

## CONTRACT SCHEDULE 2: EXIT MANAGEMENT

### 1. DEFINITIONS

1.1 In this Contract Schedule 2, the following definitions shall apply:

<b>"Exclusive Assets"</b>	means those Supplier assets used by the Supplier or a Key Sub-Contractor which are used exclusively in the provision of the Ordered Panel Services;
<b>"Exit Information"</b>	has the meaning given to it in paragraph 4.1 of this Contract Schedule2;
<b>"Exit Manager"</b>	means the person appointed by each Party pursuant to paragraph 3.4 of this Contract Schedule 2 for managing the Parties' respective obligations under this Contract Schedule 2;
<b>"Exit Plan"</b>	means the exit plan described in paragraph 5 of this Contract Schedule 2 (Exit Management);
<b>"Net Book Value"</b>	means the net book value of the relevant Supplier asset(s) calculated in accordance with the depreciation policy of the Supplier set out in the letter in the agreed form from the Supplier to the Customer of even date with this Legal Services Contract;
<b>"Non-Exclusive Assets"</b>	means those Supplier assets (if any) which are used by the Supplier or a Key Sub-Contractor in connection with the Ordered Panel Services but which are also used by the Supplier or Key Sub-Contractor for other purposes;
<b>"Registers"</b>	means the register and configuration database referred to in paragraphs 3.1.1 and 3.1.2 of this Contract Schedule 2;
<b>"Replacement Services"</b>	means any services which are substantially similar to any of the Ordered Panel Services and which the Customer receives in substitution for any of the Ordered Panel Services following the Expiry Date, whether those services are provided by the Customer internally and/or by any third party;
<b>"Replacement Supplier"</b>	means any third party provider of Replacement Services appointed by or at the direction of the Customer from time to time or where the Customer is providing

	Replacement Services for its own account, shall also include the Customer;
<b>"Supplier Assets"</b>	means an item of property owned by a person or company, regarded as having value and available to meet debts, commitments, or legacies;
<b>"Termination Assistance"</b>	means the activities to be performed by the Supplier pursuant to the Exit Plan, and any other assistance required by the Customer pursuant to the Termination Assistance Notice;
<b>"Termination Assistance Notice"</b>	has the meaning given to it in paragraph 6.1 of this Contract Schedule 2;
<b>"Termination Assistance Period"</b>	means in relation to a Termination Assistance Notice, the period specified in the Termination Assistance Notice for which the Supplier is required to provide the Termination Assistance as such period may be extended pursuant to paragraph 6.2 of this Contract Schedule 2;
<b>"Transferable Assets"</b>	means those of the Exclusive Assets which are capable of legal transfer to the Customer;
<b>"Transferable Contracts"</b>	means the Sub-Contracts, licences for Supplier IPR, licences for third party IPR or other agreements which are necessary to enable the Customer or any Replacement Supplier to provide the Ordered Panel Services or the Replacement Services, including in relation to licences all relevant documentation;
<b>"Transferring Assets"</b>	has the meaning given to it in paragraph 9.2.1 of this Contract Schedule 2; and
<b>"Transferring Contracts"</b>	has the meaning given to it in paragraph 9.2.3 of this Contract Schedule 2.

## 2. INTRODUCTION

- 2.1 This Contract Schedule 2 describes provisions that should be included in the Exit Plan, the duties and responsibilities of the Supplier to the Customer leading up to and covering the Expiry Date and the transfer of service provision to the Customer and/or a Replacement Supplier.
- 2.2 The objectives of the exit planning and service transfer arrangements are to ensure a smooth transition of the availability of the Ordered Panel Services from the Supplier to the Customer and/or a Replacement Supplier at the Expiry Date.

## 3. OBLIGATIONS DURING THE TERM TO FACILITATE EXIT

3.1 During the Term, the Supplier shall:

3.1.1 create and maintain a Register of all:

(a) Supplier assets, detailing their:

- (i) make, model and asset number;
- (ii) ownership and status as either Exclusive Assets or Non-Exclusive Assets;
- (iii) Net Book Value;
- (iv) condition and physical location; and
- (v) use (including technical specifications); and

(b) Sub-Contracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Ordered Panel Services;

3.1.2 create and maintain a configuration database detailing the technical infrastructure and operating procedures through which the Supplier provides the Ordered Panel Services, which shall contain sufficient detail to permit the Customer and/or Replacement Supplier to understand how the Supplier provides the Ordered Panel Services and to enable the smooth transition of the Ordered Panel Services with the minimum of disruption;

3.1.3 agree the format of the Registers with the Customer as part of the process of agreeing the Exit Plan; and

3.1.4 at all times keep the Registers up to date, in particular in the event that assets, Sub-Contracts or other relevant agreements are added to or removed from the Ordered Panel Services.

3.2 The Supplier shall:

3.2.1 procure that all Exclusive Assets listed in the Registers are clearly marked to identify that they are exclusively used for the provision of Ordered Panel Services under this Legal Services Contract; and

3.2.2 (unless otherwise agreed by the Customer in writing) procure that all licences for Third Party IPR and all Sub-Contracts shall be assignable and/or capable of novation at the request of the Customer to the Customer (and/or its nominee) and/or any Replacement Supplier upon the Supplier ceasing to provide the Ordered Panel Services (or part of them) without restriction (including any need to obtain any consent or approval) or payment by the Customer.

3.3 Where the Supplier is unable to procure that any Sub-Contract or other agreement referred to in paragraph 3.2.2 of this Contract Schedule 2 which the Supplier proposes to enter into after the Commencement Date is assignable and/or capable of novation to the Customer (and/or its nominee) and/or any Replacement Supplier without restriction or payment, the Supplier shall promptly notify the Customer of this and the Parties shall (acting reasonably and without undue delay) discuss the appropriate action to be taken which, where the Customer so directs, may include the Supplier seeking an alternative Sub-Contractor or provider of services to which the relevant agreement relates.

3.4 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Contract Schedule 2 and provide written notification of such appointment to the other Party within three (3) months of the Commencement Date. The Supplier's Exit Manager shall be responsible for ensuring that the Supplier and its

employees, agents and Sub-Contractors comply with this Contract Schedule 2. The Supplier shall ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the Supplier as are reasonably necessary to enable the Supplier to comply with the requirements set out in this Contract Schedule 2. The Parties' Exit Managers will liaise with one another in relation to all issues relevant to the termination of this Contract and all matters connected with this Contract Schedule 2 and each Party's compliance with it.

#### **4. OBLIGATIONS TO ASSIST ON RE-TENDERING OF ORDERED PANEL SERVICES**

4.1 On reasonable notice at any point during the Term, the Supplier shall provide to the Customer and/or its potential Replacement Suppliers (subject to the potential Replacement Suppliers entering into reasonable written confidentiality undertakings), the following material and information in order to facilitate the preparation by the Customer of any invitation to tender and/or to facilitate any potential Replacement Suppliers undertaking due diligence:

4.1.1 details of the Ordered Panel Service(s);

4.1.2 a copy of the Registers, updated by the Supplier up to the date of delivery of such Registers;

4.1.3 an inventory of Customer Data in the Supplier's possession or control;

4.1.4 details of any key terms of any third party contracts and licences, particularly as regards charges, termination, assignment and novation;

4.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Ordered Panel Services;

4.1.6 all information relating to Transferring Supplier Employees or those who may be Transferring Supplier Employees' required to be provided by the Supplier under this Legal Services Contract such information to include the Staffing Information as defined in Contract Schedule 3 (Staff Transfer); and

4.1.7 such other material and information as the Customer shall reasonably require, (together, the "**Exit Information**").

4.2 The Supplier acknowledges that the Customer may disclose the Supplier's Confidential Information to an actual or prospective Replacement Supplier or any third party whom the Customer is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Customer may not under this paragraph 4.2 of this Contract Schedule 2 disclose any Supplier's Confidential Information which is information relating to the Supplier's or its Sub-Contractors' prices or costs).

4.3 The Supplier shall:

4.3.1 notify the Customer within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the provision of any Ordered Panel Services and shall consult with the Customer regarding such proposed material changes; and

4.3.2 provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within ten (10) Working Days of a request in writing from the Customer.

4.4 The Supplier may charge the Customer for its reasonable additional costs to the extent the Customer requests more than four (4) updates in any six (6) month period.

- 4.5 The Exit Information shall be accurate and complete in all material respects and the level of detail to be provided by the Supplier shall be such as would be reasonably necessary to enable a third party to:

4.5.1 prepare an informed offer for those Ordered Panel Services; and

4.5.2 not be disadvantaged in any subsequent procurement process compared to the Supplier (if the Supplier is invited to participate).

## **5. EXIT PLAN**

- 5.1 The Supplier shall, within three (3) months after the Commencement Date, deliver to the Customer an Exit Plan which:

5.1.1 sets out the Supplier's proposed methodology for achieving an orderly transition of the Ordered Panel Services from the Supplier to the Customer and/or its Replacement Supplier on the expiry or termination of this Contract ;

5.1.2 complies with the requirements set out in paragraph 5.3 of this Contract Schedule 2;

5.1.3 is otherwise reasonably satisfactory to the Customer.

- 5.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of its submission, then such dispute shall be resolved in accordance with the Dispute Resolution Procedure.

- 5.3 Unless otherwise specified by the Customer or Approved, the Exit Plan shall set out, as a minimum:

5.3.1 how the Exit Information is obtained;

5.3.2 the management structure to be employed during both transfer and cessation of the Ordered Panel Services;

5.3.3 the management structure to be employed during the Termination Assistance Period;

5.3.4 a detailed description of both the transfer and cessation processes, including a timetable;

5.3.5 how the Ordered Panel Services will transfer to the Replacement Supplier and/or the Customer, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Customer's technology components from any technology components operated by the Supplier or its Sub-Contractors (where applicable);

5.3.6 details of contracts (if any) which will be available for transfer to the Customer and/or the Replacement Supplier upon the Expiry Date together with any reasonable costs required to effect such transfer (and the Supplier agrees that all assets and contracts used by the Supplier in connection with the provision of the Ordered Panel Services will be available for such transfer);

5.3.7 proposals for the training of key members of the Replacement Supplier's personnel in connection with the continuation of the provision of the Ordered Panel Services following the Expiry Date charged at rates agreed between the Parties at that time;

5.3.8 proposals for providing the Customer or a Replacement Supplier copies of all documentation:

- (a) used in the provision of the Ordered Panel Services and necessarily required for the continued use thereof, in which the Intellectual Property Rights are owned by the Supplier; and
  - (b) relating to the use and operation of the Ordered Panel Services;
- 5.3.9 proposals for the assignment or novation of the provision of all services, leases, maintenance agreements and support agreements utilised by the Supplier in connection with the performance of the supply of the Ordered Panel Services;
- 5.3.10 proposals for the identification and return of all Customer Property in the possession of and/or control of the Supplier or any third party (including any Sub-Contractor);
- 5.3.11 proposals for the disposal of any redundant Ordered Panel Services and materials;
- 5.3.12 procedures to:
  - (a) deal with requests made by the Customer and/or a Replacement Supplier for Staffing Information pursuant to Contract Schedule 3 (Staff Transfer);
  - (b) determine which Supplier Personnel are or are likely to become Transferring Supplier Employees; and
  - (c) identify or develop any measures for the purpose of the Employment Regulations envisaged in respect of Transferring Supplier Employees;
- 5.3.13 how each of the issues set out in this Contract Schedule 2 will be addressed to facilitate the transition of the Ordered Panel Services from the Supplier to the Replacement Supplier and/or the Customer with the aim of ensuring that there is no disruption to or degradation of the Ordered Panel Services during the Termination Assistance Period; and
- 5.3.14 proposals for the supply of any other information or assistance reasonably required by the Customer or a Replacement Supplier in order to effect an orderly handover of the provision of the Ordered Panel Services.

## 6. TERMINATION ASSISTANCE

- 6.1 The Customer shall be entitled to require the provision of Termination Assistance at any time during the Term by giving written notice to the Supplier (a "**Termination Assistance Notice**") at least four (4) Months prior to the Expiry Date or as soon as reasonably practicable (but in any event, not later than one (1) Month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:
  - 6.1.1 the date from which Termination Assistance is required;
  - 6.1.2 the nature of the Termination Assistance required; and
  - 6.1.3 the 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 Ordered Panel Services.
- 6.2 The Customer shall have an option to extend the Termination Assistance Period beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend for more than six (6) Months after the date the Supplier ceases to provide the Ordered Panel Services or, if applicable, beyond the end of the Termination Assistance Period and provided that it shall notify the Supplier to such effect no later than twenty (20) Working Days prior to the date on which the provision of Termination Assistance is otherwise due to expire. The Customer shall have the

right to terminate its requirement for Termination Assistance by serving not less than (20) Working Days' written notice upon the Supplier to such effect.

## **7. TERMINATION ASSISTANCE PERIOD**

7.1 Throughout the Termination Assistance Period, or such shorter period as the Customer may require, the Supplier shall:

7.1.1 continue to provide the Ordered Panel Services (as applicable) and, if required by the Customer pursuant to paragraph 6.1 of this Contract Schedule 2, provide the Termination Assistance;

7.1.2 in addition to providing the Ordered Panel Services and the Termination Assistance, provide to the Customer any reasonable assistance requested by the Customer to allow the Ordered Panel Services to continue without interruption following the termination or expiry of this Contract and to facilitate the orderly transfer of responsibility for and conduct of the Ordered Panel Services to the Customer and/or its Replacement Supplier;

7.1.3 use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 of this Contract Schedule 2 without additional costs to the Customer;

7.1.4 ~~provide the Ordered Panel Services and the Termination Assistance at no detriment to the Service Level Performance Measures, save to the extent that the Parties agree otherwise in accordance with paragraph Error! Reference source not found. of this Contract Schedule 2; and~~

7.1.5 at the Customer's request and on reasonable notice, deliver up-to-date Registers to the Customer.

7.2 Without prejudice to the Supplier's obligations under paragraph 7.1.3 of this Contract Schedule 2, if it is not possible for the Supplier to reallocate resources to provide such assistance as is referred to in paragraph 7.1.2 of this Contract Schedule 2 without additional costs to the Customer, any additional costs incurred by the Supplier in providing such reasonable assistance which is not already in the scope of the Termination Assistance or the Exit Plan shall be subject to Clause 4 (Variation and Extension).

## **8. TERMINATION OBLIGATIONS**

8.1 The Supplier shall comply with all of its obligations contained in the Exit Plan.

8.2 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Ordered Panel Services and the Termination Assistance and its compliance with the other provisions of this Contract Schedule 2), the Supplier shall:

8.2.1 cease to use the Customer Data;

8.2.2 provide the Customer and/or the Replacement Supplier with a complete and uncorrupted version of the Customer Data in electronic form (or such other format as reasonably required by the Customer);

8.2.3 erase from any computers, storage devices and storage media that are to be retained by the Supplier after the end of the Termination Assistance Period all Customer Data and promptly certify to the Customer that it has completed such deletion;

8.2.4 return to the Customer such of the following as is in the Supplier's possession or control:

- (a) all materials created by the Supplier under this Legal Services Contract in which the IPRs are owned by the Customer;
- (b) any equipment which belongs to the Customer;
- (c) any items that have been on-charged to the Customer, such as consumables; and
- (d) any sums prepaid by the Customer in respect of Ordered Panel Services not delivered by the Expiry Date;

8.2.5 vacate any Customer Premises;

8.2.6 remove the Supplier Equipment together with any other materials used by the Supplier to supply the Ordered Panel 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 and/or any Supplier Personnel;

8.2.7 provide access during normal working hours to the Customer and/or the Replacement Supplier for up to twelve (12) Months after expiry or termination to:

- (a) such information relating to the Ordered Panel 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 Ordered Panel Services and who are still employed by the Supplier, provided that the Customer and/or the Replacement Supplier shall pay the reasonable costs of the Supplier actually incurred in responding to requests for access under this paragraph.

8.3 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Supplier's performance of the Ordered Panel Services and the Termination Assistance and its compliance with the other provisions of this Contract Schedule 2), 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 Ordered Panel Services or termination services or for statutory compliance purposes.

8.4 Except where this Contract provides otherwise, all licences, leases and authorisations granted by the Customer to the Supplier in relation to the Ordered Panel Services shall be terminated with effect from the end of the Termination Assistance Period.

## **9. ASSETS AND SUB-CONTRACTS**

9.1 Following notice of termination of this Contract and during the Termination Assistance Period, the Supplier shall not, without the Customer's prior written consent:

9.1.1 terminate, enter into or vary any Sub-Contract;

9.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any existing Supplier assets or acquire any new Supplier assets; or

9.1.3 terminate, enter into or vary any licence for software in connection with the provision of Ordered Panel Services.

9.2 Within twenty (20) Working Days of receipt of the up-to-date Registers provided by the Supplier pursuant to paragraph 7.1.5 of this Contract Schedule 2, the Customer shall provide written notice to the Supplier setting out:



9.2.1 which, if any, of the Transferable Assets the Customer requires to be transferred to the Customer and/or the Replacement Supplier ("**Transferring Assets**");

9.2.2 which, if any, of:

(a) the Exclusive Assets that are not Transferable Assets; and

(b) the Non-Exclusive Assets,

the Customer and/or the Replacement Supplier requires the continued use of; and

9.2.3 which, if any, of Transferable Contracts the Customer requires to be assigned or novated to the Customer and/or the Replacement Supplier (the "**Transferring Contracts**"),

in order for the Customer and/or its Replacement Supplier to provide the Ordered Panel Services from the expiry of the Termination Assistance Period. Where requested by the Customer and/or its Replacement Supplier, the Supplier shall provide all reasonable assistance to the Customer and/or its Replacement Supplier to enable it to determine which Transferable Assets and Transferable Contracts the Customer and/or its Replacement Supplier requires to provide the Ordered Panel Services or the Replacement Services.

9.3 With effect from the expiry of the Termination Assistance Period, the Supplier shall sell the Transferring Assets to the Customer and/or its nominated Replacement Supplier for a consideration equal to their Net Book Value, except where the cost of the Transferring Asset has been partially or fully paid for through the Contract Charges at the Expiry Date, in which case the Customer shall pay the Supplier the Net Book Value of the Transferring Asset less the amount already paid through the Charges.

9.4 Risk in the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) at the end of the Termination Assistance Period and title to the Transferring Assets shall pass to the Customer or the Replacement Supplier (as appropriate) on payment for the same.

9.5 Where the Supplier is notified in accordance with paragraph 9.2.2 of this Contract Schedule 2 that the Customer 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:

9.5.1 procure a non-exclusive, perpetual, royalty-free licence (or licence on such other terms that have been agreed by the Customer) for the Customer and/or the Replacement Supplier to use such assets (with a right of sub-licence or assignment on the same terms); or failing which

9.5.2 procure a suitable alternative to such assets and the Customer or the Replacement Supplier shall bear the reasonable proven costs of procuring the same.

9.6 The Supplier shall as soon as reasonably practicable assign or procure the novation to the Customer and/or the Replacement Supplier of the Transferring Contracts. The Supplier shall execute such documents and provide such other assistance as the Customer reasonably requires to effect this novation or assignment.

9.7 The Customer shall:

9.7.1 accept assignments from the Supplier or join with the Supplier in procuring a novation of each Transferring Contract; and

9.7.2 once a Transferring Contract is novated or assigned to the Customer and/or the Replacement Supplier, carry out, perform and 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.

- 9.8 The Supplier shall hold any Transferring Contracts on trust for the Customer until such time as the transfer of the relevant Transferring Contract to the Customer and/or the Replacement Supplier has been effected.
- 9.9 The Supplier shall indemnify the Customer (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 Customer (and/or Replacement Supplier) pursuant to paragraph 9.6 of this Contract Schedule 2 in relation to any matters arising prior to the date of assignment or novation of such Transferring Contract.

## **10. SUPPLIER PERSONNEL**

- 10.1 The Customer and Supplier agree and acknowledge that in the event of the Supplier ceasing to provide the Ordered Panel Services or part of them for any reason, Contract Schedule 3 (Staff Transfer) shall apply.
- 10.2 The Supplier shall not and shall procure that any relevant Sub-Contractor shall not take any step (expressly or implicitly and directly or indirectly by itself or through any other person) without the prior written consent of the Customer to dissuade or discourage any employees engaged in the provision of the Ordered Panel Services from transferring their employment to the Customer and/or the Replacement Supplier and/or Replacement Sub-Contractor.
- 10.3 During the Termination Assistance Period, the Supplier shall and shall procure that any relevant Sub-Contractor shall:
  - 10.3.1 give the Customer and/or the Replacement Supplier and/or Replacement Sub-Contractor reasonable access to the Supplier's personnel and/or their consultation representatives to present the case for transferring their employment to the Customer and/or the Replacement Supplier and/or to discuss or consult on any measures envisaged by the Customer, Replacement Supplier and/or Replacement Sub-Contractor in respect of persons expected to be Transferring Supplier Employees;
  - 10.3.2 co-operate with the Customer and the Replacement Supplier to ensure an effective consultation process and smooth transfer in respect of Transferring Supplier Employees in line with good employee relations and the effective continuity of the Ordered Panel Services.
- 10.4 The Supplier shall immediately notify the Customer or, at the direction of the Customer, the Replacement Supplier of any period of notice given by the Supplier or received from any person referred to in the Staffing Information as defined in Contract Schedule 3 (Staff Transfer), regardless of when such notice takes effect.
- 10.5 The Supplier shall not for a period of twelve (12) Months from the date of transfer re-employ or re-engage or entice any employees, suppliers or Sub-Contractors whose employment or engagement is transferred to the Customer and/or the Replacement Supplier except that this paragraph 10.5 shall not apply where an offer is made pursuant to an express right to make such offer under Contract Schedule 3 (Staff Transfer) in respect of a Transferring Supplier Employee not identified in the Supplier's Final Supplier Personnel List.

## **11. CHARGES**

- 11.1 Except as otherwise expressly specified in this Contract, the Supplier shall not make any charges for the services provided by the Supplier pursuant to, and the Customer shall not be obliged to pay for costs incurred by the Supplier in relation to its

compliance with, this Contract Schedule 2 including the preparation and implementation of the Exit Plan, the Termination Assistance and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.

## **12. APPORTIONMENTS**

12.1 All outgoings and expenses (including any remuneration due) and all rents, royalties and other periodical payments receivable in respect of the Transferring Assets and Transferring Contracts shall be apportioned between the Customer and the Supplier and/or the Replacement Supplier and the Supplier (as applicable) as follows:

12.1.1 the amounts shall be annualised and divided by 365 to reach a daily rate;

12.1.2 the Customer shall be responsible for (or shall procure that the Replacement Supplier 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

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

12.2 Each Party shall pay (and/or the Customer shall procure that the Replacement Supplier shall pay) any monies due under paragraph 12.1 of this Contract Schedule 2 as soon as reasonably practicable.