**Framework Schedule 3 (Framework Prices)**

1. **How Framework Prices are used to calculate Call-Off Charges**
   1. The Call Off Charges shall consist of:
      1. the Supplier Fees;
      2. any Affiliate Firm Fees; and
      3. any Reimbursable Expenses where such Reimbursable Expenses are expressly provided for in the Call Off Order Form.
   2. Framework Prices:
      1. will be used as the basis for the Supplier Fees (and are maximums that the Supplier may charge in respect of such Supplier Fees) under each Call Off Contract; and
      2. cannot be increased except as in accordance with this Schedule.
   3. The Charges:
      1. shall be calculated in accordance with the terms of the Call Off Contract and in particular in accordance with the terms of the Order Form;
      2. cannot be increased except as specifically permitted by the Call Off Contract and in particular shall only be subject to Indexation where specifically stated in the Order Form.
   4. Any variation to the Supplier Fees payable under a Call Off Contract must be agreed between the Supplier and UKEF and implemented using the same procedure for altering Framework Prices in accordance with the provisions of this Framework Schedule 3
2. **How Framework Prices are calculated**
   1. The pricing mechanisms and prices set out in Annex 1 shall be available for use in calculation of the Supplier’s Fees.
3. **Are costs and expenses included in the Framework Prices**
   1. Except as expressly set out in paragraphs 4 and 7 below, or otherwise stated in a Call Off Order Form the Framework Prices shall include all costs and expenses relating to the provision of Deliverables. No further amounts shall be payable in respect of matters such as:
      1. incidental expenses such as travel, subsistence and lodging, document or report reproduction, shipping, desktop or office equipment costs, network or data interchange costs or other telecommunications charges; or
      2. costs incurred prior to the commencement of any Call Off Contract.
4. Affiliate Firm FEES
   1. Where the Supplier appoints an Affiliate Firm in accordance with Call-off Schedule 24 the Supplier may charge UKEF in respect of UKEF Account Work or the Aerospace Sector Customer in respect of any other Services the Affiliate Firm Fees where it has complied with paragraph 4.2.
   2. The Supplier shall:
      1. negotiate rates with the Affiliate Firm where possible to ensure value for money for UKEF in respect of the Deliverables.
      2. not charge any profit, management fee, administrative fee or other mark up in respect of the Affiliate Firm Fees;
      3. if requested, provide UKEF with Supporting Documentation in respect of the Affiliate Firm Fees and its compliance with this paragraph 4.2.
   3. In respect of UKEF Account Work and subject to UKEF’s consent, the Supplier may notify UKEF that it wishes to assign its right to receive payment of the Affiliate Firm Fees element of the Charges to the Affiliate Firm and shall specify the date from which it wishes such assignment to take effect.
   4. UKEF may at its sole discretion consent to the assignment of the Affiliate Firm Fees to the Affiliate Firm, where UKEF does not consent to such assignment the Affiliate Firm Fees will continue to be paid to the Supplier as part of the Charges.
   5. The Supplier shall ensure that the terms of any assignment are limited to the payment of the Affiliate Firm Fees approved by the Supplier under paragraph 4.6.1 and without prejudice to the Supplier’s obligations set out in Call-off Schedule 24 or any other right UKEF may have under the Contract.
   6. Where UKEF has consented to the assignment the Parties shall make this a special term to the Call-Off Contract Order Form and UKEF shall pay the Affiliate Firm Fees to the Affiliate Firm within 28 days (or such other period stated in the relevant Call-off Order Form) of a valid invoice being received by UKEF subject to the following:
      1. An invoice shall only be valid where the Supplier confirms to UKEF that the invoice provided by the Affiliate Firm is accurate and for fees and expenses reasonably incurred by the Affiliate Firm in performance of the Services within 5 Working Days (or such other period stated in the relevant Call-off Order Form) of such invoice being issued; and
      2. The Supplier providing or ensuring the Affiliate Firm provides to UKEF contact details and bank account details as to where payment should be made.
   7. UKEF may at its sole discretion agree in writing to pay the Affiliate Firm Fees in a currency other that GBP.
5. **When the Supplier can ask to change the Framework Prices**
   1. The Framework Prices will be fixed for the first two (2) years following the Framework Contract Commencement Date (the date of expiry of such period is a "**Review Date**"). After this Framework Prices can only be adjusted on each following yearly anniversary (the date of each such anniversary is also a "**Review Date**").
   2. The Supplier shall give UKEF at least three (3) Months' notice in writing prior to a Review Date where it wants to request an increase. If the Supplier does not give notice in time then it will only be able to request an increase prior to the next Review Date.
   3. Any notice requesting an increase shall include:
      1. a list of the Framework Prices to be reviewed;
      2. for each Framework Price under review, written evidence of the justification for the requested increase including:
         1. a breakdown of the profit and cost components that comprise the relevant Framework Price;
         2. details of the movement in the different identified cost components of the relevant Framework Price;
         3. reasons for the movement in the different identified cost components of the relevant Framework Price;
         4. evidence that the Supplier has attempted to mitigate against the increase in the relevant cost components.
   4. UKEF shall consider each request for a price increase. UKEF may grant Approval to an increase at its sole discretion.
   5. Where UKEF approves an increase then it will be implemented from the first (1st) Working Day following the relevant Review Date or such later date as UKEF may determine at its sole discretion and Annex 1 shall be updated accordingly.
6. **Other events that allow the Supplier to change the Framework Prices**
   1. The Framework Prices can also be varied (and Annex 1 will be updated accordingly) due to:
      1. a Specific Change in Law in accordance with Clause 24;
      2. a review in accordance with insurance requirements in Clause 13;
      3. a request from the Supplier, which it can make at any time, to decrease the Framework Prices;
7. **When you will be reimbursed for travel and subsistence**
   1. Expenses shall only be recoverable by the Supplier where:
      1. the Time and Materials pricing mechanism is used; and
      2. the Order Form states that recovery is permitted; and
      3. they are Reimbursable Expenses and are supported by Supporting Documentation;
      4. in respect of UKEF Account Work, the Reimbursable Expenses comply with paragraph 7.8 of Framework Schedule 1 (Specification) and UKEF's expenses policy (if any) as amended from time to time.
   2. UKEF shall provide a copy of their current expenses policy (if any) to the Supplier upon request.
   3. The Supplier shall be responsible for ensuring it has entered into an appropriate arrangement with the relevant Aerospace Sector Customer for the payment of any Reimbursable Expenses or other expenses due to the Supplier which do not relate to UKEF Account Work.
8. Currency Conversion
   1. Subject to paragraphs 4.8, 8.2 to 8.5 of this Framework Schedule 3, the currency of the Contract is Pounds Sterling (GBP) and all amounts due under the Contract shall be invoiced in GBP.
   2. Where requested by the Supplier, UKEF may, on a case by case basis and at its absolute discretion agree to the currency of a Call-off Contract and all amounts due under that Call-off Contract being invoiced in either US Dollars (USD) or Euros (EUR) in which case the applicable currency shall be stated in the Order Form for the relevant Call-off Contract.
   3. Where it is stated in the Order Form that a currency other than GBP will be used, all Supplier Fees due under the relevant Call-off Contract shall be converted from GBP to USD or EUR (as applicable) using the exchange rate stated in the Order Form.
   4. The exchange rate stated in the Order Form shall be the Bank of England’s spot rate for the purchase of USD or EUR (as applicable) with GBP on the date the Call-off Contract is entered into or such other date as is agreed between the Parties.
   5. The Supplier accepts that if UKEF agrees to make payment of any amount due under a Contract in either USD or EUR, it shall not be liable for any shortfall that may arise when the amount paid in USD or EUR is converted into GBP, or any bank or other costs of conversion incurred by the Supplier.
   6. If UKEF refuses a request by the Supplier under paragraph 8.2 paragraph 8.1 of this Framework Schedule 3 shall apply to the Contract.

**Annex 1: Rates and Prices**

**Table 1: Hourly Rates**

The Supplier (and any Sub-Contractor) shall not be entitled to include any uplift for risks or contingencies within its rates. *The rates below shall not be subject to variation by way of Indexation but may be subject to change based on exchange rate as set out in this Framework Schedule].*

*Legal Grades (to be replicated for other countries/jurisdictions if applicable)*

|  |  |
| --- | --- |
| **Legal Grade** | **Hourly Rate (£)** |
| 1 |  |
| 2 |  |
| 3 |  |
| 4 |  |
| 5 |  |
| 6 |  |
| 7 |  |

**Table 3: Relevant Currency for Exchange Rate Mechanism**

*A maximum of one currency may be selected.*

|  |  |
| --- | --- |
| **Euros (EUR)** | **Dollars (USD)** |
| **Y/N** | **Y/N** |