conditions for continuation of the Contract and any failure to resolve the same will entitle the Buyer to terminate the Contract (in whole or in part) without further liability to the Seller. The Buyer will have the right to seek a third party source for Services, at its own expense, during the Force Majeure Event, without liability to the Seller for any Services affected by the Force Majeure Event.
- B. Assignment: The Seller shall not assign or transfer, in whole or in part, this Contract or any of its rights, payments, claims or interest under this Contract without the Buyer's prior, written consent. Any purported assignment in contravention of this Clause shall be deemed null and void.

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- C. Sub-contracting: The Seller shall not subcontract the entirety or any part of this Contract without the prior written authorisation of the Buyer, and the Seller shall require an agreement with conforming performance requirements from immediate and lower-tier suppliers.
- D. Notices: Any notice, consent, permission or other communication required or permitted to be given by either Party to the other Party under the Contract will be: (a) in writing in English; (b) signed by or on behalf of the sender; and (c) addressed to the other Party at its registered office or principal place of business or such other address as may have been notified pursuant to this provision to the Party giving the notice. Notices must be delivered by at least one of the following delivery methods: hand, recorded delivery post (or any equivalent postal service) or e-mail. For notice delivered by email, the delivery email addresses will be those addresses as are set out in the Contract as the case may be or as notified to the other Party from time to time. Email will be deemed received at the time and date of transmission shown on the saved sent copy. Notices delivered by hand or post shall be deemed delivered on, if delivered by hand, when left at the address referred to in part (a) of this Clause 20.4 and, if sent by post one (1) day after receipt of such notice by the Buyer. The provisions of this Clause 20.4 shall not apply to the service of any proceedings or other documents in any legal action.
- E. No Waiver: The failure by the Buyer to exercise, or its delay in exercising, a right, power or remedy provided by this Contract or by law will not constitute a waiver by the Buyer of that right, power or remedy. If the Buyer waives a breach of any provision of this Contract this will not operate as a waiver of a subsequent breach of that provision, or as a waiver of a breach of any other provision.
- F. Severability: If any provision, or part of a provision, of this Contract is found by any court or authority of competent jurisdiction to be illegal, invalid or unenforceable in whole or in part that provision or part-provision will be deemed not to form part of this Contract, and the legality, validity or enforceability of the remainder of the provisions of this Contract will not be affected, unless otherwise required by operation of applicable law. The Parties will use all reasonable endeavours to agree within a reasonable time upon any lawful and reasonable variations to this Contract which may be necessary in order to achieve, to the greatest extent possible, the same commercial effect as would have been achieved by the provision, or part-provision, in question.
- G. Dispute Resolution: Should any question, dispute or difference whatsoever arise between the Parties in relation to or in connection with this Contract: (a) the Buyer or the Seller may give notice to the other in writing of the existence of such a question, dispute or difference and nominated representatives of both Parties will meet within fourteen (14) Days of such notice to attempt to reach a solution; (b) if the Parties are unable to resolve any dispute within fourteen (14) Days of its referral under (a) above, then the Parties will attempt to settle it by mediation in accordance with the Centre for Effective Dispute Resolution's (CEDR's) Model Mediation Procedure; (c) if no mutually acceptable solution is found pursuant to (b) above, then the matter will be finally settled in accordance with the Arbitration Rules of the International Chamber of Commerce by three (3) arbitrators, which Rules are deemed to be incorporated by reference into this Clause. Arbitration will take place in London, England and the language to be used in the proceedings will be English; (d) the prevailing Party in any arbitration or legal proceeding brought by one Party against the other Party and arising out of or in connection with this Contract will be entitled to recover its legal expenses, including arbitration costs, court costs and reasonable lawyers and experts fees.
- H. Governing Law: The Contract (and any part thereof) and any disputes or claims arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) will be governed by the laws of England and Wales. Subject to Clause 20.7, the courts of England and Wales will have exclusive jurisdiction to settle any dispute or claim

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arising out of or in connection with this Contract (including any non-contractual disputes or claims).

- I. **Offset:** The total value of this Contract is to be applied as offset credit in support of any present or future offset obligations, in the Seller's country, of the Buyer or its parent company or affiliates. The Buyer will have the right to assign, sell or otherwise transfer such credits to third parties of its choice.
- J. **Confidentiality:** A Party (the "Receiving Party") will keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Receiving Party by the other Party (the "Disclosing Party"), its employees, agents or subcontractors, and any other confidential information concerning the Disclosing Party's business or its products or its services which the Receiving Party may obtain. The Receiving Party will restrict disclosure of such confidential information to such of its employees, agents or subcontractors as need to know it for the purpose of discharging the Receiving Party's obligations under this Contract, and will ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Receiving Party. On termination or expiry of the Contract, the Receiving Party shall: (a) return to the Disclosing Party all documents and materials (and any copies) containing, reflecting, incorporating or based on the Disclosing Party's confidential information; and (b) erase all of the Disclosing Party's confidential information from computer and communications systems and devices used by it, including such systems and data storage services provided by third parties (to the extent technically practicable). This Clause shall survive termination and the Parties agree that damages alone would not be an adequate remedy in the event of breach by either party of the provisions of this Clause 20.10.
- K. **Entire Agreement:** This Contract represents the entire agreement between the Parties with respect to the subject matter hereof and will apply to this Contract to the exclusion of any other terms or conditions purported to apply by any other document. Each Party acknowledges that it has not relied on any statement, promise or representation made or given by or on behalf of the other Party which is not set out in the Contract, and waives all rights and remedies which might otherwise be available to it in relation to any such statement, promise or representation, but for this Clause 20.11. Nothing in this Contract will exclude or limit either Party's liability for fraud or fraudulent misrepresentation.
- L. **Independent Contractors:** Nothing in this Contract will (except as expressly provided) be deemed to constitute a partnership, or create a relationship of principal and agent between the Parties for any purpose.
- M. **Publicity:** The Seller will not make public in any way any details of this Contract without the written agreement of the Buyer.
- N. **Third Parties:** The Contract is enforceable by the original Parties only and no other persons will have any rights either under the Contracts (Right of Third Parties) Act 1999 or otherwise to enforce any term of this Contract. The term "original Parties" will include the Buyer's parent company and any associated subsidiaries within or affiliated branches of the Northrop Grumman group.
- O. **Amendments:** No alterations or amendments to this Contract will be effective unless contained in a written document signed by the authorised representatives of each of the Parties.
- P. **Survival:** Any terms of this Contract which are either expressed so as to survive (or are capable of surviving) expiry, variation or termination of this Contract or from their nature or context it is contemplated that they are to survive expiry, variation or termination, will remain in full force and effect notwithstanding expiry, variation or termination.

- Q. Annex – Data Processing Description: Include the following information in the Order or Framework Agreement:
1. Subject-matter and duration of the Processing;
  2. Nature and purposes of the Processing;
  3. Types of Personal Data
  4. Data Subjects

## **21. SPECIFICATIONS AND INTELLECTUAL PROPERTY**

- A. The quantity, quality and description of the Services and Deliverables will be subject to these Conditions and will be as specified in the Order or the Framework Agreement and/or in any applicable Specification or Special Terms supplied by the Buyer to the Seller or agreed in writing by the Buyer.
- B. Any Specification supplied by the Buyer to the Seller, or specifically produced by the Seller for the Buyer, in connection with this Contract, together with any Intellectual Property in such Specification(s), will be the exclusive property of the Buyer and the Seller will take all steps necessary to vest such rights in or to Intellectual Property Rights in the Buyer. The Seller will not disclose to any third party or use any such Specification except to the extent that it is or becomes public knowledge through no fault of the Seller, or as required for the purpose of this Contract.
- C. The Buyer and its licensors shall retain ownership of all the Intellectual Property Rights in the Buyer Materials and the Buyer's Equipment ("Buyer Background IPRs"). The Buyer grants the Seller a fully paid-up, non-exclusive, royalty-free, non-transferable licence to copy and modify the Buyer Background IPRs for the term of the Contract solely for the purpose of providing the Services and the Deliverables to the Buyer in accordance with the Contract.
- D. The Seller and its licensors shall retain ownership of all the Intellectual Property Rights that are owned by or licensed to the Seller and which are or have been developed independently of this Contract in each case either subsisting in the Services and Deliverables or otherwise necessary or desirable to enable the Buyer to receive and use the Services ("Seller Background IPRs"). The Seller grants the Buyer, or shall procure the direct grant to the Buyer of, a fully paid-up, worldwide, non-exclusive, royalty-free perpetual and irrevocable licence to copy and modify the Seller Background IPRs for the purpose of receiving and using the Services and the Deliverables. The Buyer may sub-license the rights granted in this clause 21.3 to the Buyer's customer for the purpose of such customer's receipt of the Services where necessary and as detailed in the Order or the Framework Agreement.
- E. If in the course of rendering any Services any Seller Personnel develop, either individually or in conjunction with any other person, any Intellectual Property Rights ("Developed IPR") the Seller will, and will procure that each of Seller Personnel will, promptly disclose full details thereof to the Buyer and all rights in the same will vest in the Buyer. The Seller: (a) hereby assigns to the Buyer, by way of present and future assignment, all its rights, title and interest in any Developed IPR so arising (whether now existing or brought into being in the future) anywhere in the world; and (b) will consider itself as a trustee for the Buyer in relation to all Developed IPR and will at the request and expense of the Buyer do all things necessary to vest all rights, title and interest in any Developed IPR arising in the Buyer or its nominee absolutely as legal and beneficial owner and to secure patent or other appropriate forms of protection for such Developed IPR, including procuring that any Seller Personnel will assign all their rights, title and interest in any Developed IPR.
- F. The Seller shall indemnify the Buyer against liability, claims and losses, including costs, for actual or alleged infringement of any Intellectual Property Rights arising out of the performance of the Services under this Contract or out of the use or disposal by the Buyer of



such Services. This indemnity shall not apply unless the Seller shall have been informed as soon as practicable by the Buyer of the suit or action or other proceeding alleging such infringement and shall have been given such opportunity as is afforded by applicable laws, rules or regulations to participate in the defence thereof.

- G. The indemnity in Clause 21.5 shall also not apply if: (a) the infringement results from compliance with specific written instructions of the Buyer directing a change in the Services to be delivered or in the materials or equipment to be used, or directing a manner of performance of this Contract not normally used by the Seller, or (b) the infringement results from an addition to, or change in, the Services made subsequent to performance by the Seller, or (c) the claimed infringement is settled without the consent of the Seller, unless required by final decree of a court of competent jurisdiction.
- H. The terms of this Clause 21 shall survive termination or completion of this Contract.

## **22. DATA PROTECTION**

- A. For the purpose of this Contract, "Controller", "Processor", "Personal Data", "Data Subject", "Processing" and "Personal Data Breach" shall have the meanings ascribed to them in the EU General Data Protection Regulation or the UK Data Protection Act 2018 or any other law relating to data protection enacted in connection with the United Kingdom's ("UK") departure from the EU.
- B. The Seller shall ensure, where it Processes Personal Data as a Processor under this Contract, that:
  - 1. It Processes Personal Data only on the Buyer's documented instructions, unless the Seller is required to Process Personal Data by European Union ("EU") law, EU Member State law or UK law to which the Seller is subject. In such a case, the Seller shall inform the Buyer of that legal requirement before Processing Personal Data, unless that law prohibits such information on important grounds of public interest;
  - 2. It immediately informs the Buyer if, in the Seller's opinion, an instruction infringes applicable data protection provisions;
  - 3. It ensures that persons authorized to Process Personal Data have committed themselves to confidentiality or are under an appropriate statutory obligation of confidentiality;
  - 4. It implements technical and organizational measures to ensure a level of security appropriate to the risks presented by the Processing of Personal Data which the Seller shall complete in the format set out in the Annex below and include as part of the Specification, including inter alia, as appropriate:
    - a. The pseudonymisation and encryption of Personal Data;
    - b. The ability to ensure the ongoing confidentiality, integrity, availability and resilience of Processing systems and services;
    - c. The ability to restore the availability and access to Personal Data in a timely manner in the event of a physical or technical incident;
    - d. A process for regularly testing, assessing and evaluating the effectiveness of technical and organizational measures for ensuring the security of the Processing.
  - 5. Taking into account the nature of the Processing of Personal Data, it assists the Buyer, by appropriate technical and organizational measures, insofar as this is possible, in fulfilling the Buyer's obligation to respond to requests for exercising Data Subjects' rights.
  - 6. It assists the Buyer in ensuring compliance with the Buyer's obligations regarding security of Processing, notifications of a Personal Data Breach to the supervisory authority and to the data subject, conducting data protection impact assessments and related prior consultations with the supervisory authority;

7. It will notify the Buyer without undue delay and in no case later than twenty-four (24) hours after becoming aware of a Personal Data Breach in any way impacting Personal Data being Processed on behalf of the Buyer under this Contract.
  8. At the Buyer's choice, it deletes or returns all Personal Data to the Buyer after the end of the provision of the services relating to the Processing, and deletes existing copies, unless EU law, the law of EU Member State to which the Seller is subject or UK law requires storage of Personal Data; and
  9. It makes available to the Buyer all information necessary to demonstrate compliance and allow for and contribute to audits, including inspections, conducted by the Buyer or another auditor mandated by the Buyer.
- C. The Buyer agrees that the Seller may subcontract any of the Processing operations performed on behalf of the Buyer under this Contract, subject to the proviso that the Seller shall provide the Buyer with a list of all the sub-processors under the Annex. The Seller shall notify the Buyer of any intended changes concerning the addition or replacement of sub-processors and give the Buyer the opportunity to object to such changes. Where the Seller engages a sub-processor for carrying out specific Processing activities on behalf of the Buyer, the Seller shall ensure that such sub-processor has entered into a written agreement that imposes the same data protection obligations as set out in this Clause. Where the sub-processor fails to fulfil its data protection obligations, the Seller shall remain fully liable to the Buyer for the performance of that sub-processor's obligations.

### **23. INFORMATION SECURITY**

- A. Definitions
1. "Data" means all financial/business information, designs, dimensions, specifications, drawings, patterns, computer files or software, know how, or other information, including technical data, concerning methods, manufacturing processes, equipment, gauges and tools used in the provision of Services. Data may be recorded in a written or printed document, computer or electronically stored, software, or any other tangible form of expression.
  2. "Information Security Incident" means (i) any actual or potential incident involving any Information System or equipment owned or controlled by the Seller that may involve the Buyer's Sensitive Information, or (ii) any actual or potential unauthorized access to, use, or disclosure of the Buyer's Sensitive Information.
  3. "Information" means any communication or representation of knowledge such as facts, Data, or opinions, in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audio visual.
  4. "Information System" means a discrete set of Information resources that collect, process, maintain, use, share, disseminate, or dispose Information.
  5. "Procurement Contracting Official (PCO)" means the person authorized by the Buyer to administer and/or execute this Contract and who has sole authority to make contractual commitments on behalf of the Buyer, to provide contractual direction, and to change contractual requirements of this Contract.
  6. "Sensitive Information" means any Information that is collected, processed, maintained, used, shared, or disseminated in connection with this Contract that warrants protection to ensure its confidentiality, integrity and availability including, but not limited to, any Buyer's proprietary or confidential Information and third party proprietary Information, and Personal Data.
- B. Reasonable and Appropriate Security Controls
1. The Seller shall apply reasonable and appropriate administrative, technical, physical, organizational, and operational safeguards and operations to protect Sensitive Information

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against accidental and unlawful destruction, alteration, and unauthorized or improper disclosure or access regardless of whether such Sensitive Information is on Seller's internal systems or a cloud environment.

2. If the Seller's performance of the Contract involves the transmission, storage, or processing of Sensitive Information on an Information System, Seller shall at a minimum apply the following controls:
  - a. Basic Safeguarding Controls
    - i. Limit Information System access to authorized users, processes acting on behalf of authorized users, or devices (including other Information Systems).
    - ii. Limit Information System access to the types of transactions and functions that authorized users are permitted to execute.
    - iii. Verify and control/limit connections to and use of external Information Systems.
    - iv. Control Information posted or processed on publicly accessible Information Systems.
    - v. Identify Information System users, processes acting on behalf of users, or devices.
    - vi. Authenticate (or verify) the identities of those users, processes, or devices, as a prerequisite to allowing access to the Seller's Information Systems.
    - vii. Sanitize or destroy Information System media containing Sensitive Information before disposal or release for reuse.
    - viii. Limit physical access to the Seller's Information Systems, equipment, and the respective operating environments to authorized individuals.
    - ix. Escort visitors and monitor visitor activity; maintain audit logs of physical access; and control and manage physical access devices.
    - x. Monitor, control, and protect the Seller's communications (i.e., Information transmitted or received by the Seller's Information Systems) at the external boundaries and key internal boundaries of the Information Systems.
    - xi. Implement sub-networks for publicly accessible system components that are physically or logically separated from internal networks.
    - xii. Identify, report, and correct Information and Information System flaws in a timely manner.
    - xiii. Provide protection from malicious code at appropriate locations within the Seller's Information Systems.
    - xiv. Update malicious code protection mechanisms when new releases are available.
    - xv. Perform periodic vulnerability scans of the Information System and real-time scans of files from external sources as files are downloaded, opened, or executed.
  - b. Additional Basic Security Controls
    - i. Establish and enforce security configuration settings for information technology products employed in the Seller's Information Systems.
    - ii. Establish and maintain data protection processes and systems to adequately protect Sensitive Information, including pertaining to destruction methods employed, how audit and system log information is protected, and having the capability to encrypt Sensitive Information during transmission.
    - iii. Ensure that risks identified in scans performed under Clause 23.B.2.a.xv are promptly addressed.
- C. Information Security Incident Response and Notification
  1. The Seller must have documented processes that address Information Security Incidents. These processes should be a set of written instructions that include, but are not limited to: detecting, responding to, and limiting the effects of an Information Security Incident.

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2. Immediately after and in any event no later than 72 hours of discovery, the Seller will notify the Buyer's PCO and Buyer's Cyber Security Operations Center (CSOC) at [csoc@euro.ngc.com](mailto:csoc@euro.ngc.com) of any Information Security Incident. At the Seller's expense, the Seller will (i) immediately investigate any Information Security Incident, (ii) make all reasonable efforts to secure Sensitive Information and mitigate the impact of the Information Security Incident, (iii) provide timely and relevant information to the Buyer about the Information Security Incident on an ongoing basis, and (iv) cooperate as applicable with the Buyer to provide notice to affected third parties.
3. This Clause does not relieve the Seller of any other applicable safeguarding requirements, remedies, or obligations regarding the protection of Sensitive Information required by this Contract, under common law or other governmental agencies or departments, including but not limited to the Official Secrets Act 1986, the Defence Reform Act 2014, the Single Source Contract Regulations 2014, the Network and Information Systems Regulations 2018, and the UK Ministry of Defence, Standard form defence terms and conditions (DEFCONs).
- D. The Seller shall respond promptly and appropriately to any inquiries from the Buyer related to compliance with this Clause to include documentation of implemented controls and processes discussed above.