

## ATTACHMENT 1

### FORM OF "DEED OF GUARANTEE"

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#### DEED OF GUARANTEE

**THIS DEED OF GUARANTEE** (the "**Guarantee**"), dated as of **15 March 2005**, is made by **Northrop Grumman Corporation**, a Delaware Corporation with its headquarters office at 1840 Century Park East, Los Angeles, California, USA 90067 (the "**Guarantor**"), in favour of **The Police Information Technology Organisation** having its offices at New King's Beam House, 22 Upper Ground, London, SE1 9QY (the "**Authority**") and each Police Force in England, Wales and Scotland as set forth in Schedule D of the IDENT1 contract (individually, a "**Police Force**" and, collectively, the "**Police Forces**").

#### WHEREAS:

- (a) By an agreement (the "**IDENT1 Contract**") dated 30 November 2004 and made between the Authority of the one part and **Northrop Grumman Information Technology, Inc.** ("**Contractor**") of the other part, the Contractor undertook to provide certain services (the "**Services**") to the Authority and the Police Forces in accordance with the terms and conditions of the IDENT1 Contract. As used in this Guarantee, "IDENT1 Contract" shall include any contract for Livescan Services entered into between the Contractor and a Police Force and/or any other contract for Services provided by the Contractor to a Police Force pursuant to the terms of the IDENT1 Contract.
- (b) The Guarantor wishes to provide a guarantee to the Authority and the Police Forces in accordance with the terms and conditions of this Guarantee.

#### IT IS AGREED AS FOLLOWS:

##### 1. Definitions

All capitalised terms used in this Guarantee (including in the preamble hereof) and not otherwise defined herein shall have the meanings assigned to them in the IDENT1 Contract.

##### 2. Guarantee

- 2.1 The Guarantor hereby unconditionally and irrevocably guarantees to the Authority and to the Police Forces, and their successors and assigns the due and punctual performance of each and all obligations of the Contractor under the terms of the IDENT1 Contract between the Contractor and the Authority and the due payment and discharge of all such sums of money and liabilities due, owing or incurred or payable and unpaid by the Contractor pursuant to the terms of the IDENT1 Contract or as a result of any breach thereof (including all costs and expenses, including legal fees and taxes, reasonably incurred by the Authority and/or the Police Forces in connection with the Authority seeking to enforce any of the above).
- 2.2 Subject to prompt written notice to the Guarantor of the Contractor's failure to perform its obligations under the Contract setting out the details of such default and following the receipt of such notice, the Guarantor shall hereby indemnify the Authority and each Police Force in respect of any claim, demand, proceedings or liability, loss, damage, costs or expenses arising out of any failure by the Contractor to perform each and all the obligations, duties and undertakings of the Contractor when and if such obligations,



duties and undertakings become due and performable according to the terms of the IDENT1 Contract.

- 2.3 The foregoing services, liabilities and other obligations of the Contractor, and all other liabilities and obligations to be performed by the Guarantor in connection with this Guarantee shall hereinafter be collectively referred to as the **"Guaranteed Obligations"**.

### **3. Liability of the Guarantor**

- 3.1 The liability of the Guarantor under this Guarantee shall be limited to the liability of the Contractor pursuant to the IDENT1 Contract from time to time and the Guarantor shall have no greater obligation or liability under this Guarantee than it would have been under the IDENT1 Contract if it had been named as the Contractor in the IDENT1 Contract and in any event the Guarantor's liability shall in no event exceed one hundred sixty million pounds but shall otherwise be irrevocable, absolute, independent and unconditional, and shall not be affected by any other circumstance which might constitute a discharge of a surety or guarantor other than the performance in full of all Guaranteed Obligations. In addition, the Guarantor shall have the same rights and defences as those of the Contractor pursuant to the Contract.

### **4. Consents of the Guarantor**

- 4.1 The Guarantor hereby unconditionally consents and agrees that, without notice to or further assent from the Guarantor, the time for the Contractor's performance of or compliance with any term, covenant or agreement on its part to be performed or observed under the IDENT1 Contract (including, for the avoidance of doubt, any contract for Livescan Services entered into between the Contractor and a Police Force and/or any other contract for Services being provided by the Contractor to a Police Force pursuant to the terms of the IDENT1 Contract) may be extended, or such performance or compliance consented to, all in such manner and upon such terms as the Authority (and/or, where applicable, any Police Force) may deem proper.
- 4.2 Subject to Clause 12.2 below, the Guarantor hereby authorises the Contractor and the Authority (and/or, where applicable, any Police Force) to make any addendum or variation to the IDENT1 Contract (including, for the avoidance of doubt, any contract for Livescan Services entered into between the Contractor and a Police Force and/or any other contract for Services being provided by the Contractor to a Police Force pursuant to the terms of the IDENT1 Contract), the due and punctual performance of which addendum or variation shall be likewise guaranteed by the Guarantor in accordance with the terms of this Guarantee. Without prejudice to paragraph 3.1 above, the obligations of the Guarantor hereby shall in no way be affected by any variation or addendum to the IDENT1 Contract (including, for the avoidance of doubt, any contract for Livescan Services entered into between the Contractor and a Police Force and/or any other contract for Services being provided by the Contractor to a Police Force pursuant to the terms of the IDENT1 Contract) nor by any concession or arrangement granted or made by the Authority or any Police Force to or with the Contractor.

### **5. The Guarantor's Waivers**

- 5.1 The Guarantor waives and agrees not to assert any defence arising by reason of any lack of corporate or other authority or any other defence of the Contractor, the Guarantor or any other person.



- 5.2 The Guarantor waives any and all notice of the acceptance of this Guarantee, and any and all notice of the creation, renewal, modification, extension or accrual of the Guaranteed Obligations.
- 5.3 The obligations of the Guarantor hereunder are independent of and separate from the obligations of the Contractor and any other person and upon the occurrence and during the continuance of any event of default, a separate action or actions may be brought against the Guarantor, whether or not the Contractor or any such other person is joined therein or a separate action or actions are brought against the Contractor or any such other person.

## **6. Continuing Guarantee**

- 6.1 This Guarantee is a continuing Guarantee and shall continue in effect and be binding upon the Guarantor until the earlier to occur of:

6.1.1 the termination of Contractor's commitments under the IDENT1 Contract and performance in full of the Guaranteed Obligations;

6.1.2 the termination of this Guarantee by written agreement between the Guarantor and the Authority; and

6.1.3 31 March 2022

at which point this Guarantee shall automatically expire and terminate. Upon expiration or termination of this Guarantee, (a) the Guarantor's liability hereunder shall wholly cease and this Guarantee shall become null and void and (b) the Guarantee shall be promptly returned by the Authority to the Guarantor; provided, however, that in no such event shall such expiration or termination affect any of the Guarantor's obligations hereunder with respect to any obligations arising prior to such expiration or termination.

- 6.2 This Guarantee is in addition to and not in substitution for any other security which the Authority or any Police Force may at any time hold for the performance of such obligations.

- 6.3 The liability of the Guarantor and the rights of the Authority or any Police Force in relation to this Guarantee shall not be discharged or impaired by reason of the winding-up, dissolution, administration of the Contractor or any change in its status, function, control or ownership.

- 6.4 Until the Authority and the Police Forces have received payment in full of any claim against the Contractor, the Guarantor shall not, by paying any sum due hereunder or by any means or on any ground, claim or recover by the institution of proceedings or the threat of proceedings or otherwise such sum from the Contractor or claim any set-off or counterclaim against the Contractor or prove in competition with the Authority or any Police Force to claim or have the benefit of any security which the Authority or any Police Force holds or may hold for any money or liabilities due or incurred by the Contractor to the Authority or any Police Force and, in case the Guarantor receives any sums from the Contractor in respect of any payment of the Guarantor hereunder, the Guarantor shall hold such monies in trust for the Authority or any Police Force so long as any sums are payable (contingently or otherwise) under this Guarantee.

- 6.5 All sums payable under this Guarantee shall be paid in full without set-off or counterclaim and free and clear of and without deduction of or withholding for or on account of any present or future taxes, duties and/or other charges.



## **7. Representations and Warranties**

The Guarantor represents and warrants to the Authority and the Police Forces that:

- 7.1 The Guarantor is a corporation duly organised or formed, as the case may be, validly existing and in good standing under the laws of the jurisdiction of its incorporation, is qualified to do business and has all requisite power and authority to own its assets and carry on its business.
- 7.2 The execution, delivery and performance by the Guarantor of this Guarantee have been duly authorised by all necessary corporate action of the Guarantor, and do not and will not: (i) contravene the terms of the certificate or articles, as the case may be, of incorporation and the bylaws of the Guarantor or result in a breach of or constitute a default under any indenture or Guaranteed Obligation or any other agreement, lease or instrument to which the Guarantor is a party or by which it or its properties may be bound or affected; or (ii) violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree or the like binding on or affecting the Guarantor.
- 7.3 This Guarantee constitutes the legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with its respective terms.
- 7.4 No authorisation, consent, approval, license, exemption of, or filing or registration with, any governmental authority, or approval or consent of any other person, is required for the due execution, delivery or performance by the Guarantor of this Guarantee.

## **8. Notices**

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including by facsimile) and shall be mailed, sent or delivered: (i) if to the Authority, at or to its address or facsimile number specified for notices to the Authority under the IDENT1 Contract; (ii) if to any Police Force, at or to its address or facsimile number specified for notices to that Police Force under its contract for Livescan Services; and (iii) if to the Guarantor, at or to its address or facsimile number set forth below its name on the signature page hereof, or at or to such other address or facsimile number as such party shall have designated in a written notice to the other party. All such notices and communications shall be effective: (A) if delivered by hand, upon delivery; (B) if sent by mail, upon the earlier of the date of receipt or five Business Days after deposit in the mail, first class, postage prepaid; and (C) if sent by facsimile, when sent.

## **9. Benefits of Guarantee**

This Guarantee is entered into for the sole protection and benefit of the Authority and the Police Forces, and their respective successors and assigns. No other person has a right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Guarantee, but that does not affect any right or remedy of a third party which exists or is available apart from that Act.

## **10. Binding Effect; Assignment**

- 10.1 This Guarantee shall be binding upon the Guarantor and its successors and assigns.
- 10.2 The Guarantor shall not have the right to assign or transfer its rights and obligations hereunder without the prior written consent of the Authority.

## 11. Governing Law

This Guarantee shall be governed by, and construed in accordance with, the law of England and Wales and the Guarantor hereby consents and submits itself to the jurisdiction of the courts of England and Wales in any actions arising out of or connected with this Guarantee.

## 12. Agreement; Amendments and Waivers

12.1 This Guarantee constitutes the entire agreement of the Guarantor with respect to the matters set forth herein and supersedes any prior agreements, commitments, drafts, communications, discussions and understandings, oral or written, with respect thereto. There are no conditions to the full effectiveness of this Guarantee.

12.2 This Guarantee may not be amended except in writing signed by the Guarantor and the Authority.

12.3 No waiver of any rights of the Authority or any Police Force under any provision of this Guarantee or consent to any departure by the Guarantor there from shall be effective unless in writing and signed by the Authority and/or, where relevant, any affected Police Forces. Any such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

## 13. Severability

Whenever possible, each provision of this Guarantee shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Guarantee shall be prohibited by or invalid under any such law or regulation in any jurisdiction, it shall, as to such jurisdiction, be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without affecting the remaining provisions of this Guarantee, as the case may be, or the validity or effectiveness of such provision in any other jurisdiction.

**IN WITNESS WHEREOF**, the Guarantor has executed this Guarantee as a Deed as of the date first above written.

### SIGNED

By:



Wesley G. Bush

Title:

Corporate Vice President and  
Chief Financial Officer

for and on behalf of

**Northrop Grumman Corporation**

1840 Century Park East

Los Angeles, California 90067

Fax: 01-310-201-3008

in the presence of:



D. C. Gorman

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