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SCHEDULE 10 - EXIT MANAGEMENT

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1. DEFINITIONS

1.1 In this Schedule 10, the following definitions shall apply:

"Exclusive Assets"	Assets used exclusively by the Supplier or a Key Sub-Contractor in the provision of the Services;
"Exit Information"	has the meaning given to it in Paragraph 3.1 of this Schedule 10;
"Exit Manager"	the person appointed by each Party to manage their respective obligations under this Schedule 10;
"Net Book Value"	the current net book value of the relevant Asset(s) calculated in accordance with the depreciation policy of the Supplier (which the Supplier shall ensure is in accordance with Good Industry Practice);
"Non-Exclusive Assets"	those Assets used by the Supplier or a Key Sub-Contractor in connection with the Services but which are also used by the Supplier or Key Sub-Contractor for other purposes;
"Registers"	the register and configuration database referred to in Paragraph 2.2 of this Schedule 10;
"Replacement Goods"	any goods which are substantially similar to any of the Goods and which the Buyer receives in substitution for any of the Goods following termination or expiry of this Contract, whether those goods are provided by the Buyer internally and/or by any third party;
"Termination Assistance"	the activities to be performed by the Supplier pursuant to the Exit Plans, and other assistance required by the Buyer pursuant to the Termination Assistance Notice;
"Termination Assistance Notice"	has the meaning given to it in Paragraph 5.1 of this Schedule 10;
"Transferable Assets"	Exclusive Assets which are capable of legal transfer to the Buyer;
"Transferable Contracts"	Sub-Contracts, licences for Supplier's Software, licences for Third Party Software or other agreements which are necessary to enable the Buyer or any Replacement Supplier to provide the Services or the Replacement Goods and/or Replacement Services, including in relation to licences all relevant Documentation;
"Transferring Assets"	has the meaning given to it in Paragraph 8.2.1 of this Schedule 10;

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"Transferring Contracts"

has the meaning given to it in Paragraph 8.2.3 of this Schedule 10.

2. SUPPLIER MUST ALWAYS BE PREPARED FOR CONTRACT EXIT

2.1 The Supplier shall within 30 days from the Commencement Date provide to the Buyer a copy of its depreciation policy to be used for the purposes of calculating Net Book Value.

2.2 During the Contract Period, the Supplier shall promptly:

2.2.1 create and maintain a detailed register of all Assets (including description, condition, location and details of ownership and status as either Exclusive Assets or Non-Exclusive Assets and Net Book Value) and Sub-Contracts and other relevant agreements required in connection with the Services;

2.2.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Services; and

2.2.3 create and maintain a TUPE Register which shall contain the Staffing Information.

("Registers").

2.3 The Supplier shall:

2.3.1 ensure that all Exclusive Assets listed in the Registers are clearly physically identified as such; and

2.3.2 procure that all licences for Third Party Software and all Sub-Contracts shall be assignable and/or capable of novation (at no cost or restriction to the Buyer) at the request of the Buyer to the Buyer (and/or its nominee) and/or any Replacement Supplier upon the Supplier ceasing to provide the Services (or part of them) and if the Supplier is unable to do so then the Supplier shall promptly notify the Buyer and the Buyer may require the Supplier to procure an alternative Sub-Contractor or provider of Services.

2.4 Each Party shall appoint an Exit Manager within three (3) Months of the Commencement Date. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the expiry or termination of this Contract. The Supplier's Exit Manager shall be responsible for ensuring that the Supplier and its employees, agents and Sub-Contractors comply with this Schedule.

3. ASSISTING RE-COMPETITION FOR SERVICES

3.1 The Supplier shall, on reasonable notice, provide to the Buyer and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), such information (including any access) as the Buyer shall reasonably require in order to facilitate the preparation by the Buyer of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence (the **"Exit Information"**).

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- 3.2 The Supplier acknowledges that the Buyer may disclose the Supplier's Confidential Information (excluding the Supplier's or its Sub-Contractors' prices or costs) to an actual or prospective Replacement Supplier to the extent that such disclosure is necessary in connection with such engagement.
- 3.3 The Supplier shall provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and notify the Buyer within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Services (and shall consult the Buyer in relation to any such changes). For the avoidance of doubt, the Buyer shall be entitled to request Exit Information at any time during the Contract Period irrespective of whether any termination, expiry or removal of Services from the scope of this Contract is ongoing or otherwise, and the Supplier's obligations in this Schedule in respect of Exit Information to any requests for such information by the Buyer shall apply at all times during the Contract Period irrespective of whether a termination, expiry or removal of Services from the Contract is ongoing or otherwise.
- 3.4 The Exit Information shall be accurate and complete in all material respects and shall be sufficient to enable a third party to prepare an informed offer for those Services; and not be disadvantaged in any procurement process compared to the Supplier.

4. EXIT PLANS

- 4.1 The Supplier shall ensure that the Exit Plans can be executed with little or no revision at any point during the Contract Period. The Supplier shall ensure that the Exit Plans breakdown the Exit requirements for all Services / component Services within the Contract and shall provide:
 - 4.1.1 a high-level description of the Service;
 - 4.1.2 in the form of a register detail what physical, software, intellectual property rights and knowledge assets make up the Service;
 - 4.1.1 a description of the resources associated with the Service including whether a role would fall within scope of TUPE or not. If a role would not fall within scope of TUPE what proportion of their role relates to this Service. If a role would fall within the scope of TUPE the Supplier shall provide a copy of the job description associated with the role.
 - 4.1.2
 - 4.1.3 line-item costs associated with the Service. The Supplier shall make it clear to the Buyer what the costs implications would be of removing the Service which shall include any costs that would diminish with time.
 - 4.1.4 a description of touchpoints to other services. The Supplier shall make it clear to the Buyer what other services are impacted by or connected to the Service.
- 4.2 The Supplier shall, within three (3) Months after the Commencement Date, deliver to the Buyer an Exit Plan which complies with the requirements set out in Paragraphs 4.1 and 4.5 of this Schedule 10 and is otherwise reasonably satisfactory to the Buyer.

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- 4.3 The Supplier shall be responsible for keeping Service and component service Exit Plans up to date and executable throughout the Contract Period, Including to reflect changes to the Services. Exit Plan
- 4.4 The Parties shall use reasonable endeavours to agree the contents of the Exit Plans. If the Parties are unable to agree the contents of the Exit Plans within twenty (20) Working Days of the latest date for its submission pursuant to Paragraph 4.1, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.
- 4.5 The Exit Plans shall set out, as a minimum:
 - 4.5.1 a high-level description of the Service;
 - 4.5.2 in the form of a register detail what physical, software, intellectual property rights and knowledge assets make up the Service;
 - 4.5.3 a description of the resources associated with the Service including whether a role would fall within scope of TUPE or not. If a role would not fall within scope of TUPE what proportion of their role relates to this Service. If a role would fall within the scope of TUPE the Supplier shall provide a copy of the job description associated with the role.
 - 4.5.4 line-item costs associated with the Service. The Supplier shall make it clear to the Buyer what the costs implications would be of removing the Service which shall include any costs that would diminish with time.
 - 4.5.5 a description of touchpoints to other services. The Supplier shall make it clear to the Buyer what other services are impacted by or connected to the Service.
 - 4.5.6 a detailed description of both the transfer and cessation processes, including a timetable;
 - 4.5.7 a risk, issues and dependency register;
 - 4.5.8 how the Service will transfer to the Replacement Supplier and/or the Buyer;
 - 4.5.9 details of any contracts which will be available for transfer to the Buyer and/or the Replacement Supplier upon termination or expiry of this Contract together with any reasonable costs required to effect such transfer;
 - 4.5.10 proposals for the training of key members of the Replacement Supplier's staff in connection with the continuation of the provision of the Services following the termination or expiry of this Contract;
 - 4.5.11 proposals for providing the Buyer or a Replacement Supplier copies of all documentation relating to the use and operation of the Services and required for their continued use;
 - 4.5.12 proposals for the assignment or novation of all services utilised by the Supplier in connection with the supply of the Services;
 - 4.5.13 proposals for the identification and return of all Buyer Assets in the possession of and/or control of the Supplier or any third party;
 - 4.5.14 proposals for the disposal of any redundant Deliverables and materials;
 - 4.5.15 how the Supplier will ensure that there is no disruption to or degradation of the Services during the Termination Assistance Period;

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- 4.5.16 any other information or assistance reasonably required by the Buyer or a Replacement Supplier; and
- 4.5.17 the following template Milestone Payments and Delay Payments table (**Note: the template table below needs to be inserted in every Exit Plan irrespective of whether Milestones will be used or not so that the Buyer has an audit trail in relation to whether the tick boxes were selected.**):

In accordance with Clause 7.7, the default position for this Exit Plan is that Milestones and/or Delay Payments shall apply unless the Parties expressly state otherwise by ticking the relevant boxes below the Milestone Payments and Delay Payments table below.				
#	Milestone Description	Milestone Payment amount (£GBP)	Milestone Date	Delay Payments (where Milestone) (£GBP per day)
M[x]	[insert description]	[insert amount]	[insert date]	[insert amount]
M[x]				
<p>If the Parties agree that Milestones shall not apply to this Exit Plan, please tick this box:</p> <div><input type="checkbox"/></div> <p>If the Parties agree that Delay Payments shall not apply to this Exit Plan, please tick this box:</p> <div><input type="checkbox"/></div>				

4.6 The Supplier shall:

- 4.6.1 maintain and update the Exit Plans (and risk management plan) no less frequently than:
- (a) every six (6) months throughout the Contract Period; and
 - (b) no later than twenty (20) Working Days after a request from the Buyer for an up-to-date copy of the Exit Plans;
 - (c) as soon as reasonably possible following a Termination Assistance Notice, and in any event no later than ten (10) Working Days after the date of the Termination Assistance Notice;

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- (d) as soon as reasonably possible following, and in any event no later than twenty (20) Working Days following, any change to the Services (including all changes under the Change Control Procedure) that would have an impact on how the Supplier would exit the service(s) and/or the TUPE Register; and
- 4.6.2 jointly review and verify the Exit Plans if required by the Buyer and promptly correct any identified failures.
- 4.7 Only if (by notification to the Supplier in writing) the Buyer agrees with a draft Exit Plans provided by the Supplier under this Paragraph 4.4 (as the context requires), shall that draft become the Exit Plans for this Contract.
- 4.8 A version of an Exit Plans agreed between the parties shall not be superseded by any draft submitted by the Supplier.

5. TERMINATION ASSISTANCE

- 5.1 The Buyer shall be entitled to require the provision of Termination Assistance at any time during the Contract Period whether in relation to any expiry, termination or the removal of Services (all or part thereof) from the scope of this Contract by:
 - 5.1.1 in relation to the decommissioning and/or removal of Services (in whole or in part), by giving at least one (1) Month written notice to the Supplier prior to the decommissioning and/or removal of Services (in whole or in part); or
 - 5.1.2 in relation to the termination or expiry of this Contract, by giving written notice to the Supplier at least four (4) Months prior to the termination or expiry of this Contract or as soon as reasonably practicable (but in any event, not later than one (1) Month) following the service by either Party of a notice to terminate this Contract,

and any such notice shall be known as a "**Termination Assistance Notice**".
- 5.2 The Termination Assistance Notice shall specify:
 - 5.2.1 the nature of the Termination Assistance required; and
 - 5.2.2 the start date and period during which it is anticipated that Termination Assistance will be required, which shall continue no longer than twelve (12) Months after the date that the Supplier ceases to provide the Services.
- 5.3 The Buyer shall have an option to extend the Termination Assistance Period beyond the Termination Assistance Notice period provided that such extension shall not extend for more than twelve (12) Months beyond the end of the Termination Assistance Period and provided that it shall notify the Supplier of such this extension no later than twenty (20) Working Days prior to the date on which the provision of Termination Assistance is otherwise due to expire. The Buyer shall have the right to terminate its requirement for Termination Assistance by serving not less than (20) Working Days' written notice upon the Supplier.
- 5.4 In the event that Termination Assistance is required by the Buyer but at the relevant time the parties are still agreeing an update to the Exit Plans pursuant to

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Paragraph 4, the Supplier will provide the Termination Assistance in good faith and in accordance with the principles in this Schedule 10 and the last Buyer approved version of the Exit Plans (insofar as it still applies).

- 5.5 If the Buyer issues a notice to terminate this Contract or the Contract expires in respect of the support services under the Contract, as applicable, the Buyer shall be entitled to either, at its option:
- 5.5.1 extend the termination date or extend the expiry date of the Initial Term or the then-existing Contract Period, as applicable, (such termination date or expiry date of the then-existing Initial Term or Contract Period, as applicable, shall be known as the **“Original Termination Date”**) by a period of up to twelve (12) months by giving: (i) at least two (2) months’ written notice to the Supplier prior to the Original Termination Date in respect of the relevant termination; and (ii) at least two (2) months’ written notice to the Supplier prior to the expiry of the then-existing Initial Term or Contract Period. The Supplier shall continue to provide the Services under this Contract during the Initial Term or any extension period identified pursuant to this Paragraph 5.5.1; or
 - 5.5.2 cancel the notice to terminate or expiry date of the Initial Term or the then existing Contract Period, as applicable, and, in such circumstance, the Contract or support services, as applicable, shall continue and apply as if the notice to terminate or expiry, as applicable, had never been issued by the Buyer or had never taken place, as applicable.

6. TERMINATION ASSISTANCE PERIOD

- 6.1 Throughout the Termination Assistance Period the Supplier shall:
- 6.1.1 continue to provide the Services (as applicable) and otherwise perform its obligations under this Contract and, if required by the Buyer, provide the Termination Assistance;
 - 6.1.2 provide to the Buyer and/or its Replacement Supplier any reasonable assistance and/or access requested by the Buyer and/or its Replacement Supplier including assistance and/or access to facilitate the orderly transfer of responsibility for and conduct of the Services to the Buyer and/or its Replacement Supplier;
 - 6.1.3 use all reasonable endeavours to reallocate resources to provide such assistance without additional costs to the Buyer;
 - 6.1.4 subject to Paragraph 6.3, provide the Services and the Termination Assistance at no detriment to the Service Levels, the provision of the management information or any other reports nor to any other of the Supplier's obligations under this Contract;
 - 6.1.5 at the Buyer's request and on reasonable notice, deliver up-to-date Registers to the Buyer;
 - 6.1.6 seek the Buyer's prior written consent to access any Buyer Premises from which the de-installation or removal of Assets is required.
- 6.2 If it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in Paragraph 6.1.2 without additional costs to the

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Buyer, the Parties shall agree whether any additional costs incurred by the Supplier in providing such reasonable assistance are chargeable in accordance with the Change Control Procedure.

- 6.3 If the Supplier demonstrates to the Buyer's reasonable satisfaction that the provision of the Termination Assistance will have a material, unavoidable adverse effect on the Supplier's ability to meet one or more particular Service Levels, the Parties shall vary the relevant Service Levels and/or the applicable Service Credits accordingly.

7. OBLIGATIONS WHEN THE CONTRACT IS TERMINATED

- 7.1 The Supplier shall comply with all of its obligations contained in the Exit Plans.
- 7.2 Upon termination or expiry or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Assistance), the Supplier shall:
- 7.2.1 vacate any Buyer Premises;
 - 7.2.2 remove the Supplier Equipment together with any other materials used by the Supplier to supply the Services and shall leave the Sites in a clean, safe and tidy condition. The Supplier is solely responsible for making good any damage to the Sites or any objects contained thereon, other than fair wear and tear, which is caused by the Supplier;
 - 7.2.3 provide access during normal working hours to the Buyer and/or the Replacement Supplier for up to twelve (12) Months after expiry or termination to:
 - (a) such information relating to the Services as remains in the possession or control of the Supplier; and
 - (b) such members of the Supplier Personnel as have been involved in the design, development and provision of the Services and who are still employed by the Supplier, provided that the Buyer and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to such requests for access.
- 7.3 Except where this Contract provides otherwise, all licences, leases and authorisations granted by the Buyer to the Supplier in relation to the Services shall be terminated with effect from the end of the Termination Assistance Period.
- 7.4 Upon termination or expiry or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Services and the Termination Assistance and its compliance with the other provisions of Schedule, each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or Termination Assistance or for statutory compliance purposes.

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8. ASSETS, SUB-CONTRACTS AND SOFTWARE

- 8.1 Following notice of termination of this Contract and during the Termination Assistance Period, the Supplier shall not, without the Buyer's prior written consent:
- 8.1.1 terminate, enter into or vary any Sub-Contract or licence for any software in connection with the Services; or
 - 8.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Assets or acquire any new Assets.
- 8.2 Within twenty (20) Working Days of receipt of the up-to-date Registers provided by the Supplier, the Buyer shall notify the Supplier setting out:
- 8.2.1 which, if any, of the Transferable Assets the Buyer requires to be transferred to the Buyer and/or the Replacement Supplier ("**Transferring Assets**");
 - 8.2.2 which, if any, of:
 - (a) the Exclusive Assets that are not Transferable Assets; and
 - (b) the Non-Exclusive Assets,

the Buyer and/or the Replacement Supplier requires the continued use of; and
 - 8.2.3 which, if any, of Transferable Contracts the Buyer requires to be assigned or novated to the Buyer and/or the Replacement Supplier (the "**Transferring Contracts**"),
- in order for the Buyer and/or its Replacement Supplier to provide the Services from the expiry of the Termination Assistance Period. The Supplier shall provide all reasonable assistance required by the Buyer and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts are required to provide the Deliverables or the Replacement Goods and/or Replacement Services.
- 8.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Buyer and/or the Replacement Supplier for their Net Book Value less any amount already paid for them through the Charges.
- 8.4 Risk in the Transferring Assets shall pass to the Buyer or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title shall pass on payment for them.
- 8.5 Where the Buyer and/or the Replacement Supplier requires continued use of any Exclusive Assets that are not Transferable Assets or any Non-Exclusive Assets, the Supplier shall as soon as reasonably practicable:
- 8.5.1 procure a non-exclusive, perpetual, royalty-free licence for the Buyer and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which

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- 8.5.2 procure a suitable alternative to such assets, the Buyer or the Replacement Supplier to bear the reasonable proven costs of procuring the same.
- 8.6 The Supplier shall as soon as reasonably practicable assign or procure the novation of the Transferring Contracts to the Buyer and/or the Replacement Supplier. The Supplier shall execute such documents and provide such other assistance as the Buyer reasonably requires to effect this novation or assignment.
- 8.7 The Buyer shall:
 - 8.7.1 accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and
 - 8.7.2 once a Transferring Contract is novated or assigned to the Buyer and/or the Replacement Supplier, discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Supplier does the same.
- 8.8 The Supplier shall hold any Transferring Contracts on trust for the Buyer until the transfer of the relevant Transferring Contract to the Buyer and/or the Replacement Supplier has taken place.
- 8.9 The Supplier shall indemnify the Buyer (and/or the Replacement Supplier, as applicable) against each loss, liability and cost arising out of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Buyer (and/or Replacement Supplier) pursuant to Paragraph 8.6 in relation to any matters arising prior to the date of assignment or novation of such Transferring Contract. Clause 52 shall not apply to this Paragraph 8.9 which is intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.

9. NO CHARGES

- 9.1 Unless otherwise stated, the Buyer shall not be obliged to pay for costs incurred by the Supplier in relation to its compliance with this Schedule 10 unless:
 - 9.1.1 such costs are demonstrated by the Supplier to the Buyer to be reasonable in the circumstances of the relevant expiry, termination, or removal of Services (all or part thereof) from the scope of this Contract; and
 - 9.1.2 such costs are agreed by the Buyer acting reasonably.

10. DIVIDING THE BILLS

- 10.1 All outgoings, expenses, rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Buyer and/or the Replacement and the Supplier as follows:
 - 10.1.1 the amounts shall be annualised and divided by 365 to reach a daily rate;
 - 10.1.2 the Buyer or Replacement Supplier (as applicable) shall be responsible for or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and

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- 10.1.3 the Supplier shall be responsible for or entitled to (as the case may be) the rest of the invoice.