

Annex M - Pricing Materials

Part 1 – Contract Profit Rates

1 Contract Profit Rate for Core Price

- 1.1 In this Paragraph 1, **Incentive Adjustment** refers to the addition of an incentive adjustment calculating the contract profit rate, as contemplated pursuant to Regulation 11(6) of the SSCR.
- 1.2 The contract profit rate used in calculating the Core Price before Incentive Adjustment (the **Core Price CPR** _(ex IA)) is **[Information Redacted]** (and has been calculated using the following components in accordance with Regulation 11 of the SSCR:
- (a) A Baseline Profit Rate (BPR) of **[Information Redacted]**
 - (b) a cost risk adjustment of + **[Information Redacted]** (resulting in an increase to the BPR of **[Information Redacted]**);
 - (c) an adjustment in relation to Profit on Cost Once (POCO) of **[Information Redacted]**;
 - (d) an adjustment in relation to SSRO Funding of **[Information Redacted]**;
 - (e) an adjustment in relation to a Capital Servicing Adjustment (CSA) of **[Information Redacted]**.
- 1.3 The Parties acknowledge and agree that each Performance Element Amount constitutes an Incentive Adjustment to the **Core Price CPR** _(ex IA). The adjustment to the CPR in relation to the Incentive Adjustment is **[Information Redacted]**.

2 Contract Profit Rate for Operational Damage and Additional Services

- 2.1 The Parties acknowledge that where it is necessary to calculate a **[Information Redacted]** in respect of the Contractor's obligations pursuant to Clause **(Information Redacted)** (*Operational Damage*) or Clause **(Information Redacted)** (*Additional Services*) (each a **Non-Core Price**) it is necessary to determine the contract profit that shall (for the purposes of SSCR) apply in calculating such Non-Core Price.

Part 2 - VOPA Calculations

1 Material VOP illustration [Information Redacted]

2 Labour VOP illustration [Information Redacted]