

STANDARD CONDITIONS OF PURCHASE**1. DEFINITIONS**

In this Order:

BAE Systems: means BAE Systems Australia Limited ABN 29 008 423 005 or the BAE Systems entity identified on the Order.

BAE Systems Group: means BAE Systems plc and any of its wholly-owned subsidiaries from time to time within the meaning of Section 1159 of the UK Companies Act 2006.

BAE Systems Information: means any and all data, information or material provided directly or indirectly by or on behalf of BAE Systems to the Supplier under the Order, including any Intellectual Property, Controlled Material, Confidential Information and Personal Information, and including any information owned by or originating from BAE Systems' customers.

BCP: means a business continuity plan described in clause 33.

Change of Control: means,

- a. when a body corporate or entity that Controls the Supplier or a parent company of the Supplier, ceases to Control the Supplier or a parent company of the Supplier;
- b. when a body corporate or entity that does not Control the Supplier or a parent company of the Supplier, comes to Control the Supplier or a parent company of the Supplier;
- c. a change to the location of the Supplier or a parent company of the Supplier; or
- d. a change to the debarment status of the Supplier or a parent company of the Supplier.

For the avoidance of doubt, reference to a parent company in the above includes the immediate and the ultimate parent company.

CoA: means the Commonwealth of Australia represented by the Department of Defence (ABN 68 706 814 312) or the equivalent entity.

Conditions: mean these BAE Systems Standard Conditions of Purchase.

Confidential Information: means any and all confidential information, including without limitation any and all technical, financial, commercial or other information or trade secrets, (howsoever recorded, preserved or disclosed) disclosed directly or

indirectly by the Disclosing Party to the Receiving Party and either identified by a suitable legend or other marking as being confidential (or similar designation) in a prominent position or described as being confidential at the time of disclosure or which would reasonably be considered to be confidential having regard to all the circumstances of the disclosure; any information obtained by examination, testing or analysis in any way from such confidential information; and any derivative of any such confidential information provided that Confidential Information shall not include any information which the Receiving Party can show through documentary evidence:

- (a) is or becomes publicly available otherwise than as a result of a breach of the Order or the fault of the Receiving Party;
- (b) has been lawfully received from a third party without restriction as to its use or disclosure;
- (c) was already in its possession free of any such restriction as to its use or disclosure prior to receipt from the Disclosing Party;
- (d) was independently developed by or for the Receiving Party without making use of any Confidential Information; or
- (e) has been approved for release or use (in either case without restriction) by written authorisation of the Disclosing Party,

and, for the avoidance of doubt and without prejudice to the generality of the above, Confidential Information (i) shall not be deemed to be publicly available merely because it may be derived from one or more items that are publicly available, and (ii) shall include intellectual property, Controlled Material, and Personal Information.

Control: means, in relation to the Supplier or a parent company of the Supplier, any of the following:

- a. the ability to exercise or control the exercise of the right to vote in respect of 20% or more of the voting shares or other form of voting equity in the Supplier or a parent company of the Supplier;
- b. the ability to dispose or exercise control over the disposal of 20% or more of the shares or other form of equity in the Supplier or a parent company of the Supplier;

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c. the ability to appoint or remove a majority of the directors of the Supplier or a parent company of the Supplier;

d. the ability to exercise or control the exercise of the casting of a majority of votes at the meeting of the board of directors of the Supplier or a parent company of the Supplier; and

e. any other means, direct or indirect, of dominating the decision making and financial and operating policies of the Supplier or a parent company of the Supplier.

Controlled Data Set: means any BAE Systems Information that is subject to additional controls in respect of the handling and protection of that information, including but not limited to any information with document protection markings, government classified information, information relating to Controlled Material, and CoA or Defence information;

Controlled Material: means any of the material provided or used in connection with the Agreement which is regulated by the ITAR, the EAR, the US Arms Export Control Act, the UK Export Control Order 2008, the EU Dual-Use Regulation, the *Australian Customs Act 1901* (Cth), the *Australian Defence Trade Controls Act 2012* (Cth) or any other laws or regulations of any jurisdiction relating to import or export controls.

Counterfeit Supplies: means (i) Supplies which have been identified, marked and/or altered by a source other than the Suppliers' legally authorised source and which have been misrepresented to be an authorised item of the legally authorised source and/or (ii) previously used Supplies provided as new.

Covered Telecommunications Equipment: means equipment, products, or services produced by Huawei Technologies Company, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, Dahua Technology Company, ZTE Corporation (or any subsidiary/affiliate of the aforementioned entities), or a company owned or controlled by The People's Republic of China (as further defined in the Federal Acquisition Regulation (FAR) 52.204-25, and listed as an excluded party in the United States Government System for Award Management (SAM) on its website).

Cyber Security Questionnaire: means any form of supplier cyber security questionnaire provided by

BAE Systems in the course of its business operations (which may include the questionnaire known as 'CFDI').

Data Breach: means any unauthorised access to, or unauthorised disclosure of, BAE Systems Information.

Data Contravention: means any use or disclosure of any BAE Systems Information in contravention of clause 8 and/or 9.

Declaration Form: means the Export Control Jurisdiction & Classification Declaration Form or any other form approved by BAE Systems Group General Counsel for the collection of jurisdiction and/or classification information from suppliers.

Disclosing Party: means a party which discloses any Confidential Information to the Receiving Party.

DISP: means the Australian Government Defence Industry Security Program.

DSGL Goods: has the meaning given to it in the DTCA.

DSGL Technology: has the meaning given to it in the DTCA.

DTCA: means the *Defence Trade Controls Act 2012* (Cth).

EAR: means US Department of Commerce's Export Administration Regulations. The EAR controls the export, re-export & transfer (in-country) of certain civil, dual use, and military items listed on the Commerce Control List or subject to the EAR.

EAR Technology: has the meaning given to it in the EAR.

FMS: means the US Government's Foreign Military Sales programme authorised by the Arms Export Control Act.

FMS Controlled Material: means any item provided under the FMS regime requiring US DoD approval for use and retransfer.

FMS Technology: means information provided under the FMS regime requiring US DoD approval for use and retransfer.

Indemnified Party: means BAE Systems and any member of the BAE Systems Group.

Good Industry Practice: means the exercise of that degree of competence and/or practices and standards which would reasonably and ordinarily be

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expected from a skilled and experienced supplier engaged in the same or similar type of business as the Supplier under similar circumstances, including without limitation, having similar financial resources.

Information Security Incident: means the actual or suspected occurrence of:

- a. a Data Breach or Data Contravention; and/or
- b. any unauthorised or accidental destruction, damage, deletion and/or loss of any BAE Systems Information (including copies).

ISRs: means the BAE Systems Information and cyber security requirements which are identified in the Supplementary Conditions and are attached to the Order.

ITAR: means the United States Law (Section 39, Arms Export Control Act, 22 USC 2779) as implemented by the US Department of State in the *International Traffic in Arms Regulations*. The ITAR controls the export, re-export & retransfer of defense articles and defense services enumerated on the US Munitions List (USML) (ITAR Part 121) or specially designed parts, components, accessories, attachments or associated equipment and systems specially designed for items enumerated on the USML.

ITAR Defense Article: has the meaning given to it in the ITAR..

ITAR Technical Data: has the meaning given to it in the ITAR..

Modern Slavery: means any activity, practice or conduct that would constitute or in any way be consistent with slavery, forced labour, involuntary servitude, debt bondage, human trafficking, or other slavery-like exploitation, and which is prohibited or defined as a modern slavery offence under any applicable anti-slavery and human trafficking laws, statutes and codes from time to time in force, including but not limited to the *Criminal Code Act 1995* (Cth), the *Modern Slavery Act 2018* (NSW), the *Modern Slavery Act 2018* (Cth), and the *Modern Slavery Act 2015* (UK). For the avoidance of doubt, Modern Slavery includes any conditions or practices similar to those prohibited under those laws, statutes, regulations and codes.

Loss: means any and all liability, damages, costs, losses, claims, and expenses of any nature whatsoever, directly or indirectly incurred.

Malware: means any virus, bug, logic bomb, malware, or other unauthorised, malicious or malignant code, program, routine or software protocol which causes a Relevant Impact to the proper performance, operation or use of a Relevant System.

Order: means the purchase order sent by BAE Systems to the Supplier via email, facsimile or mail and any listed attachments (including these Standard Conditions of Purchase) which together make up the contract between BAE Systems and the Supplier.

Permitted Party: means any of the Supplier's employees, agents, consultants, professional advisors and/or approved sub-contractors who has a 'need to know' BAE Systems Information for or in connection with the performance of the Agreement.

Personal Information: means information or an opinion about an identified or reasonably identifiable individual and the contact details or tax file number of any person, in all cases where obtained by or on behalf of a party or any of its employees, agents, officers or contractors in connection with this Order.

Receiving Party: means a party which receives any Confidential Information from the Disclosing Party.

Relevant Impact: means any negative or unfavourable impact, including corruption, disablement, disruption, restriction, obstruction, degradation, ransom, delay or slowness, impediment or obstruction.

Relevant Systems: means any underlying infrastructure, server, storage, network, information system, computer system, application, process and procedure.

SHE: means BAE Systems' safety, health and environmental policies relevant to the Site.

Security Incident: any incident, failure or breach of any security of any Relevant Systems, including physical security, information security and network security, any security event (including any compromise) involving any Relevant System used in the supply of the Supplies to BAE Systems, any vulnerabilities in critical risk areas in its Relevant Systems used in the supply of the Supplies to BAE Systems, any actual or suspected occurrence of any data spills, Data Breach, Data Contravention, Information Security Incident, or any unauthorised or accidental destruction, damage, deletion or loss of,

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or a Relevant Impact caused by Malware in respect of, any BAE Systems Information (including copies).

Site: means a Site or a facility which is owned, leased or occupied by BAE Systems.

Supplementary Conditions: means the additional terms and conditions which are set out or referenced on the Order.

Supplier: means the person or company on whom the Order is placed.

Supplies: means all goods and services detailed on the Order.

2. APPLICATION OF CONTRACT

- a. These Conditions shall apply to the Order, except where modified by Supplementary Conditions (which are hereby incorporated in the Order). The Supplementary Conditions shall have precedence over these Conditions.
- b. These Conditions, and any Supplementary Conditions, shall be the entire agreement between BAE Systems and the Supplier and shall supersede all previous communications or representations between BAE Systems and the Supplier, including any standard Conditions of Sale issued by the Supplier. These Conditions shall not be varied unless agreed in writing by BAE Systems.
- c. If written notice of acceptance of the Order has not been received by BAE Systems within twenty-eight (28) days from the date of the Order, BAE Systems reserves the right to cancel this Order without incurring any liability to the Supplier, unless performance has commenced by the Supplier in the meantime.
- d. Any qualification of these Conditions which may appear in the Supplier's notice of acceptance shall constitute a counter-offer by the Supplier which shall have no effect unless accepted in writing by BAE Systems.
- e. BAE Systems' Order number and Order line number, where applicable, must be quoted on all documents and correspondence relating to the Order.

3. CHANGES

- a. BAE Systems may direct a change to the Order with respect to the delivery date, the shipping or packing instructions, or the place of delivery and the Supplier shall comply with BAE Systems' written instructions without delay.

- b. Within fourteen (14) days after notification of any changes in accordance with clause 3(a), the Supplier shall submit an Order Change Proposal to BAE Systems which shall detail the effect of such change on the delivery schedule or the price. BAE Systems and the Supplier shall agree any reasonable adjustment to the delivery schedule or the price and incorporate such agreement into the Order by written amendment.
- c. BAE Systems may also amend the Order with respect to any of the following:
 - i. the quantity of the Supplies;
 - ii. the quality of the Supplies; or
 - iii. any specification or drawings,
- d. provided that an Order amendment pursuant to clause 3(c) shall not take effect until BAE Systems and the Supplier have agreed any reasonable adjustment to be made to the delivery schedule or the price stated in the Order, and incorporated such agreement into the Order by written amendment.

4. SUPPLIER'S RESPONSIBILITIES**General**

- a. The Supplier shall provide the Supplies to BAE Systems in accordance with the Order.
- b. The Supplier shall obtain, maintain and observe all necessary regulatory approvals required for the provision of the Supplies.
- c. The Supplier shall comply with all legislation, standards and regulations, including those relating to health, safety and environment, which are relevant to the Supplies and performance of the Order, and all security policies and standards of BAE Systems and its customer as notified by BAE Systems from time to time, including the ISRs.
- d. The Supplier must maintain a suitable verification of training and competency process as part of its safe systems of work.

On Site Responsibilities

- e. Prior to commencing provision of the Supplies at a Site, the Supplier, and Supplier's employees, agents and sub-contractors who are required on Site, shall complete all inductions required by BAE Systems in relation to SHE and Site obligations.
- f. Prior to commencing and throughout the duration of the provision of the Supplies, the Supplier shall verify

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all of its employees, agents and sub-contractors performing any work as part of this Order are competent, suitably trained and qualified, and have the necessary skills and experience.

- g. If requested by BAE Systems, the Supplier shall provide BAE Systems with valid and current documentation verifying the training and competency of all of its employees, agents and sub-contractors performing any work as part of this Order; and/or written details of the Supplier's verification of training and competency processes.
- h. Without limiting BAE Systems' rights under this Order, if:
 - i. the Supplier is unable to provide the verification required by clause 4(f) or the documentation required by clause 4(g); or
 - ii. any of the Supplier's employees, agents or sub-contractors performing any work as part of this Order are (in BAE Systems' reasonable opinion) not competent, not suitably trained and qualified, or do not have the necessary skills and experience,

BAE Systems may direct the Supplier to, at the Supplier's expense, immediately remove and replace the relevant employee, agent or sub-contractor with another employee, agent or sub-contractor who (in BAE Systems' reasonable opinion) is competent, suitably trained and qualified, and has the necessary skills and experience.

- i. The Supplier shall, in providing any Supplies, ensure that it, and its employees, agents and sub-contractors, are provided with and comply with BAE Systems' policies, procedures, practices and reasonable directions given by BAE Systems including the requirement to wear protective clothing and use safety equipment.
- j. The Supplier shall ensure that it, all employees, agents and sub-contractors are aware of and comply with any security requirements applicable to the Site.
- k. The Supplier shall ensure that it, all of its employees, agents and sub-contractors are aware of and comply with the obligations of this clause 4.

5. DELIVERY, RISK AND TITLE

- a. The Supplies shall be delivered to the place(s) named in the Order no later than the dates specified in the Order. Partial deliveries shall not be made unless agreed in writing by BAE Systems.

- b. The Supplies shall be packed to a good commercial trade pack standard suitable for the designated mode of transport and capable of long term storage without damage or degradation to the Supplies.
- c. The Supplier shall provide a Safety Data Sheet for all hazardous chemicals (as defined in the Work Health and Safety Regulations 2011) that are part of the Supplies.
- d. Title and risk to the Supplies shall pass to BAE Systems on delivery unless otherwise specified in the Order, but without prejudice to any right of rejection which may accrue to BAE Systems hereunder.
- e. If any of the Supplies are not delivered by the date(s) specified in the Order, BAE Systems shall be entitled:
 - i. to return to the Supplier at the Supplier's risk and expense any of the Supplies already delivered but which cannot be effectively and commercially used, and to recover from the Supplier any moneys paid by BAE Systems for such Supplies; and
 - ii. to recover from the Supplier any additional expenditure reasonably incurred by BAE Systems in obtaining other equivalent Supplies in replacement.

6. CONFORMITY WITH ORDER

- a. The Supplier warrants that the Supplies shall conform to the quantity, quality (including quality assurance requirements) and specification stated in the Order, and shall be free from defect in design (except where BAE Systems is the design agent), materials and workmanship.
- b. The Supplier shall not substitute any Supplies or component parts of the Supplies, without prior written approval by BAE Systems.
- c. Where BAE Systems acceptance tests are defined in the Order, acceptance of the Supplies shall take place after satisfactory completion of the acceptance tests. If BAE Systems unreasonably and without notification to the Supplier fails to commence the tests within one (1) month of the date of actual delivery, the Supplies will be deemed to have been accepted at the end of the (1) month period from the date of actual delivery.
- d. Where no acceptance tests are defined in the Order, acceptance of the Supplies shall take place either after completion of inspection by BAE Systems or at

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the end of one (1) month from the date of actual delivery, whichever is the earlier.

- e. If the Supplies do not conform to the quantity, quality (including quality assurance requirements) or specification stated in the Order, or do not meet the required standards of design, material or workmanship, then BAE Systems shall be entitled, without prejudice to any other remedy, to exercise one or more of the following rights:
 - i. to reject all or any of the Supplies and require the Supplier to credit BAE Systems with the price of the Supplies;
 - ii. to require the Supplier to promptly replace or repair the Supplies free of all cost and at the Supplier's risk; or
 - iii. to require the Supplier to indemnify all BAE Systems' reasonable expenses and additional costs connected with such defect (including, without limitation, costs incurred by BAE Systems arising from its customers removing defective Supplies from other products).
- f. The provisions of this clause 6 shall apply in addition to, and without prejudice to, any other of BAE Systems' rights hereunder or at law, whether express or implied.
- g. The warranty rights under this clause shall be assignable to BAE Systems, or for the benefit of its customer or the ultimate end-user of the Supplies, for a period of at least twelve (12) months from the actual date of delivery or from the Order date of delivery (whichever is later).

7. ACCESS

BAE Systems' representatives and those of its customer shall have access to the Supplier's works or place of business at all reasonable times for any purpose in connection with the performance by the Supplier of the Order. The Supplier shall use best endeavours to secure the same rights of access to the premises of its sub-contractors.

8. CONFIDENTIALITY

- a. The Supplier shall:
 - i. not use BAE Systems Information except for the purpose of supplying the Supplies to BAE Systems;
 - ii. not grant third parties access to BAE Systems Information without the prior written consent of

BAE Systems, and only use such information for the purpose for which the consent is granted;

- iii. require any third party to whom Order information is provided to sign an undertaking in the same terms as the Supplier's undertaking in this clause 8; and
- iv. not analyse or reverse engineer any BAE Systems Information.
- b. Nothing in this Order transfers or assigns the ownership of any BAE Systems Information.
- c. The Supplier shall not use BAE Systems' name or any of the Order information for publicity or marketing purposes without BAE Systems' prior written consent.
- d. The Supplier must comply with all reasonable directions of BAE Systems in respect of information originating from or controlled by the CoA (including any information with a Defence security classification, dissemination-limiting marker or other protective marker).

9. DATA PROTECTION

- a. The Supplier warrants, agrees, and must ensure that:
 - i. BAE Systems Information (including CoA information, if the Supplier receives any) will not be transferred, disclosed, used, stored or processed outside of Australia; and
 - ii. it will not use a cloud service provider to store or process any BAE Systems Information outside of Australia,

without the prior written consent of BAE Systems.

- b. The Supplier must take all necessary precautions to preserve the integrity and security of BAE Systems information including those processed by the Supplier's Tools, and to prevent any corruption, interruption or degradation of any BAE Systems Information.
- c. Where the Supplier may have access to any Controlled Data Sets in the supply of the Supplies, the Supplier must comply with any necessary directions and requirements from BAE Systems to ensure full compliance with all legislative, regulatory and security controls relevant to the Controlled Data Sets, and ensure that the Tools and all Relevant Systems used by the Supplier in handling the Controlled Data Sets comply with the controls and requirements applicable to the Controlled Data Sets.

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- d. The Supplier shall indemnify each Indemnified Party against all Loss incurred by each Indemnified Party as a result of or in connection with any breach of this clause 9 by the Supplier, its employees, agents or sub-contractors.

10. ITEMS ON LOAN

All tools, patterns, materials, drawings, specifications, data or equipment loaned by BAE Systems to the Supplier, or obtained by the Supplier at a cost to BAE Systems for the purposes of the Order, shall remain BAE Systems property. The Supplier shall on completion of the Order or as otherwise directed surrender the same to BAE Systems in good and serviceable condition (fair wear and tear excepted).

11. PRICE AND PAYMENT

- a. Prices shall be non-variable and inclusive of all taxes (other than GST), duties, packaging and delivery of the Supplies to the destination or freight-forwarder stated in the Order.
- b. In the event that a variable price has been agreed, no later than 6 months after submission of an invoice the Supplier shall submit a separate claim for payment of any amount calculated in respect of the price variation. The Supplier shall have no entitlement whatsoever in respect of claims made outside that period.
- c. BAE Systems requires invoices to be provided in the approved GST format and requires any applicable Australian GST to be separately identified on the invoice. Invoices not in the required format will not be processed by BAE Systems. All prices shall be on a GST exclusive basis.
- d. The Supplier shall submit an invoice in respect of the Supplies properly provided to BAE Systems to the Accounts Payable Department by email to au.aphelpdesk@baesystems.au, on or after the delivery of the Supplies.
- e. Each correctly submitted and valid invoice shall become due for payment at the end of the month following the month of the invoice, unless otherwise nominated on the Order, provided that:
- i. the Supplies have been delivered by the Supplier; and
 - ii. the Supplies have been accepted by BAE Systems, in accordance with clauses 5 and 6 respectively.

- f. All invoices raised must detail the Order number, line number and match the Order specifically with regard to the price, quantity and unit of measure. Invoices must be submitted in the same currency as the Order. All non-compliant invoices will be rejected.

12. DOCUMENTATION

Advice notes and certificates of conformity shall be submitted by the Supplier in duplicate, the original to accompany the Supplies and a copy to be sent by post to the BAE Systems stores supervisor at the address stated in the Order.

13. INTELLECTUAL PROPERTY

- a. The Supplier indemnifies BAE Systems against any claim or action made or instituted against BAE Systems relating to any loss, injury or damage caused by or any infringement of copyright, registered and unregistered trademarks, registered designs, trade secrets, know-how, rights in relation to any circuit lay-out, data, invention, work or patent perpetrated by the Supplier in connection with the Supplies.
- b. Where the design of the Supplies is furnished by BAE Systems any copyright or design rights in any work produced by the Supplier in the course of providing the Supplies pursuant to this Order shall be and remain the property of BAE Systems. Otherwise any intellectual property rights in the Supplies shall remain vested in the Supplier.
- c. The Supplier grants BAE Systems a non-exclusive, royalty-free licence (including the right to sub-license to any end-user of the Supplies) to use any intellectual property contained or referred to in any of the Supplies that it provides to BAE Systems pursuant to this Order.
- d. In the event that the Supplier is unable to or unwilling to continue to complete the Order, and the Order is terminated, the Supplier shall deliver to BAE Systems all necessary drawings, designs and manufacturing information to enable BAE Systems to make the Supplies or have them made elsewhere, and shall grant BAE Systems a royalty free license for that purpose.
- e. Nothing in clause 13(d) provides BAE Systems with any right to commercialise intellectual property owned by the Supplier, or to make any number of Supplies in excess of the quantity stated in the Order.

14. WAIVER

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Failure on the part of either party in exercising any right it may have under the Order shall not be deemed a waiver of that right.

15. INDEMNITIES

- a. Subject to clause 15(b), the Supplier shall indemnify BAE Systems against all Loss arising from the Supplier's negligence, breach of duty, breach of statute or otherwise, which is caused by or arises from:
- i. the performance by the Supplier of the Order;
 - ii. the design, manufacture, sale, use or possession of the Supplies;
 - iii. any infringement, breach or misuse of any patent, copyright, trademark, registered design or other industrial or intellectual property; or
 - iv. any failure to conform to or comply with the requirements of the Order.
- b. Neither party shall be liable to the other for loss of indirect revenue and/or profit, loss of anticipated savings, loss of opportunity, loss of reputation, or other indirect, consequential or special losses or damages.

16. INSURANCE

The Supplier agrees to maintain insurance cover with a reputable insurer for the following classes of risk in respect of work to be carried out under the Order:

- a. public and product liability insurance should be in the following relevant minimum sums (unless otherwise agreed in writing with BAE Systems):
- i. AUD\$5m for Orders up to AUD\$20m;
 - ii. AUD\$10m for all other Orders;
- b. employers liability; and
- c. such other classes as are appropriate to the circumstances of the Order as specified by BAE Systems, including Professional Indemnity if required in the Order.

17. SUBCONTRACTS

- a. The Supplier shall not assign or purport to sub-contract, assign or transfer this Order or any of its rights or obligations whether in whole or in part to any other person without the prior written consent of BAE Systems. In the event that the Supplier proposes sub-contracting or otherwise engaging a third party to provide all or part of the services in relation to shipping, transporting, handling or receiving goods

which are controlled or restricted under the ITAR the Supplier shall advise BAE Systems of this intention and the identity of the third party prior to releasing such goods to it. In the event that BAE Systems advises the Supplier that the third party is unacceptable to it, the Supplier shall not engage that third party and in no event release the goods to the third party without BAE Systems prior approval. The Supplier shall indemnify BAE Systems against all Loss incurred by BAE Systems arising from or in connection with a breach of this clause 17.

18. CONTINUITY OF SUPPLY

The Supplier agrees to accept further orders for similar Supplies at prices and delivery lead times no less favourable than those agreed in the Order, taking account of quantities, technical standards and economic conditions prevailing at the time of any further order. In the event that the Supplier is unwilling or unable to accept such orders it shall negotiate in good faith with BAE Systems:

- (a) the delivery to BAE Systems of all the necessary drawings, manufacturing information and tooling to enable BAE Systems to make the Supplies itself or have them made elsewhere; and
- (b) a reasonable payment to be made to the Supplier,

which shall be agreed in writing by the parties.

19. TERMINATION AND SUSPENSION

- a. The Order may be terminated for convenience by BAE Systems at any time in whole or part by giving written notice of termination to the Supplier. In the event of such notice being given the Supplier shall stop work forthwith and shall comply with any directions with regard to the Supplies which may be given by BAE Systems.
- b. The Supplier shall submit within one (1) month from the effective date of termination the Supplier's termination claim. BAE Systems shall pay a fair and reasonable price to the Supplier in respect of any commitments, liabilities or expenditure reasonably and properly incurred by the Supplier in connection with the Order and which would otherwise represent an unavoidable loss to the Supplier. BAE Systems shall not be liable to pay any sum which, when taken together with any other sum or sums paid or due to the Supplier under the Order, shall exceed the total

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price of the Supplies the subject of the said notice of termination.

- c. In the event of any stoppage, delay or interruption of the Supplier's work or business as a result of strikes, lockouts, trade disputes, breakdown, accident or any cause whatsoever beyond the reasonable control of Supplier, then BAE Systems may suspend or postpone its related obligations hereunder until the stoppage, delay or interruption has ceased.
- d. If the Supplier defaults on any of its obligations under the Order, BAE Systems may issue the Supplier a default notice. If the Supplier's default is (in BAE Systems' reasonable opinion) incapable of remedy, or the Supplier does not remedy the default within seven (7) days (or other time agreed by the parties), BAE Systems shall have the right to terminate all or part of the Order by written notice without prejudice to any other of its rights or remedies, and shall be liable only for Supplies delivered and accepted by BAE Systems.
- e. If the Supplier becomes insolvent or has a receiver or administrator appointed in respect of its business or any of its assets or is compulsorily or voluntarily wound up, then BAE Systems shall have the right to terminate the Order by written notice without prejudice to any other right or remedies, and shall be liable only for Supplies delivered to and accepted by BAE Systems.
- f. No termination or suspension of the Order shall prejudice any rights or obligations of either party hereunder or at law. Both parties shall use all reasonable endeavours to mitigate their losses on such termination or suspension.
- g. On expiry or termination of the Order, the Supplier must without charge, comply with:
 - i. the reasonable directions of BAE Systems regarding the disposal or return of items belonging to BAE Systems and related to the Order, including documents, technical data, BAE Systems Information, and/or other property of BAE Systems; and
 - ii. all exit and transfer arrangements as set out in the ISRs.

20. NOTIFICATION OF NON-CONFORMING PRODUCT

- a. If, at any time during the period from delivery of the Supplies through the life of type of the Supplies, the Supplier becomes aware of any defect in the

Supplies which adversely affects, or is likely to adversely affect, the operation of the Supplies or the safety of personnel, the Supplier shall give notice of the defect to BAE Systems. Such notice shall be provided in writing in accordance with clause 20(c) below.

- b. Where the adverse effect or likely adverse effect is critical to the operation of the Supplies or the safety of personnel, the Supplier shall give notice to BAE Systems immediately on becoming aware of the defect and shall provide fully documented confirmation of the notice in accordance with clause 20(c) below.
- c. The Supplier shall provide notices within the period prescribed in relevant regulations and legislation applicable to this Order and in all other cases within 20 working days of the Supplier becoming aware of the defect.
- d. Notices are to be addressed to:

The Quality Manager
BAE Systems
PO Box 1068
Salisbury SA 5108

21. INDUCEMENT AND ETHICS

- a. Whether acting alone or with others, the Supplier undertakes that it will not do, and warrants that prior to accepting the Order it has not done, any of the following:
 - i. induce an employee, agent or sub-contractor of BAE Systems to make any concession or to confer any benefit on the Supplier, refrain or withhold from doing any act or alter any of the requirements of the Order in return for any gift, money, benefit or other inducement; nor
 - ii. without the prior written consent of BAE Systems, pay money or give any other benefit to any third party (either directly or indirectly) in connection with the negotiation and/or issue of the Order; nor
 - iii. encourage or facilitate an employee, agent or sub-contractor of BAE Systems to commit any act of dishonesty against BAE Systems which may benefit the employee, agent or sub-contractor of BAE Systems or be a detriment to BAE Systems, or both.
- b. The BAE Systems Group maintains an ethics and compliance programme that includes a written code of conduct, training and awareness for all employees,

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details of which can be found at www.baesystems.com. The BAE Systems Group expects and encourages all its suppliers to embrace ethical values and legal compliance practices of a comparable standard (including a method for reporting possible violations). The Supplier undertakes that it will abide by and comply with all applicable laws and regulations relating to anti-bribery and anti-corruption, including the *Criminal Code Act 1995* (Cth), UK Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act 1977.

- c. Responsible behaviour is fundamental to how BAE Systems conducts business. Regular assessments of BAE Systems' supply base is a critical part of this commitment. BAE Systems' "best practice" expectations of all current and proposed suppliers are contained in the "Supplier Code of Conduct", details of which can be found at <https://www.baesystems.com/en/sustainability/responsible-business/responsible-supply-chain>.

22. PRIVACY LAW

- a. Where a party obtains Personal Information under this Order, that party must handle the information in accordance, and shall comply, with the Australian Privacy Principles (as amended or replaced from time to time) in the Privacy Act 1988 (Cth) and only to perform its obligations under this Order. Each party is responsible for ensuring that any person it authorises to access that Personal Information meets the requirements of this clause.
- b. The Supplier must comply with all reasonable directions from BAE Systems in respect of the protection of privacy and Personal Information obtained, and will be responsible for any and all acts of its recipients in connection with any breach of the Privacy Act 1988 (Cth).
- c. The Supplier:
- i. acknowledges and agrees that BAE Systems is solely responsible for determining whether an Information Security Incident results in a real risk of serious harm to any of the individuals to whom any impacted Personal Information relates;
 - ii. must co-operate with BAE Systems to assist it in making the determination referred to above; and
 - iii. must not disclose to any third party (including the Office of the Australian Information

Commissioner or any other government agency) the existence or circumstances surrounding any Information Security Incident without the prior written approval of BAE Systems.

23. MODERN SLAVERY

- a. The Supplier represents, warrants and undertakes:
- i. that it does not engage in Modern Slavery;
 - ii. that no form of Modern Slavery is used in the Supplier's business or by its directors, officers, employees, agents, representatives, contractors or sub-contractors;
 - iii. to comply with all applicable employment and work health and safety laws;
 - iv. to comply with all applicable statutory requirements relating to Modern Slavery, including but not limited to compliance and reporting requirements under the *Modern Slavery Act 2018* (NSW), the *Modern Slavery Act 2015* (UK) and the *Modern Slavery Act 2018* (Cth); and
 - v. to notify BAE Systems promptly upon becoming aware of any incident, complaint or allegation that the Supplier or any entity in its supply chain, has engaged in Modern Slavery.
- b. The Supplier shall have and maintain throughout the Term its own policies and procedures that are intended to ensure compliance with the warranties contained in clause 23(a) above.
- c. The Supplier acknowledges that BAE Systems may have corporate reporting requirements with regard to Modern Slavery and, at the request of BAE Systems, it will confirm in writing that it has complied with its undertakings under this clause 23 and will provide any information requested by BAE Systems in support of such compliance.

Upon becoming aware of any actual, suspected or anticipated breach of this clause 23, the Supplier must immediately provide written notice of the breach, giving full details of such breach, to BAE Systems.

24. OFFSET

- b. The Supplier understands that BAE Systems and other companies within the BAE Systems Group and associated companies of BAE Systems plc accrue significant offset obligations resulting from

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international sales. To assist in satisfying these obligations, BAE Systems may wish to take advantage of the Supplier's offshore supply chain and investment activity, in order that potential offset credits can be claimed in identified target markets.

- c. The Supplier acknowledges that companies within the BAE Systems Group and associated companies thereof may be entitled to utilise through BAE Systems the total value of the Order and any sub-contracts placed by the Supplier arising from the Order, as fulfilment in whole or in part of any offset obligation placed, or to be placed, upon a company in the BAE Systems Group or an associated company thereof by an overseas customer.
- d. The Supplier shall first seek and obtain BAE Systems' written permission prior to using the Order and/or any sub-contracts arising from the Order in satisfaction of the Supplier's own or any of the Supplier's other customers' offset obligations.
- e. On request by BAE Systems, the Supplier shall assist the relevant company in registering the Order with the appropriate bodies as a satisfactory offset.
- f. If the offset involves US defense articles or defense services, the Supplier and BAE Systems shall consult on the applicability of any ITAR brokering requirements and each, as may be appropriate given the nature of the offset transaction, shall seek any necessary authorisation in a timely manner.

25. COUNTERFEIT SUPPLIES

- a. The Supplier shall ensure that Counterfeit Supplies are not delivered to BAE Systems. In fulfilling its obligations under the Order, the Supplier shall only purchase products to be delivered or incorporated as Supplies to BAE Systems directly from the organisation that is the originating source for the production of legitimate components or equipment. Supplies shall not be acquired from distributors that are independent from the originating organisation's authorised distribution chain, without written consent from BAE Systems.
- b. The Supplier shall as soon as practicable notify BAE Systems if the Supplier becomes aware or suspects that it has acquired Counterfeit Supplies. When requested by BAE Systems, the Supplier shall provide documentation that authenticates traceability of the affected Supplies to organisation that is the originating source for the production of legitimate components or equipment.

- c. In the event that Supplies delivered under the Order constitute or include Counterfeit Supplies, the Supplier shall, at its expense promptly replace such Counterfeit Supplies with genuine Supplies conforming to the requirements of the Order. Notwithstanding any other provision in the Order, the Supplier shall be liable for all costs relating to the removal and replacement of Counterfeit Supplies, including without limitation BAE Systems' costs of removing Counterfeit Supplies, of reinserting replacement Supplies and of any testing necessitated by the reinstallation of Supplies after Counterfeit Supplies have been exchanged.

26. APPLICABLE LAW

These Conditions shall be governed by the laws which are applicable to the State in which the Supplies are delivered as shown on the Order.

27. EXPORT CONTROL

- a. The Supplier shall notify BAE Systems in writing at the time the Order is accepted if the Supplies (or any part thereof) are Controlled Material.
- b. If the Supplies (or any part thereof) are Controlled Material the Supplier will provide a fully completed and signed Declaration Form when requested by BAE Systems and in any event no later than 30 (thirty) calendar days before delivery of any Controlled Material to BAE Systems.
- c. The Supplier shall:
 - i. immediately notify BAE Systems in writing in the event it becomes aware or there is reason to believe that any of the information provided in accordance with clauses 27(a) or 27(b) is inaccurate or has changed; and
 - ii. respond promptly to any written request from BAE Systems to confirm or update any information provided in accordance with clauses 27(a) or 27(b).
- d. Where the Supplier requires access to BAE Systems Information that is Controlled Material and that requires export licences or other authorisations to enable such access by the Supplier, BAE Systems shall ensure that the Controlled Material is identified as such and that the required licences and/or other authorisations are in place. Unless otherwise agreed, all Supplies will be delivered to and performed in

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Australia and all BAE Systems Information will be held by the Supplier in Australia.

- e. Each party shall comply with all applicable import and export control laws and regulations in fulfilling the Order.
- f. The Supplier shall provide all information and copies of any documents relating to the Supplies (or any part thereof) which BAE Systems reasonably requires to comply with all applicable import and export control laws and regulations.
- g. The Supplier shall:
- i. obtain all required export licences, agreements and other authorisations and comply with all associated registration and reporting obligations necessary to ensure delivery of the Supplies to BAE Systems, its end-user(s) and any foreign consignees, intermediate consignees, sub-licensees or freight forwarders in accordance with the delivery or performance dates required under the Order; and
 - ii. comply with all conditions relating to the export, re-export, transfer (including re-transfer) or use of Controlled Material contained within export licences, agreements and other authorisations.
- h. If any of the Supplies (or any part thereof) are Controlled Material and are regulated under FMS, the ITAR or EAR, (unless such are classified by the US exporter/manufacturer as EAR99 in which case the Supplier shall notify BAE Systems of this status in writing), the Supplier shall:
- i. immediately after the Order is accepted, consult with BAE Systems about the relevant authorisations required from the appropriate US authorities and request from BAE Systems information necessary to make the Supplier's authorisation request to the US authorities complete and accurate, including, without limitation, full details of end use, end user(s), foreign consignees, intermediate consignees, sub-licensees and any other requirements such as information on dual or third country national employees, contract employees, location, or pre-existing company organisation authorisations which may be applicable; and
 - ii. provide to BAE Systems the following further information and documentation in writing at the time the Order is accepted, or no later than 30 (thirty) calendar days prior to the first agreed scheduled delivery or performance date: (a) details of the relevant licence, agreement or other authorisation (including details of any exemptions or exceptions) such details to include the reference numbers and dates, authorised parties and end use as specified in clause 27(h)(i), and any limitations/provisos; or (b) full copies of such licences, agreements or other authorisations including any correspondence with the US Department of State or the US Department of Commerce consenting to or giving guidance on the use of exemptions or exceptions or listing limitations/provisos that are necessary for BAE Systems' compliance.
- i. **FMS Delivery.** Unless the applicable regulations have been revised to require otherwise, for each item of FMS Controlled Material being delivered by the Supplier, the Supplier shall include as an integral part of the invoice and, in the case of **FMS Technology**, on the document itself: (a) the country of ultimate destination; (b) the end user; (c) the FMS case number or other approval number.
- i. In respect of FMS Technology the following additional marking must be included on the cover sheet or document itself: "FMS Technology: US FOREIGN MILITARY SALES CONTROLLED DATA" This data is controlled for export, re-export and retransfer pursuant to 22 CFR 126.6(a). This information is authorized to the (i) country of ultimate destination: [insert]; (ii) end user(s): [insert]; (iii) under FMS case [insert case identifier]. The U.S. Government point of contact is [insert government point of contact], telephone [insert telephone number]."
- j. **ITAR Delivery.** Unless the applicable regulations have been revised to require otherwise, for each ITAR Defense Article being delivered by the Supplier, the Supplier shall include as an integral part of the commercial invoice, and, in the case of ITAR Technical Data, on the document itself: (a) the country of ultimate destination; (b) the end user; (c) the license or other approval number or exemption citation; and (d) the Destination Control Statement required under the ITAR (i.e. 22 C.F.R. 123.9):
- i. in respect of ITAR Technical Data, the following additional marking must be included on the cover sheet or document itself: "EXPORT CONTROLLED DATA: This document contains technical information and the export, re-export

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- and retransfer is governed by the U.S. International Traffic in Arms Regulations (ITAR).
- ii. When also exporting or re-exporting items subject to the EAR pursuant to a Department of State license or other authorisation or approval, the Supplier must also provide BAE Systems with the appropriate EAR classification information for each item. This includes the Export Control Classification Number (ECCN) or EAR99 designation.
 - k. **EAR Delivery.** Unless the applicable regulations have been revised to require otherwise, for each item of EAR Controlled Material being delivered by the Supplier, the Supplier shall include as an integral part of the commercial invoice that accompanies the shipment, and, in the case of EAR Technology on the EAR Technology itself: (a) the country of ultimate destination; (b) the end user; (c) the license or other approval number or exemption citation; and (d) the Destination Control Statement required under the EAR (i.e. 15 C.F.R. 758.6).
 - i. In respect of EAR Technology the following additional marking must be included on the cover sheet or document itself: "EXPORT CONTROLLED DATA: This document contains technical information and the export, re-export and transfer (in-country) is governed by the U.S. Export Administration Regulations (EAR)".
 - l. Where practical, the Supplier shall segregate deliveries of FMS, ITAR or EAR Controlled Material from other deliveries, and shall not mix FMS Controlled Material, ITAR Controlled Material or EAR Controlled Material on the same licences, agreements or authorisations unless permitted by US laws and regulations.
 - m. If engaged in the business of either exporting or manufacturing (whether exporting or not) ITAR Defence Articles or Defence Services (as defined in the ITAR 22 C.F.R. 120.31 and 120.32 respectively), the Supplier shall maintain an effective export/import compliance program in accordance with the ITAR and, if located in the US, shall register with the US Department of State as required by the ITAR.
 - n. If engaged in brokering activities within the meaning of the ITAR (22 C.F.R. 129), the Supplier shall obtain and maintain registration with the US Department of State as required by the ITAR and shall obtain and maintain any necessary approval with respect to the Supplies.
 - o. If, in the performance of the Order, either party is, or envisages being, engaged in trafficking and brokering activities under any jurisdiction, for example where Controlled Material is to be moved between two third countries, they shall inform the other party insofar as those activities impose any legal obligations on the other party. The parties shall, in addition to any US brokering requirements, obtain and maintain the registrations and authorisations that are required under all applicable legislation.
 - p. The Supplier recognises and accepts that the Supplier and BAE Systems have disclosure requirements when making applications for the export, re-export or re-transfer of US defense articles or defense services subject to the ITAR Part 130. In this context, when requested to do so by BAE Systems, the Supplier shall make a written certification to BAE Systems in a timely manner and not later than 20 (twenty) calendar days after receipt of such request, stating all necessary information required to comply with Part 130 of the ITAR..
 - q. The Supplier shall provide immediate written notification to BAE Systems in the event of any changes to information provided to BAE Systems under this clause 27 or any changes in circumstances affecting any licence or agreement, and shall respond promptly to any written inquiry made by BAE Systems seeking to confirm or update information in relation to the Supplier..
 - r. At BAE Systems' direction, the Supplier shall return or destroy all of the FMS Technology, ITAR Technical Data and/or EAR Technology or other Controlled Material exported to the Supplier pursuant to the Order upon fulfilment of its terms, send written confirmation of the destruction to BAE Systems within 5 (five) working days of the destruction and create and maintain the records required under FMS, the ITAR and/or EAR.

28. AUSTRALIAN DEFENCE TRADE CONTROLS

- a. The Supplier must:
 - i. obtain all permits as required by the DTCA in connection with the Order (including any permits required under section 11 of the DTCA); and
 - ii. not contravene any condition of a permit that it is required to obtain under clause 28(a)(i).
- b. Without limiting clause 28(a), the Supplier must ensure that any DSGL Technology that is supplied

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- by BAE Systems is not supplied to a Foreign Person in contravention of the DTCA.
- c. Upon export, supply, or transfer of the DSGL Goods or DSGL Technology by the Supplier to any other person, the Supplier shall include the following warning statement on appropriate delivery documents:
- i. For DSGL Technology: *“Warning: The document/s contain technology specified in the Australian Defence and Strategic Goods List, use and transfer of which is regulated by the Defence Trade Controls Act 2012 (Cth) (‘DTCA’). You may require a permit under the DTCA to view, disclose or transfer this document to another person. Significant penalties may apply.”*; and
 - ii. For DSGL Goods: *“Warning: The goods are specified in the Australian Defence and Strategic Goods List and regulated by the Customs (Prohibited Export) Regulations 1958 (Cth) (‘Regulations’) and Defence Trade Controls Act 2012 (Cth) (‘DTCA’). You may require a permit to transfer the goods to another person, under the Regulations or the DTCA. Significant penalties may apply.”*
- d. The Supplier shall, upon BAE Systems’ reasonable request, provide BAE Systems with copies of any permits issued under the DTCA that the Supplier obtains, or its directors, officers, employees, agents, or sub-contractors obtain, in the course of performing this Order.
- e. The Supplier shall use its best endeavours to ensure that the requirements of this clause 28 are included in any agreements it places with its sub-contractors in connection with this Order, where those Suppliers may be in receipt of DSGL Goods and/or DSGL Technology in the course of performing the sub-contract.

29. PROHIBITION OF SUPPLY OR USE OF COVERED TELECOMMUNICATIONS EQUIPMENT

- a. The Supplier represents and warrants that it:
- i. does not provide, nor will it provide, Covered Telecommunications Equipment as a substantial or essential component of any system, or as critical technology as part of any systems, products or services it supplies to BAE Systems in the performance of the Order; and

- ii. does not use, nor will it use, Covered Telecommunications Equipment, or use any equipment, system or service that uses Covered Telecommunications Equipment, in supplying any systems, products, or services to BAE Systems in connection with this Order.

- b. If the Supplier is unable to make and comply with the above representations, the Supplier shall notify BAE Systems immediately in writing.

30. INFORMATION AND CYBER SECURITY

The obligations in this clause 30 apply to the Order without limiting and in addition to the requirements set out in the ISRs (if applicable).

Cyber Security Questionnaire and ISRs

- a. The Supplier shall at all times, without charge and at its own cost, implement and maintain appropriate levels of security and safeguards to protect any and all BAE Systems Information (including against the misuse, interference and loss of, or unauthorised access to, modification or disclosure of BAE Systems Information) which, as a minimum, comply with:
- i. the ISRs (if applicable);
 - ii. Good Industry Practice; and
 - iii. all applicable laws and regulations.
- b. If the Supplier is unable or fails to comply with the above requirements, the Supplier shall immediately notify BAE Systems in writing and follow all directions provided to achieve full compliance. Failure to comply with such directions will, without prejudice to other rights and remedies, enable BAE Systems to treat such default as a material breach and terminate this Order.
- c. The Supplier acknowledges and agrees that:
- i. as part of BAE Systems’ supplier evaluation process, it was required to provide a completed Cyber Security Questionnaire to BAE Systems; and
 - ii. upon BAE Systems’ reasonable request, it shall:
 1. if it has not previously completed a Cyber Security Questionnaire for BAE Systems, complete and promptly return to BAE Systems the Cyber Security Questionnaire provided to it by BAE Systems; and
 2. if it has previously completed a Cyber Security Questionnaire for BAE Systems,

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promptly provide an updated Cyber Security Questionnaire to BAE Systems.

- d. The Supplier warrants that:
- i. there are no material facts or circumstances which have not been fully and fairly disclosed to BAE Systems which, if so disclosed, might have affected the decision of BAE Systems to issue an Order or accept the Supplies;
 - ii. it will keep the information and responses provided to BAE Systems regarding the Supplier's compliance with this clause 30 (including the ISRs, if applicable) up-to-date and that all such information and responses will continue to be true, correct, accurate and complete; and
 - iii. it will continue to maintain at all times, the controls, mechanisms, processes and procedures at the levels expected by Good Industry Practice and described in the ISR (if applicable) and in its policies relating to information security and cyber security.
- e. BAE Systems may direct a change to the ISR at any time (but not more than once per year, unless compelled by its key customers or by law) and the Supplier shall comply with BAE Systems' written instructions without delay.
- f. The Supplier shall promptly notify BAE Systems prior to making any change which may reduce or limit the protection of BAE Systems Information or the quality of the Supplies.
- g. The Supplier agrees that it is the Supplier's responsibility to ensure that its sub-contractors also comply with the requirements of this clause 30 (including the ISRs, if applicable). The Supplier shall be liable for all non-compliance by its sub-contractors, and indemnifies each Indemnified Party for any Loss incurred as a result of such non-compliance.

Information Security Incidents

- h. If the Supplier becomes aware of, or reasonably suspects, an Information Security Incident, the Supplier shall:
- i. immediately take all reasonable steps necessary to contain and remedy the event, mitigate the event's impact on BAE Systems Information, and prevent its recurrence; and
 - ii. notify BAE Systems without undue delay (and in any event within twenty-four (24) hours of becoming aware or reasonably suspecting the incident).
- i. In notifying BAE Systems in accordance with clause 30(h)(ii), the Supplier shall provide BAE Systems with details of the Information Security Incident as are reasonably required by BAE Systems, including without limitation and to the extent then known:
- i. the categories, volume and description of the BAE Systems Information affected by the Information Security Incident and, where applicable, the categories and numbers of data subjects whose Personal Information is affected;
 - ii. the name and contact details of the Supplier's data protection officer or other relevant contact from whom more information may be obtained;
 - iii. a description of the likely impact on the BAE Systems Information which is affected by the Information Security Incident; and
 - iv. a description of the measures taken, or proposed to be taken, to address the Information Security Incident.
- j. In the event of an Information Security Incident, the Supplier shall not inform any third party without first obtaining BAE Systems' prior written consent, unless the Supplier is required by an applicable law to make a disclosure. If the Supplier is required by law to inform a third party, the Supplier shall (to the extent permitted by such law) inform BAE Systems of that legal requirement, provide a copy of the proposed notification, and consider any comments made by BAE Systems before notifying any third party of the Information Security Incident.

Physical Access

- k. The Supplier shall implement appropriate and effective physical security measures at its premises in accordance with Good Industry Practice; such measures shall include establishing a policy which requires Permitted Parties to:
- i. securely store BAE Systems Information they have access to in the course of discharging their duties; and
 - ii. adequately dispose of any printed documents in a secure manner (for example, by putting them through a cross-cut shredder).

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- I. The Supplier shall ensure that all Permitted Parties are appropriately security vetted and trained on a continual basis. Training shall cover, at a minimum:
- i. identifying security breaches;
 - ii. identifying scams including phishing, information security risks; and
 - iii. the legal obligations associated with BAE Systems Information that is stored, handled and processed by such Permitted Parties.

Tests, Scans, Audit

- m. The Supplier:
- i. must allow BAE Systems and persons authorised by BAE Systems access at any time during normal working hours to the Supplier's Relevant Systems and/or premises (and those of its sub-contractors) that are being used in the provision of the Supplies in order to inspect and audit the Supplier's compliance with its obligations under any Order, including the ISRs, and in the event of a Security Incident; and
 - ii. consents to BAE Systems undertaking its own tests and vulnerability scans of the Supplier's Relevant Systems upon 14 days' written notice, not more than once annually (except where there is a Security Incident).
- n. Where any test or scan carried out for the purposes of clause 30(m) (including the ISR, if relevant) reveals any actual or potential breach of this clause 30, the Supplier shall:
- i. collaborate and cooperate with BAE Systems in addressing any issues or concerns;
 - ii. promptly correct such non-compliance at its own cost;
 - iii. unless otherwise agreed with BAE Systems, implement necessary changes to comply with this clause 30 (including any updated ISRs); and
 - iv. repeat the relevant security tests within a reasonable period of time agreed by the parties.
- o. If a repeated security test carried out reveals an actual or potential security breach exploiting the same root cause failure, such circumstance shall constitute a material breach, for which BAE Systems may terminate any Order.

Malware

- p. The Supplier shall:
- i. ensure that all of its Tools are of satisfactory quality and fit for any purpose relevant to the Supplies, free from material design, programming and implementation errors, designed, developed, tested and deployed in accordance with Good Industry Practice, are free from Malware and the latest versions of anti-virus software available from an industry-accepted anti-virus software provider is used to check for, contain the spread of, and minimise the impact of malicious software or code which may arise from the use of the Tools in the supply of the Supplies; and
 - ii. use its best endeavours to ensure that any materials provided to BAE Systems in an electronic form or format (including emails and computer programs) for or in connection with the provision of the Supplies, are free from Malware.
 - iii. use its best endeavours to prevent the introduction of any Malware to BAE Systems' environment and BAE Systems Information.

Consequences of failure

- q. If any Indemnified Party incurs any Loss as a result of any Security Incident, Malware, or Relevant Impact to any BAE Systems Information or any Relevant Systems, then BAE Systems may at its discretion:
- i. require the Supplier at its cost to restore, reconstitute, reload or procure the restoration, reconstitution or reloading of such affected BAE Systems Information or Relevant Systems as soon as practicable but not later than 2 working days from the date of notice from BAE Systems;
 - ii. without limiting any rights or remedies, terminate any Order without any liability;
 - iii. require the Supplier to indemnify each Indemnified Party against any and all Loss incurred by each Indemnified Party as a result of or in connection with any breach by the Supplier, its employees, agents or sub-contractors of this clause 30, including for all costs incurred by BAE Systems in restoring, reconstituting, reloading or procuring the restoration, reconstitution or reloading of such affected BAE Systems Information or Relevant Systems, and all Losses suffered as a result of

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the Security Incident, Malware, or Relevant Impact to any BAE Systems Information or Relevant Systems.

31. CHANGE OF CONTROL OF THE SUPPLIER

- a. The Supplier shall provide BAE Systems with written notice and shall seek BAE Systems' prior written consent to a proposed Change of Control at least 15 working days before the proposed Change of Control is to occur.
- b. In any notice given to BAE Systems providing notice of, and seeking consent to, a proposed Change of Control, the Supplier shall include the following details:
 - i. the ownership and management arrangements of the Supplier or a parent company of the Supplier that were in place immediately before the change or, if the change has yet to occur, that were in place at the time the Supplier became aware of the prospective change;
 - ii. the ownership and management arrangements of the Supplier or a parent company of the Supplier that have been or will be put in place as a consequence of the change or, if the change has yet to occur, that the Supplier reasonably expects to be put in place if the change occurs;
 - iii. the impact (if any) that the change has had on the Supplier's or a parent company of the Supplier's ability to meet its obligations under the Order or, if the change has yet to occur, that the Supplier reasonably expects the change to have on that ability;
 - iv. the steps the Supplier has taken or proposes to take to minimise the impact of the change or prospective change; and
 - v. any other information requested by BAE Systems.
- c. If there is a Change of Control and BAE Systems does not consent to the Change of Control, then BAE Systems may:
 - i. give the Supplier a notice of termination under clause 19(d); or
 - ii. agree not to give the Supplier a notice of termination under clause 19(d), subject to the Supplier providing further information, giving specified undertakings, or executing further agreements, as may be required by BAE Systems.

32. DATA DECOMMISSIONING AND DISPOSAL

- a. Upon termination or expiry of the Agreement, the Supplier shall cease use of all BAE Systems Information and, at BAE Systems' absolute discretion, either:
 - i. promptly (and in any event within twenty-eight (28) calendar days of expiry or termination) permanently delete all BAE Systems Information in its possession so that it cannot be recovered or reconstructed; or
 - ii. require the Supplier to return a complete copy of all BAE Systems Information to BAE Systems by hand, by registered post, and/or by secure file transfer in a format stipulated by BAE Systems, and

in either case, the Supplier shall confirm in writing that is no longer in possession of any BAE Systems Information (with the exception of any BAE Systems Information retained in accordance with clause 32(c)).
- b. Unless otherwise permitted by the Agreement and where BAE Systems has requested the deletion of BAE Systems Information, the Supplier shall ensure that, prior to disposal or decommissioning, a suitable software data wiping solution is used to permanently delete all BAE Systems Information in its possession in electronic form so that it cannot be restored. Where requested by BAE Systems, the Supplier shall provide BAE Systems with a certificate of destruction signed by an authorised signatory of the Supplier confirming the Supplier's compliance with this clause 32.
- c. Notwithstanding clause 32(a), the Supplier may retain copies of BAE Systems Information only to the extent that such copies are:
 - i. retained as part of the Supplier's archival backup system if such system stores the BAE Systems Information automatically and provided that such copies of the BAE Systems Information are not retrieved or used for any purpose other than for security, business continuity or disaster recovery procedures; or
 - ii. as required by law or for legal purposes and provided that such information is only retrieved and used as necessary for those purposes and for no other purpose, and

provided always that Supplier shall ensure the security and confidentiality of all such BAE Systems Information.

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- d. The Supplier shall, in relation to BAE Systems Information, comply with the additional data archival, retention, transition and disposal processes and instructions identified in any additional data management requirements specified by BAE Systems from time to time (acting reasonably).

33. BUSINESS CONTINUITY

- a. The Supplier shall ensure that:
- i. it has, and is able to implement, a BCP which either meets all requirements specified and/or agreed with BAE Systems, or if none are specified, is in line with Good Industry Practice; and
 - ii. if required by BAE Systems, provides a copy of that BCP to BAE Systems within 7 days of BAE Systems' request.
- b. The BCP shall include (without limitation) the following policies, at the standards required by clause 33(a):
- i. a data backup schedule;
 - ii. the requirement for data backups to be held in an encrypted/secure form at a secure location which is separate to the Supplier's primary business location(s);
 - iii. a prompt data restoration timeframe; and
 - iv. an appropriate BCP testing schedule.
- c. The Supplier shall review and test the effectiveness of the BCP at least annually and, where requested, provide BAE Systems with evidence of the effectiveness of the BCP. Any changes that the Supplier wishes to make to the BCP must not adversely affect the security and integrity of BAE Systems Information and shall be notified to BAE Systems in writing in advance of such changes being implemented.
- d. The Supplier shall implement technical controls and disaster recovery processes to manage and mitigate the impact of potential loss, corruption, damage or unavailability of BAE Systems Information due to unforeseen circumstances (including fire, flood and power outages) in line with the recovery time scales specified by BAE Systems in the BCP or, if none are specified, in line with Good Industry Practice.

34. DEFENCE SECURITY

- a. If at the date of the Order the Supplier either holds, or has applied for, a valid DISP membership, the Supplier shall maintain its valid DISP membership for the duration of its performance of the Order. Details of the DISP membership scheme are located at <https://www.defence.gov.au/security/industry>.
- b. If the Supplier or the Supplier's personnel require access to any BAE Systems premises or CoA premises under the control or responsibility of Department of Defence, the Supplier will:
- i. comply with any security requirements (including those contained in the Defence Security Principles Framework (DSPF)) notified to the Supplier by BAE Systems from time to time; and
 - ii. ensure that Supplier Personnel are aware of and comply with CoA security requirements notified by BAE Systems or the CoA.
- c. The Supplier will:
- i. ensure that Supplier Personnel undertake any security checks, clearances or accreditations as required by BAE Systems or the CoA;
 - ii. promptly notify BAE Systems of any changes to circumstances which may affect the Supplier's capacity to provide the Supplies in accordance with the security requirements;
 - iii. promptly notify BAE Systems of any changes to the chief security officer or the information security officer of the Supplier; and
 - iv. provide a written undertaking in respect of security or access to CoA Premises in the form required by BAE Systems or the CoA (as applicable).