

11.5 Escalation Procedure

- 11.5.1 In the event of poor performance standards, including (but not limited to) failure to reach acceptable levels of performance as measured by the Key Performance Indicators set out in Section 11.2, the escalation procedure shall be triggered by the Company at its absolute discretion.
- 11.5.2 The purpose of the escalation procedure is to provide a structured framework within which the Parties can resolve failures to achieve timescales and deliverable targets. For the purposes of this procedure notified levels of poor performance will be termed “Non-Conformances”.
- 11.5.3 This procedure operates with four levels; the lowest level Non-Conformance being Level 1. Should Non-Conformances escalate to a higher level they shall receive an appropriate level of management intervention from the Company and the Supplier. Level 3 gives final review and an opportunity for remedial actions to resolve issues before the Non-Conformance reaches Level 4, which will entitle the Company to terminate in accordance with Clause 31 of the conditions of contract.
- 11.5.4 The following table summarises the escalation procedure. It is possible for a number of issues to be subject to the escalation procedure at any one time.

Table 4 – Summary of Escalation Procedure

TRIGGER	LEVEL	ACTION	BY	RESULT
Failure to rectify identified Non-Conformance issued as part of KPIs	LEVEL 1	Improvement plan with precise end date required. Ongoing review dates specified.	i) Company' Representative ii) Supplier's Representative	Satisfactory - Stop Unsatisfactory - Level 2
Level 1 re-occurrence Consistent failure to meet notified requirement Safety Condition infringements.	LEVEL 2	Improvement plan with precise end date required. Ongoing review dates specified.	i) Company's Head of Commercial ii) Supplier's Director - Asset Management	Satisfactory - Stop Unsatisfactory - Level 3

TRIGGER	LEVEL	ACTION	BY	RESULT
Level 2 re-occurrence	LEVEL 3	Final review. Final opportunity for remedial action. Precise end date required. Possible notice of termination or other remedy if appropriate.	i) Company's Director of Commercial ii) Supplier's Managing Director - Rail	Satisfactory - Stop Unsatisfactory - Level 4
Level 3 re-occurrence	LEVEL 4	Termination		

11.5.5 Issues shall be resolved locally on a day-to-day basis to the mutual satisfaction of all parties and shall not be raised to Level 1 without prior endeavours to resolve. At this stage of the process, the Supplier may be required to supply a root cause analysis and a recovery plan. Performance standards to be achieved and associated processes for measuring and recording Supplier's performance are detailed in Section 11.5 of this Appendix 11.

11.5.6 Level 1

11.5.6.1. The Level 1 Non-Conformance will be recorded by the Company and a notice submitted to the Supplier to be agreed. The Supplier shall in response (such response to be within 5 Working Days of service of the notice by the Company) prepare and submit to the Company a Level 1 Non-Conformance Report. Such report will contain:

- a) confirmation of the date(s) and details of the Level 1 Non-Conformance;
- b) the steps to be taken by the Supplier to ensure there is no repetition of such Level 1 Non-Conformance the "Level 1 Required Action"; and
- c) the time within such Level 1 Required Action is to be completed (which shall be a reasonable period and no longer than the "Level 1 Rectification Period".

11.5.6.2. The Supplier and the Company will use all reasonable endeavours to agree the Level 1 Rectification Period and the Level 1 Required Action; if no agreement is reached the Company shall determine the Rectification Period and Required Action. If the Level 1 Required Action is carried out within the Level 1 Rectification Period then the Non-Conformance will be classed as closed.

11.5.6.3. All Level 1 Non-Conformances will be reviewed every Period at a meeting attended by the Company's Representative and The Suppliers Representative (whether resolved or not) to ensure that reoccurrence is (where possible) eliminated.

11.5.7 Level 2

11.5.7.1. Paragraph 11.5.7.2 shall apply where:

- a) the Company determines, having regard to the gravity of the Non-Conformance, that a Non-Conformance should be treated as a Level 2 Non-Conformance; or
- b) the Supplier fails to notify the Company of the occurrence of a Level 1 Non-Conformance prior to the Company notifying the same to the Supplier (provided that the Company shall be entitled, having regard to the gravity of the Non-Conformance, to treat this as a Level 3 Non-Conformance rather than a Level 2 Non-Conformance); or
- c) the Supplier fails to make available to the Company a Level 1 Non-Conformance Report within 5 Working Days of service by the Company of the notice referred to in Paragraph 11.4.6.1; or
- d) the Supplier fails to undertake the Level 1 Required Action within the Level 1 Rectification Period; or
- e) the Supplier fails to rectify the Level 1 Non-Conformance within the Level 1 Rectification Period; or
- f) a further Non-Conformance occurs after the Level 1 Rectification Period but within 1 month of the end of the Level 1 Rectification Period and that is a Non-Conformance in relation to the same KPI ("Same Type") as the Level 1 Non-Conformance; or
- g) a further Non-Conformance occurs during the Level 1 Rectification Period that is of the Same Type as the Level 1 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non Conformance; or
- h) failure to meet the requirements of Schedule 6, Contract Quality Environmental and Safety Conditions.

11.5.7.2. Where one or more of the circumstances described in Paragraph 11.5.7.1 applies, then this shall be a "Level 2 Non-Conformance" and the Company may submit a notice to the Supplier. The Supplier shall propose the steps to be taken by the Supplier to ensure there is no repetition of such Level 2 Non-Conformance (the "Level 2 Required Action") and the time within which such Level 2 Required Action is to be completed (which shall be a reasonable period and no longer than 5 Days (the "Level 2 Rectification Period"), and prepare and make available to the Company a report (the "Level 2 Non-Conformance Report"), which shall set out the following information:

- a) the date and details of the Level 2 Non-Conformance;
- b) the Level 2 Required Action; and
- c) the Level 2 Rectification Period.

11.5.7.3. The Supplier and the Company will use all reasonable endeavours to agree the Level 2 Rectification Period and the Level 2 Required Action; if no agreement is reached the Company shall determine the Rectification Period and Required Action.

11.5.7.4. If the Level 2 Required Action is taken within the agreed Level 2 Rectification Period then the Non-Conformance will be considered resolved. However, a record of the Non-Conformance will be made and Level 2 trends monitored.

11.5.7.5. All Level 2 Non-Conformances will be reviewed every Period at a meeting attended by the Company's Head of Commercial and the Suppliers Director - Asset Management (whether resolved or not) to ensure reoccurrence is (where possible) eliminated.

11.5.8 Level 3

11.5.8.1. Paragraph 11.5.8.2 shall apply where:

- a) the Company determines, having regard to the gravity of the Non-Conformance, that a Non-Conformance should be treated as a Level 3 Non-Conformance; or
- b) the Supplier fails to make available to the Company a Level 2 Non-Conformance Report within 5 Working Days of service by the Company of the notice referred to in Paragraph 11.5.7.2; or
- c) the Supplier fails to undertake the Level 2 Required Action within the Level 2 Rectification Period; or
- d) the Supplier fails to rectify the Level 2 Non-Conformance within the Level 2 Rectification Period; or
- e) a further Non-Conformance occurs after the Level 2 Rectification Period but within 1 month of the end of the Level 2 Rectification Period and which is of the Same Type as the Level 2 Non-Conformance; or
- f) a further Non-Conformance occurs during the Level 2 Rectification Period that is of the Same Type as the Level 2 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance.

11.5.8.2. Where one or more of the circumstances described in Paragraph 11.5.8.1 applies, then this shall be a "Level 3 Non-Conformance" and the Company shall inform the Supplier of the same by written notice.

11.5.8.3. The notice referred to in Paragraph 11.5.8.2 shall set out:

- a) the deadline by which it requires the Supplier to serve on the Company a report setting out the steps which the Supplier has taken, or will take, to ensure that no further Non-Conformances of this type shall arise (the "Level 3 Required Action") (a "Level 3 Non-Conformance Report"); and

- b) the period (being no greater than 2 months from the time of occurrence of the Level 3 Non-Conformance for the Supplier to put in place steps to ensure that no further Non-Conformances of the Same Type occur (the “Level 3 Rectification Period”).

11.5.8.4. All Level 3 Non-Conformances will be reviewed every third Period at a meeting attended by the Company’s Commercial Director and the Suppliers Managing Director - Rail.

11.5.9 Level 4

11.5.9.1. Paragraph 11.5.9.2 shall apply where:

- a) the Supplier fails to make available to the Company by the deadline notified under Paragraph 11.4.8.2 a Level 3 Non-Conformance Report; or
- b) the Supplier fails to undertake the Level 3 Required Action within the Level 3 Rectification Period; or
- c) the Supplier fails to rectify the Level 3 Non-Conformance within the Level 3 Rectification Period; or
- d) a further Non-Conformance occurs after the Level 3 Rectification Period but within 1 month of the end of the Level 3 Rectification Period and which is of the Same Type as the Level 3 Non-Conformance; or
- e) a further Non-Conformance occurs during the Level 3 Rectification Period that is of the Same Type as the Level 3 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance.

11.5.9.2. where one or more of the circumstances described in paragraph 11.5.9.1 applies, then this shall be a “Level 4 Non-Conformance” and the Company will be entitled to terminate the Contract in whole or in part in accordance with clause 31 of the Contract.

Schedule 12

Availability

12.1. Generally

- 12.1.1. The Supplier provides the Services by means that achieve the Serviced Items being Available throughout the periods stated in this Schedule 12, Part B, Table Four. The Supplier acknowledges that if the Serviced Items are not so Available as a result of an act or omission of the Supplier, its subcontractors or any agent or employee, the value of the Services to the Company is reduced.
- 12.1.2. The amount due to the Supplier under the Contract in respect of a Period shall be reduced by an amount calculated by multiplying the figure for LCH cost set out in Schedule 1 (Detailed Terms) by the amount that the Total Actual Disruption figure for that Period is in excess of the Availability Benchmark as also set out in Schedule 1 (Detailed Terms).
- 12.1.3. In the event that the Completion Date, or earlier termination of the Contract, occurs part way through a Period, the Company's Representative shall adjust the Availability Benchmark in respect to that Period on a pro rata basis to reflect the duration over which the Services are provided in the final Period.

Schedule 12 Part A - Definitions

“Actual Disruption” means the number of lost customer hours, expressed in minutes to two decimal places, incurred due to a Disruption. Actual Disruption is calculated by applying the Disruption Period to the latest NACHs tables set out in Schedule 12, Part B, Table One and, where appropriate, adjusting the total by the weighting factors set out in Schedule 4, Part B, Table Two

“Available” means:

- (a) compliant with the Standards and the service levels listed or referred to in Schedule 3;
- (b) safe and fit for purpose at all times insofar as is reasonably practicable;
- (c) there are no foreseeable hazards to the use of the Facility concerned except insofar as a risk assessment has been carried out by the Supplier and any risk is expressly accepted by the Company; and
- (d) the Facility concerned is readily accessible and operable throughout the periods stipulated and agreed with the Company for each generic facility group.

“Disruption” means disruption of a type set out in Schedule 12, Part B, Table Three to a Serviced Item, to the extent that it results from the Supplier’s performance, non-performance or part performance of the Contract or arises out of or in the course of or by reason of any act, negligence, breach of contract, breach of statutory duty, error, omission or default by the Supplier.

“Disruption Period” means the period of time, expressed in minutes to two decimal places, over which a Disruption of a type set out in Schedule 12, Part B, Table Three causes a Serviced Item not to be Available. A Disruption Period commences from the time the Supplier receives a Service Disruption Notice in respect of the Disruption and ends when the Fault Reporting Centre notifies the Supplier of the Service Disruption Closure Number in respect of the same Disruption.

“Facilities” means those assets that comprise the infrastructure required by LUL to operate the service to be provided to customers in relation to trains and stations and which are owned, controlled or otherwise held from time to time by the Company and **“Facility”** means an element of the infrastructure which comprises the Facilities.

“Fault Reporting Centre” means the fault reporting centre located on the Second Floor, 15 Westferry Circus, Canary Wharf, London E14 4HD, telephone number 0207 088 4471, facsimile number 0207 088 4481/4480 or such other centre as may be advised by the Company’s Representative

“Service Disruption Closure Number” means a unique number allocated by the Fault Reporting Centre to each occurrence of Disruption, issued when the Company considers the said Disruption to have ceased.

“Service Disruption Notice” means a notice, issued by the Fault Reporting Centre detailing an occurrence of Disruption and allocating a Service Disruption Number to the said Disruption.

“Service Disruption Number” means a unique number allocated by the Fault Reporting Centre in respect to the occurrence of a Disruption.

“Serviced Items” means Facilities in respect of which the Supplier is responsible under the Contract for supplying Services.

Schedule 12 Part B - Disruption to Availability

Introduction

The NACHS system (Nominally Accumulated Customer Hours) enables the impact of incidents that occur on the network to be estimated in terms of increased passenger journey time. The impact of an incident will depend upon factors such as the type of incident, time it occurs, the duration and location. NACHS values can be assigned by comparing the incident details with set of look-up tables. The unit of passenger impact is the NAX where one NAX corresponds to an additional 100 hours of passenger perceived journey time

The extracts from the 2014 NACH's applicable to this Contract are as listed in Table One.

Table One

Ref	Title
1.1	NACH's per Hour - Full Station Closures - Unplanned
1.2	NACH's per Hour - Single Platform Closures - Unplanned
1.3	NACH's per Hour – Bakerloo Line Full Line Suspension - Unplanned
1.4	NACH's per Hour – Central Line Full Line Suspension – Unplanned
1.5	NACH's per Hour – Circle Line Full Line Suspension - Unplanned
1.6	NACH's per Hour – District Line Full Line Suspension - Unplanned
1.7	NACH's per Hour – Hammersmith and City Line Full Line Suspension - Unplanned
1.8	NACH's per Hour – Jubilee Line Full Line Suspension - Unplanned
1.9	NACH's per Hour – Metropolitan Line Full Line Suspension - Unplanned
1.10	NACH's per Hour – Northern Line Full Line Suspension - Unplanned
1.11	NACH's per Hour – Piccadilly Line Full Line Suspension - Unplanned
1.12	NACH's per Hour – Victoria Line Full Line Suspension - Unplanned
1.13	NACH's per Hour – Waterloo and City Line Full Line Suspension - Unplanned
1.14	NACH's per Hour – Escalator Closures - Unplanned
1.15	NACH's per Hour – Lift Closures - Unplanned
1.16	NACH's per Hour – Passenger Conveyor Closures - Unplanned
1.17	NACH's per Hour – Bakerloo Line Partial Line Suspension
1.18	NACH's per Hour – Central Line Partial Line Suspension – Unplanned
1.19	NACH's per Hour – Circle Line Partial Line Suspension - Unplanned

Ref	Title
1.20	NACH's per Hour – District Line Partial Line Suspension - Unplanned
1.21	NACH's per Hour – Metropolitan Line Partial Line Suspension - Unplanned
1.22	NACH's per Hour – Jubilee Line Partial Line Suspension - Unplanned
1.23	NACH's per Hour – Northern Line Partial Line Suspension - Unplanned
1.24	NACH's per Hour – Piccadilly Line Partial Line Suspension - Unplanned
1.25	NACH's per Hour – Victoria Line Partial Line Suspension - Unplanned
1.26	NACH's per Hour – Platform Closures - Unplanned
1.27	NACH's per Hour – Ticket Hall - Unplanned
1.28	NACH's per Hour – Bakerloo Line Train Delay - Unplanned
1.29	NACH's per Hour – Central Line Train Delay - Unplanned
1.30	NACH's per Hour – Circle Line Train Delay - Unplanned
1.31	NACH's per Hour – District Line Train Delay - Unplanned
1.32	NACH's per Hour – Jubilee Line Train Delay - Unplanned
1.33	NACH's per Hour – Metropolitan Line Train Delay - Unplanned
1.34	NACH's per Hour – Northern Line Train Delay - Unplanned
1.35	NACH's per Hour – Piccadilly Line Train Delay - Unplanned
1.36	NACH's per Hour – Victoria Line Train Delay - Unplanned
1.37	NACH's per Hour – Waterloo and City Line Train Delay - Unplanned

Table Two

Type of Station Closure	Weighting Factor
Full Station Closure	1
Partial Station Closure – non availability of a station entrance	0.1
Partial Station Closure – non availability of a ticket hall	0.2
Partial Station Closure – non availability of a routeway	0.15

Notes

- (i) A Full Station Closure cannot also be a Partial Station Closure.

- (ii) Where the failure to make Available a station entrance or routeway results in a ticket hall not being Available, the failure to make the station entrance or routeway Available shall not be included in the calculation of Actual Disruption.
- (iii) When the failure to make Available a station entrance results in a routeway not being Available, the failure to make the station entrance Available shall not be included in the calculation of Actual Disruption.

Table Three

Disruption Type	Definition
Train delays	Where a train stops for a period of time longer than scheduled at any specific location as a direct consequence of a fault.
Train withdrawals	Where all train passengers are instructed to vacate a train and the train is withdrawn from scheduled passenger service.
Train cancellations	Where a train does not enter scheduled passenger service from a stabling location, resulting in lost customer hours.
Depot late start-up	Where trains are unable to enter or leave scheduled passenger service from depots, siding and other stabling locations including platforms.
Platform closures	Where one or more platforms are not Available.
Full Station Closures	Where all station services are suspended, including entry, exit and interchange.
Partial Station Closures	Where one or more of the ticket halls, routeways or station entrances are not Available.

Table Four

Maintained Item	Hours to be Available
All Facilities	Traffic Hours as defined by the Access Procedure

Copies of the above NACH's tables listed in Table 1 are available from the Company's Representative on request.

Schedule 13

Obsolescence Management and Maintenance Renewal Services

13.1. Obsolescence Management

- 13.1.1. The Supplier is responsible for managing obsolescence of all the assets listed in Schedule 3.Part B – Appendix A and Schedule 3 Part C – Appendix B and any new, additional or replacement assets added in accordance with the terms of the Contract.
- 13.1.2. The Supplier shall submit an initial obsolescence report within 6 months of the Commencement Date and thereafter at a minimum frequency of once every 6 Periods, or within fourteen days of a request from the Company's Representative.
- 13.1.3. The Supplier shall determine from asset condition monitoring and his own observations, any foreseeable obsolescence problems with repairing, replacing or maintaining any asset or asset group (including the identification of assets which are predicted to become Beyond Economic Repair) and report such problems to the Company's Representative as soon as practicable. In all cases within the Period Report for the Period in which the problem was discovered.
- 13.1.4. The Supplier shall recommend to the Company's Representative solutions to rectify obsolescence problems identified with the assets during the condition monitoring process. These solutions shall include forward planning of spares requirements and advising on any potential effects on the Services.
- 13.1.5. Where any asset or group of assets is identified as at risk of obsolescence the parties shall follow the Maintenance Renewal Services process set out in Section 13.2.

13.2. Maintenance Renewal Services

- 13.2.1. To meet the performance of the Contract and to effectively manage obsolescence, Maintenance Renewal Services may be required from time to time. The Supplier provides Maintenance Renewal Services, subject to the written instruction by the Company, issued in accordance with Schedule 6 Variation Procedure.
- 13.2.2. Prior to undertaking any Maintenance Renewal Services, the Supplier shall notify the Company's Representative of the need to perform such Maintenance Renewal Services and the effects and/or consequences if the Company does not approve the performance of the Maintenance Renewal Services.
- 13.2.3. The Supplier shall expressly demonstrate why the Maintenance Renewal Services are required to manage asset obsolescence and shall provide any further information reasonably required by the Company's Representative (including details of the technical proposal,

specification, the programme and the proposed Maintenance Renewal Services Completion Date). Within 28 days of receiving this information, the Company shall notify the Supplier in writing whether or not it intends to instruct the Supplier as a Variation in accordance with Schedule 6 to proceed with the Maintenance Renewal Services. If the Company fails to instruct the Supplier to undertake the Maintenance Renewal Services, the Company and the Supplier shall review the associated impact on the Services in respect of performance, critical spares holding, repairs and planned preventative maintenance, fault rectification and the Contract Price and the Schedule 11 Performance Criteria shall be adjusted accordingly.

- 13.2.4. In the event that Company advises the Supplier that it does not agree with the Supplier's recommendations as set out in accordance with clause 13.2.2 above and where there is a failure to agree on the consequential impact of such disagreement within a period of 28 days following the Company's response in accordance with clause 13.2.2, or where the Company fails to respond within the 28 day period, then either Party may refer the matter to Dispute Resolution in accordance with clause 45 (Dispute Resolution). The Supplier shall continue to be responsible for responding to faults and maintaining the relevant asset (for the avoidance of doubt, the Supplier Performance regime in respect of the assets in dispute shall not apply in these circumstances) while the matter is being determined pursuant to the Dispute Resolution procedure set out in clause 45 (Dispute Resolution).
- 13.2.5. The Supplier shall complete the maintenance Renewal Services by the Maintenance Renewal Services Completion Date. Immediately following completion of any Maintenance Renewal Services, the Supplier shall test all assets and systems within the scope of the instructed Maintenance Renewal Services to determine whether or not the services have been completed in accordance with the Specification. The acceptance testing procedures shall comprise such procedures, factors and criteria as the Company deems appropriate. Where any such procedure notified is deemed to be a variation it shall be dealt with in accordance with clause 9 (Variation).
- 13.2.6. The Supplier shall test all assets and systems within the scope of the instructed Maintenance Renewal Services in the presence of a representative of the Company. The Supplier shall provide a written report ("**Acceptance Testing Report**") to the Company without unreasonable delay following completion of the testing, which report shall identify compliance (or otherwise) with the Specification. The Supplier shall ensure that in carrying out testing it does not affect the functionality or operability of any other systems without the prior written consent of the Company.
- 13.2.7. As soon as reasonably practicable after completion of testing the Company shall issue a written acceptance certificate if the Company's Representative is satisfied that the Maintenance Renewal Service meets the Specification. The issuing of such certificate by Company shall mean that it has accepted the Maintenance Renewal Services specified in the certificate.

- 13.2.8. If the Company's Representative is not satisfied that the Maintenance Renewal Services meets the Specification, the Company's Representative shall notify the Supplier accordingly as soon as reasonably practicable, specifying any deficiencies ("Defects Notice") provided that, if the Company's Representative does not notify the Supplier within thirty (30) days of the completion of testing and receipt of the Acceptance Testing Report that he or she is not so satisfied, the Maintenance Renewal Services shall be deemed to have been accepted.
- 13.2.9. In the event the Company's Representative issues a Defects Notice, the Supplier shall be given a reasonable opportunity, as specified by the Company's Representative, following receipt of the Defects Notice to cure the defect and the tests will be re-performed. If following such re-performed tests the Specification is still not met, the Company is entitled (without prejudice to any other right or remedy) by notice in writing ("**Failure Notice**") to the Supplier to do any of the following:
- a) extend the period for acceptance testing to a date specified in the Failure Notice, in which case during that period the Supplier shall seek to cure the outstanding defects and the Maintenance Renewal Services shall be retested in accordance with this paragraph and the cost of any repeated rectification and retesting shall not be recoverable by the Supplier. At the end of such period this paragraph 13.2.8 shall reapply, to the intent that the Company may exercise its rights under this paragraph 13.2.8 on successive occasions in its discretion; or
 - b) instruct a third party to rectify the work performed by the Supplier so as to complete the Maintenance Renewal Services, in which case the Company shall be entitled to recover all reasonable costs of such third party from the Supplier; or
 - c) if the defects are of a material nature and not capable of being rectified by a third party, reject the Maintenance Renewal Services in which case:
 - (i) the Supplier shall at its own expense restore the Company to the position it was in prior to the Maintenance Renewal Services (including, without limitation, re-installing any asset removed in the course of the Maintenance Renewal Services) and immediately return to the Company any amounts paid by the Company to the Supplier relating to the Maintenance Renewal Services; and
 - (ii) the Company is discharged from payment of any further amounts to the Supplier in connection with such Maintenance Renewal Services; or
 - (iii) accept the Maintenance Renewal Services subject to the agreement of adjustment to the Contract Sum to reflect the reduced value of the

Maintenance Renewal Services or, failing agreement, as determined by dispute resolution in accordance with clause 45.

EXECUTION PAGE:

Executed as a deed by the parties and delivered on the date of this Contract

THE COMMON SEAL of
LONDON UNDERGROUND
Was affixed to **THIS DEED**
in the presence of:

Authorised Signatory

Executed as **A DEED**
For and on behalf of
TELENT TECHNOLOGY SERVICES LIMITED

Director

, in the presence of:

Witness

Name of Witness

Address of Witness

Occupation of Witness

Parent Company Guarantee

THIS GUARANTEE is made the 22 day of JUNE 2017

BETWEEN:

- (1) **Telent Limited** a company registered in England and Wales under number 00067307 and having its registered office at Point 3, Haywood Road, Warwick, CV34 5AH (the "Guarantor");
- (2) **London Underground Limited** (company number 01900907) whose registered office is at Windsor House, 42-50 Victoria Street, London SW1H 0TL (the "Company" which expression shall include its successors and assigns); and)
- (3) **Telent Technology Services Limited** (company number 0703317) whose registered office is at Point 3, Haywood Road, Warwick, CV34 5AH (the "Supplier")

WHEREAS:

- (A) This Guarantee is supplemental to a contract (the "Contract") for the carrying out of services defined within a contract dated 15 May 2017 on the London Underground network made between (1) the Company and (2) the Supplier.
- (B) The Guarantor has agreed to guarantee to the Company the due and punctual performance of the Contract by the Supplier in the manner hereinafter appearing.
- (C) The Supplier is a party to this Guarantee in order to confirm its request that the Guarantor provide this Guarantee on the terms set out herein.

NOW IT IS HEREBY AGREED as follows:

1. The Guarantor unconditionally guarantees to the Company the proper and punctual performance and observance by the Supplier of all its obligations, warranties, duties, undertakings and responsibilities under the Contract and shall forthwith make good any default thereunder on the part of the Supplier and the Guarantor shall pay or be responsible for the payment by the Supplier to the Company of all sums of money, liabilities, awards, losses, damages, costs, charges and expenses that may be or become due and payable under or arising out of the Contract in accordance with its terms or otherwise by reason or in consequence of any such default on the part of the Supplier.
2. This Guarantee shall be a continuing guarantee and indemnity and accordingly shall remain in full force and effect until all obligations, warranties, duties and undertakings now or hereafter to be carried out or performed or observed by the Supplier under or arising out of the Contract have been duly and completely performed and observed in full.
3. The Guarantee is in addition to and not in substitution for any other security or warranty which the Company may at any time hold for the performance of any obligations, warranties, duties and undertakings under the Contract and may be enforced by the Company without first taking any

proceedings or exhausting any right or remedy against the Supplier or any other person or taking any action to enforce any other security, bond or guarantee.

4. The Guarantor shall be under no greater obligation or greater liability under this Guarantee than it would have been under the Contract if it had been named as the Supplier in the Contract.
5. The obligations and liabilities hereunder shall remain in full force and effect and shall not be affected, lessened, impaired or discharged by:
 - (a) any alteration or variation to the terms of the Contract;
 - (b) any alteration in the extent or nature or sequence or method or timing or scope of the works, services or supplies to be carried out under the Contract;
 - (c) any indulgence or concession being given to the Supplier or any forbearance, forgiveness or any other thing done, omitted or neglected to be done under the Contract;
 - (d) any other bond, security or guarantee now or hereafter held for all or any part of the obligations of the Supplier under the Contract;
 - (e) the release, modification, exchange or waiver of any such bond, security or guarantee;
 - (f) any amalgamation or reconstruction or dissolution including liquidation of the Supplier;
 - (g) the making of a winding up order, the appointment of a provisional liquidator, the passing of a resolution for winding up, liquidation, administration, receivership or insolvency of the Supplier;
 - (h) any legal limitation, disability or incapacity relating to the Supplier (whether or not known to you);
 - (i) any invalidity in, irregularity affecting or unenforceability of the obligations of the Supplier under the Contract;
 - (j) the termination of the Contract; or
 - (k) anything the Company or the Supplier may do or omit or neglect to do including, but without limitation, the assertion of or failure or delay to assert any right or remedy of the Company or the pursuit of any right or remedy by the Company.
6. Not used.
7. This Guarantee is irrevocable.
8. The benefit of this Guarantee may be assigned by the Company at any time to any assignee of the benefit of the whole of the Contract. No further or other assignments shall be permitted.
9. The Guarantor:
 - (a) gives the guarantee contained in this Guarantee as principal obligor and not merely as surety;

- (b) agrees to indemnify the Company on written demand against any loss or liability suffered by it if any provision set out in the Contract guaranteed by the Guarantor becomes unenforceable, invalid or illegal, and
- (c) waives any right it may have of first requiring the Company to proceed against, or enforce any other rights or security or claim payment from, any person before claiming from the Guarantor under this Guarantee.
10. Until all amounts which may be or become payable in respect of the Supplier's obligations have been irrevocably paid in full by the Guarantor, the Company may:
- (a) refrain from applying or enforcing any other moneys, security or rights held or received by the Company in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in a suspense account any moneys received from the Supplier on account of these Supplier's obligations or on account of the Guarantor's liability under this Guarantee.
11. The Company is entitled to make any number of demands under this Guarantee.
12. The invalidity, illegality or unenforceability in whole of or in part of any provisions of this Guarantee shall not affect the validity, legality and enforceability of the remaining part or provisions of this Guarantee.
13. This Guarantee may be executed in any number of counterparts each of which shall be an original and all of such counterparts taken together shall be deemed to constitute one and the same instrument.
14. No person other than TfL (as such term is defined in the Contract) and its subsidiaries (as defined in section 1159 of the Companies Act 2006) shall have any right to claim or remedy under or pursuant to this Guarantee and the provisions of the Contracts (Rights of Third Parties) Act 1999 are hereby excluded.
15. This Guarantee, executed and delivered as a deed, shall be governed by and interpreted according to the laws of England and the Courts of England shall have exclusive jurisdiction save that the Company shall have the right to bring proceedings in the courts of any other jurisdiction in which any of the Guarantor's assets may be situated.

Executed as a deed by the parties and delivered on the date of this Guarantee

Executed as **A Deed by TELENT LIMITED**

Authorised Signatory

...

...

