Department for Work & Pensions

DATED 2017

THE SECRETARY OF STATE FOR WORK AND PENSIONS

and

G4S Secure Solutions (UK) Limited

DEED
relating to Security Services

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This Deed is made the day of 2017

Between:

(1) **The Secretary of State for Work and Pensions** (the **Authority**) acting as part of the Crown; and

(2) **G4S Secure Solutions (UK) Limited** company number 01046019 whose registered office is at Sutton Park House,15 Carshalton Road, Sutton, Surrey, SM1 4LD (the **Supplier**),

(each a **Party** and together the **Parties**)

Background:

(A) The Authority operates from a number of premises in the Authority Estate and wishes to appoint the Supplier to provide security services in relation to the Authority Estate.

(B) On 12 January 2017 the Authority advertised in the Official Journal of the European Union (reference 2017/S 008-011840), inviting prospective suppliers to submit proposals for the provision of security services in relation to the Authority Estate.

(C) The Supplier is a leading provider of security services and has experience in providing a wide range of security services to businesses and public bodies.

(D) On the basis of the Supplier's response to the advertisement and a subsequent tender process, the Authority selected the Supplier as its preferred supplier.

(E) Following negotiations, the Parties have agreed to contract with each other in accordance with the terms and conditions set out below.

It is agreed as follows:

Section A - Preliminaries

1 Definitions and interpretation

1.1 In this Agreement, unless otherwise provided or the context otherwise requires, capitalised expressions shall have the meanings set out in Schedule 1 (Definitions) or the relevant Schedule in which that capitalised expression appears.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 the singular includes the plural and vice versa;

1.2.2 reference to a gender includes the other gender and the neuter;

1.2.3 references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Central Government Body;

1.2.4 a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;

1.2.5 the words **including**, **other**, **in particular**, **for example** and similar words shall not limit the generality of the preceding words and shall be construed as if they were immediately followed by the words **without limitation**;

1.2.6 references to writing include email and facsimile transmission;

1.2.7 the headings are for ease of reference only and shall not affect the interpretation or construction of this Agreement;

1.2.8 unless otherwise provided and save for references in Annexes 1 and 2 of Schedule 5 (Software) and in Schedule 10 (Guarantee), references to Clauses and Schedules are references to the clauses and schedules of this Agreement and references in any Schedule to Paragraphs, Parts and Annexes are, unless otherwise provided, references to the paragraphs, parts and annexes of the Schedule or the Part of the Schedule in which the references appear; and

1.2.9 references to this Agreement are references to this Agreement as amended from time to time.

1.3 Where a standard, policy or document is referred to in this Agreement by reference to a hyperlink, then if the hyperlink is changed or no longer provides access to the relevant standard, policy or document, the Supplier shall notify the Authority and the Parties shall update this Agreement with a reference to the replacement hyperlink.

1.4 If there is any conflict between the Clauses and the Schedules and/or any Annexes to the Schedules, the conflict shall be resolved in accordance with the following order of precedence:

1.4.1 the Clauses and Schedule 1 (Definitions);

1.4.2 Schedules 2.1 (Statement of Requirements) and 2.2 (Performance Levels) and their Annexes;

1.4.3 any other Schedules and their Annexes (other than Schedule 4.1 (Detailed Solutions) and its Annexes (if any) and Schedule 13 (Outline Solutions) and their Annexes (if any));

1.4.4 Schedule 4.1 (Detailed Solutions) and its Annexes (if any); and

1.4.5 Schedule 13 (Outline Solutions) and its Annexes (if any).

1.5 The Schedules and their Annexes form part of this Agreement.

1.6 In entering into this Agreement the Authority is acting as part of the Crown.

2 Due Diligence

2.1 The Supplier acknowledges that:

2.1.1 the Authority has delivered or made available to the Supplier all of the information and documents that the Supplier considers necessary or relevant for the performance of its obligations under this Agreement;

2.1.2 it has made its own enquiries to satisfy itself as to the accuracy and adequacy of the Due Diligence Information;

2.1.3 it has satisfied itself (whether by inspection or having raised all relevant due diligence questions with the Authority before the Effective Date) of all relevant details relating to:

(a) the Authority Requirements;

(b) the suitability of the existing and (to the extent that it is defined or reasonably foreseeable at the Effective Date) future Operating Environment;

(c) the operating processes and procedures and the working methods of the Authority;

(d) the ownership, functionality, capacity, condition and suitability for use in the Services of the Authority Assets;

(e) the existing contracts (including any licences, support, maintenance and other agreements relating to the Operating Environment) referred to in the Due Diligence Information which may be novated to, assigned to or managed by the Supplier under this Agreement and/or which the Supplier will require the benefit of for the provision of the Services; and

(f) information as to any contracts being procured by the Authority which will have an impact on the operation of this Agreement, including the Authority Supply Chain Contracts, to the extent provided as part of or referred to in the Due Diligence Information; and

2.1.4 it has advised the Authority in writing of:

(a) each aspect, if any, of the Operating Environment that is not suitable for the provision of the Services;

(b) the actions needed to remedy each such unsuitable aspect; and

(c) a timetable for and, to the extent that such costs are to be payable to the Supplier, the costs of those actions,

and such actions, timetable and costs are fully reflected in this Agreement, including the Statement of Requirements and/or Authority Responsibilities as applicable.

2.2 The Supplier shall not be excused from the performance of any of its obligations under this Agreement on the grounds of, nor, shall the Supplier be entitled to recover any additional costs or charges, arising as a result of:

2.2.1 any unsuitable aspects of the Operating Environment;

2.2.2 any misinterpretation of the Authority Requirements; and/or

2.2.3 any failure by the Supplier to satisfy itself as to the accuracy and/or adequacy of the Due Diligence Information.

3 Warranties

3.1 The Authority represents and warrants that:

3.1.1 it has full capacity and authority to enter into and to perform this Agreement;

3.1.2 this Agreement is executed by its duly authorised representative;

3.1.3 there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it that might affect its ability to perform its obligations under this Agreement; and

3.1.4 its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law).

3.2 The Supplier represents and warrants that:

3.2.1 it is validly incorporated, organised and subsisting in accordance with the Laws of its place of incorporation;

3.2.2 it has full capacity and authority to enter into and to perform this Agreement;

3.2.3 this Agreement is executed by its duly authorised representative;

3.2.4 it has all necessary consents and regulatory approvals to enter into this Agreement;

3.2.5 there are no actions, suits or proceedings or regulatory investigations before any court or administrative body or arbitration tribunal pending or, to its knowledge, threatened against it or any of its Affiliates that might affect its ability to perform its obligations under this Agreement;

3.2.6 its execution, delivery and performance of its obligations under this Agreement will not constitute a breach of any Law or obligation applicable to it and will not cause or result in a default under any agreement by which it is bound;

3.2.7 its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar Laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or law);

3.2.8 all written statements and representations in any written submissions made by the Supplier as part of the procurement process, including without limitation its response to the Selection Questionnaire and ITT (if applicable), its tender and any other documents submitted remain true and accurate except to the extent that such statements and representations have been superseded or varied by this Agreement or to the extent that the Supplier has otherwise disclosed to the Authority in writing prior to the date of this Agreement;

3.2.9 it has notified the Authority in writing of any Occasions of Tax Non-Compliance and any litigation in which it is involved that is in connection with any Occasion of Tax Non-Compliance;

3.2.10 it has all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-contractor) to the Authority which are necessary for the performance of the Supplier's obligations under this Agreement and/or the receipt of the Services by the Authority;

3.2.11 the Initial Financial Model is a true and accurate reflection of the Costs and Supplier Profit Margin forecast by the Supplier and the Supplier does not have any other internal financial model in relation to the Services inconsistent with the Financial Model;

3.2.12 it is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform its obligations under this Agreement; and

3.2.13 no proceedings or other steps have been taken and not discharged (nor, to the best of its knowledge, are threatened) for the winding up of the Supplier or for its dissolution or for the appointment of a receiver, administrative receiver, liquidator, manager, administrator or similar officer in relation to any of the Supplier's assets or revenue.

3.3 Each of the representations and warranties set out in Clauses 3.1 and 3.2 shall be construed as a separate representation and warranty and shall not be limited or restricted by reference to, or inference from, the terms of any other representation, warranty or any other undertaking in this Agreement.

3.4 If at any time a Party becomes aware that a representation or warranty given by it under Clause 3.1 or 3.2 has been breached, is untrue or is misleading, it shall immediately notify the other Party of the relevant occurrence in sufficient detail to enable the other Party to make an accurate assessment of the situation.

3.5 For the avoidance of doubt, the fact that any provision within this Agreement is expressed as a warranty shall not preclude any right of termination which the Authority may have in respect of breach of that provision by the Supplier.

3.6 Except as expressly stated in this Agreement, all warranties and conditions whether express or implied by statute, common law or otherwise are hereby excluded to the extent permitted by Law.

Section B - The Services

4 Term

4.1 This Agreement shall:

4.1.1 come into force on the Effective Date; and

4.1.2 unless terminated at an earlier date by operation of Law or in accordance with Clause 35 (Termination Rights), terminate:

(a) at the end of the Initial Term; or

(b) if the Authority elects to extend the Initial Term in accordance with Clause 4.2, the end of the First Extension Period or Second Extension Period (as applicable).

4.2 The Authority may extend the Initial Term:

4.2.1 for an additional period of 12 Months following expiry of the Initial Term (the **First Extension Period**); and

4.2.2 for a further additional period of 12 Months following expiry of the First Extension Period (the **Second Extension Period**),

by giving the Supplier at least 6 Months' written notice before the end of the Initial Term or First Extension Period (as applicable).

4.3 The Term of this Agreement may not be extended beyond the end of the Second Extension Period.

5 Services

Standard of Services

5.1 The Supplier shall provide:

5.1.1 the Implementation Services during the Implementation Phase;

5.1.2 the Operational Services from (and including) the Operational Service Commencement Date; and

5.1.3 where applicable, the Additional Operational Services in each case from (and including) the relevant Additional Operational Service Commencement Date,

in each case so as to meet the requirements of this Agreement (including, without limitation, Schedule 2.1 (Statement of Requirements)).

5.2 The Supplier shall ensure that:

5.2.1 the Services:

(a) comply in all respects with the Statement of Requirements; and

(b) are supplied in accordance with the Detailed Solutions and the provisions of this Agreement;

5.2.2 where there is no Detailed Solution for provision of part of the Services but the Supplier has specified its approach to the provision of such Services in its Final Bid Submission (including, but not limited to, its approach in respect of service transformation, risk register, front of house proposal and sustainability), the Supplier shall provide the relevant part of the Services in accordance with such approach, unless instructed otherwise by the Authority; and

5.2.3 where:

(a) the Operational Services to be provided from the Operational Service Commencement Date are similar to services that the Authority was receiving immediately prior to the Operational Service Commencement Date (such similar services being **Preceding Services**); and

(b) the standard and level of service received by the Authority in respect of any of the Preceding Services in the 12 Month period immediately prior to the Operational Service Commencement Date have been disclosed to the Supplier in the Due Diligence Information (such preceding services being **Relevant Preceding Services**),

the Operational Services to be provided from the Operational Service Commencement Date that are similar to the Relevant Preceding Services are in each case provided to a standard and level of service which is at least as good as the standard and level of service received by the Authority in respect of the Relevant Preceding Services in the 12 Month period immediately prior to the Operational Service Commencement Date.

5.3 The obligations in Clause 5.2.1(a) and Clause 5.2.1(b) are independent obligations. In particular:

5.3.1 compliance by the Supplier with the Statement of Requirements does not relieve the Supplier from the obligation to satisfy a requirement of the Detailed Solutions; and

5.3.2 compliance with the Detailed Solutions does not relieve the Supplier from the obligation to satisfy the Statement of Requirements.

5.4 The Supplier shall:

5.4.1 perform its obligations under this Agreement, including in relation to the supply of the Services and any Goods in accordance with:

(a) all applicable Law;

(b) Good Industry Practice;

(c) the Standards;

(d) the Baseline Security Requirements;

(e) the Quality Management Detailed Solution;

(f) the Authority IT Strategy;

(g) the Authority Policies; and

(h) the Supplier's:

(i) Implementation Plan and any Additional Operational Services Implementation Plans; and

(ii) own established procedures and practices,

in each case, to the extent the same do not conflict with the requirements of Clauses 5.4.1(a) to 5.4.1(g); and

5.4.2 deliver the Services using efficient business processes and ways of working having regard to the Authority's obligation to ensure value for money.

5.5 In the event that the Supplier becomes aware of any inconsistency between the requirements of Clauses 5.4.1(a) to 5.4.1(g), the Supplier shall immediately notify the Authority Representative in writing of such inconsistency and the Authority Representative shall, as soon as practicable, notify the Supplier which requirement the Supplier shall comply with. The Supplier shall comply with such instructions at no cost to the Authority.

Supplier Covenants

5.6 The Supplier shall:

5.6.1 at all times allocate sufficient resources with the appropriate technical expertise to supply the Deliverables and to provide the Services in accordance with this Agreement;

5.6.2 save to the extent that obtaining and maintaining the same are Authority Responsibilities and subject to Clause 13 (Change), obtain, and maintain throughout the duration of this Agreement, all the consents, approvals, licences and permissions (statutory, regulatory contractual or otherwise) it may require and which are necessary for the provision of the Services, including all licences required pursuant to the Private Security Industry Act 2001 and in respect of the operation of closed circuit television systems;

5.6.3 ensure that:

(a) it shall continue to have all necessary rights in and to the Licensed Software, the Third Party IPRs, the Supplier Background IPRs and any other materials made available by the Supplier (and/or any Sub-contractor) to the Authority which are necessary for the performance of the Supplier's obligations under this Agreement and/or the receipt of the Services by the Authority;

(b) the release of any new Software or upgrade to any Software complies with the interface requirements in the Statement of Requirements and (except in relation to new Software or upgrades which are released to address Malicious Software or to comply with the requirements of Schedule 2.4 (Contract Security Management)) shall notify the Authority 3 Months before the release of any new Software or Upgrade;

(c) all Software including Upgrades, Updates and New Releases used by or on behalf of the Supplier are currently supported versions of that Software and perform in all material respects in accordance with the relevant specification;

(d) any products or services recommended or otherwise specified by the Supplier for use by the Authority in conjunction with the Deliverables and/or the Services shall enable the Deliverables and/or Services to meet the Authority Requirements; and

(e) the Supplier System and Assets used in the performance of the Services will be free of all encumbrances (except as agreed in writing with the Authority);

5.6.4 minimise any disruption to the Services, the IT Environment and/or the Authority's operations when carrying out its obligations under this Agreement;

5.6.5 ensure that any Documentation and training provided by the Supplier to the Authority or any Authority Supply Chain Member are comprehensive, accurate and prepared in accordance with Good Industry Practice;

5.6.6 co-operate with the Other Suppliers (including, for the avoidance of doubt, the Authority Supply Chain Members and the Aegis Existing AACS Supplier) and provide reasonable information (including any Documentation), advice and assistance in connection with the Services to any Other Supplier to enable such Other Suppliers to provide their respective services (in the case of the Authority Supply Chain Members, the Authority Supply Chain Services) to the Authority, to create and maintain technical or organisational interfaces with the Services and, on the expiry or termination of this Agreement for any reason, to enable the timely transition of the Services (or any of them) to the Authority and/or to any Replacement Supplier;

5.6.7 to the extent it is legally able to do so, hold on trust for the sole benefit of the Authority, all warranties and indemnities provided by third parties or any Sub-contractor in respect of any Deliverables and/or the Services and, where any such warranties are held on trust, at its cost enforce such warranties in accordance with any reasonable directions that the Authority may notify from time to time to the Supplier;

5.6.8 unless it is unable to do so, assign to the Authority on the Authority's written request and at the cost of the Supplier any such warranties and/or indemnities as are referred to in Clause 5.6.7;

5.6.9 provide the Authority with such assistance as the Authority may reasonably require during the Term in respect of the supply of the Services;

5.6.10 gather, collate and provide such information and co-operation as the Authority may reasonably request for the purposes of ascertaining the Supplier's compliance with its obligations under this Agreement;

5.6.11 notify the Authority in writing as soon as reasonably possible and in any event within 1 Month of any change of Control of the Supplier taking place;

5.6.12 notify the Authority in writing without delay and in any event within five (5) Working Days of their occurrence, of any actions, suits or proceedings or regulatory investigations before any court or administrative body or

arbitration tribunal pending or, to its knowledge, threatened against it that might affect its ability to perform its obligations under this Agreement;

5.6.13 ensure that neither it, nor any of its Affiliates, embarrasses the Authority or otherwise brings the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is related to the Supplier's obligations under this Agreement;

5.6.14 manage closure or termination of Services and end of life of Goods to take account of the Authority's disposal requirements, including recycling and scope for re-use, and all applicable Standards; and

5.6.15 comply with the obligations set out in Schedule 14 (Existing Automated Access Control System).

5.7 An obligation on the Supplier to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to procure that all Sub-contractors and Supplier Personnel also do, or refrain from doing, such act or thing.

5.8 Without prejudice to Clauses 19.2 and 19.3 (IPRs Indemnity) and any other rights and remedies of the Authority howsoever arising, the Supplier shall:

5.8.1 remedy any breach of its obligations in Clauses 5.6.2 to 5.6.4 inclusive within three (3) Working Days of becoming aware of the breach or being notified of the breach by the Authority where practicable or within such other time period as may be agreed with the Authority (taking into account the nature of the breach that has occurred);

5.8.2 remedy any breach of its obligations in Clause 5.6.1 and Clauses 5.6.5 to 5.6.7 inclusive within twenty (20) Working Days of becoming aware of the breach or being notified of the breach by the Authority; and

5.8.3 meet all the costs of, and incidental to, the performance of such remedial work,

and any failure of the Supplier to comply with its obligations under Clause 5.8.1 or 5.8.2 within the specified or agreed timeframe shall constitute a Notifiable Default.

Specially Written Software Warranty

5.9 Without prejudice to Clauses 5.6 (Supplier Covenants) and 5.8 (Services) and any other rights and remedies of the Authority howsoever arising, the Supplier warrants to the Authority that all components of the Specially Written Software shall:

5.9.1 be free from material design and programming errors;

5.9.2 perform in all material respects in accordance with the relevant specifications contained in the Detailed Solutions and Documentation; and

5.9.3 not infringe any Intellectual Property Rights.

Continuing Obligation to Provide the Services

5.10 The Supplier shall continue to perform all of its obligations under this Agreement and shall not suspend the supply of the Services, notwithstanding:

5.10.1 any withholding of the Service Charges by the Authority pursuant to Clause 7.2 (Performance Failures);

5.10.2 the existence of an unresolved Dispute; and/or

5.10.3 any failure by the Authority to pay any Charges.

Additional Operational Services

5.11 The Authority may require the Supplier to provide any or all of the Additional Operational Services at any time during the Term by giving notice to the Supplier in writing. The Supplier acknowledges that the Authority is not obliged to take any Additional Operational Services from the Supplier and that nothing shall prevent the

Authority from receiving services that are the same as, or similar to, the Additional Operational Services from any third party.

5.12 Following receipt of the Authority's notice pursuant to Clause 5.11:

5.12.1 the Parties shall follow the procedure set out in Paragraph 3 of Part A of Schedule 7.1 (Charges and Invoicing) in order to determine the Service Charge for the relevant Additional Operational Service;

5.12.2 if the Authority decides to proceed with the instruction for the Additional Operational Service following agreement of the relevant Service Charge, the Authority shall notify the Supplier of its intention to proceed and the procedure set out in Clauses 5.12.3 to 5.12.5 shall apply;

5.12.3 once the relevant Service Charge has been agreed, the Supplier shall:

(a) notify the Authority of any impact it considers the requested Additional Operational Services will have on the Operational Services and the Authority Supply Chain Services or any part of them and what steps it reasonably considers to be necessary to avoid or mitigate any negative impact;

(b) develop an Additional Operational Services Implementation Plan for Approval by the Authority and subsequently comply with the provisions of Paragraphs 3 and 4 of Part A of Schedule 6.1 (Implementation and Detailed Solution Development);

(c) develop a Detailed Solution for the relevant Additional Operational Services in accordance with Clause 6.4 based on the relevant Outline Solution (subject always to the Supplier's obligations under Clause 8) and submit the Detailed Solution to the Authority for Approval by the Authority in accordance with the procedure set out in Part B of Schedule 6.1 (Implementation and Detailed Solution Development);

(d) implement and undertake Tests (if applicable) in accordance with the Approved Detailed Solution for the relevant Additional Operational Service and the procedures set out in Schedule 6.2 (Testing Procedures);

(e) implement the Additional Operational Services in accordance with the Approved Additional Operational Services Implementation Plan; and

(f) from the date agreed in the Additional Operational Services Implementation Plan (or, if later, the date of Achievement of any Milestones associated with the commencement of the relevant Additional Operational Services (if any)), provide the relevant Additional Operational Services to meet or exceed the applicable Target Performance Level in respect of all Performance Indicators applicable to the Additional Operational Services;

5.12.4 any additional charges for the Additional Operational Services shall be incorporated in the Charges as specified in Paragraph 2 of Part A of Schedule 7.1 (Charges and Invoicing); and

5.12.5 the Performance Indicators applicable to the Additional Operational Services as set out in Annex 1 of Schedule 2.2 (Performance Levels) shall apply.

Power of Attorney

5.13 By way of security for the performance of its obligations under Clauses 5.6.7 and 5.6.8 (Supplier covenants) the Supplier hereby irrevocably appoints the Authority as its agent and attorney to act with full power and authority in the Supplier's name and on its behalf to do all such acts and execute all such documents as may be necessary or desirable to enforce any such warranties and/or effect any such assignment as are referred to in such Clauses and to delegate one or more of the powers conferred on it by this Clause 5.13 (other than the power to delegate) to officer(s) appointed for that purpose by the Authority and may vary or revoke such delegation at any time.

Authority Responsibilities

5.14 The Authority shall comply with its responsibilities set out in Schedule 3 (Authority Responsibilities).

Independence and Conflicts of Interest

5.15 The Supplier shall carry out (and shall procure that Supplier Personnel shall carry out) the Services in the Authority's best interests and shall ensure that the Supplier remains independent from the Supply Chain Integrator.

5.16 The Supplier shall take appropriate steps to ensure that neither the Supplier nor any Supplier Related Party is placed in a position of potential or actual conflict between the financial, commercial or other interests of the Supplier and the Supplier's duties to the Authority under this Agreement. Should any conflict arise or become apparent, the Supplier will disclose the same to the Authority immediately with full details.

5.17 The Supplier shall immediately notify the Authority if any Conflict of Interest is likely to arise and shall comply with any reasonable instructions of the Authority in relation to the Conflict of Interest. The Authority shall have the right to:

5.17.1 prohibit the Supplier from doing anything that may lead to a Conflict of Interest, in which case the Supplier shall comply with the Authority's instructions (at no cost to the Authority); or

5.17.2 permit the Supplier to do such thing(s) that will lead to a Conflict of Interest, either with or without any conditions attached to such permission. Where the Authority specifies any conditions in accordance with this Clause 5.17.2, the Supplier shall comply with the Authority's instructions (at no cost to the Authority).

5.18 Without prejudice to the Authority's rights under Clauses 15.3 (Termination of Sub-contracts) and/or 35 (Termination Rights), where the Supplier is in breach of any of Clauses 5.15 to 5.17 the Supplier shall, within five (5) Working Days of any breach becoming apparent to it, provide proposals to the Authority for remedying and/or mitigating such breach. Upon any breach of Clauses 5.15 to 5.17 becoming apparent to the Authority (whether or not notified by the Supplier), the Authority may, at the Supplier's cost:

5.18.1 in accordance with Clause 32 (Service Exclusion), remove any or all of the Services from the scope of this Agreement and carry out such Services itself and/or employ a third party to carry out such Services; and/or

5.18.2 require the Supplier to put such measures in place (including but not limited to information barriers) as required by the Authority in its absolute discretion to rectify and/or mitigate the effect of any breach of Clause 5.16 and/or Clause 5.17; and/or

5.18.3 undertake additional monitoring activities pursuant to Clause 31 (Increased Monitoring) to ensure that, notwithstanding any breach of Clauses 5.15 to Clause 5.17, the Supplier continues to comply with its other obligations pursuant to this Agreement and in accordance with Clause 5.15.

5.19 Save in the event of removal of the relevant element of the Services pursuant to Clause 32 (Service Exclusion) or termination of all of part of the Services, where, as a result of the matter(s) leading or contributing to a breach of Clauses 5.15 to Clause 5.17, the Supplier or a Supplier Related Party realises a profit or other financial benefit:

5.19.1 the Supplier shall account to the Authority in respect of the same on a Monthly basis; and

5.19.2 the Authority shall be entitled to set-off an amount equivalent to that financial benefit (as accounted for by the Supplier or otherwise as the Authority may determine) from any amount due to the Supplier under this Agreement or under any other agreement between the Supplier

and the Authority in accordance with Clause 10.11 (Set Off and Withholding).

Cooperation with the Supply Chain Integrator

5.20 The Supplier acknowledges that the Authority has appointed the Supply Chain Integrator to manage this Agreement (and the Authority Supply Chain Contracts) on behalf of the Authority.

5.21 Unless otherwise specified by the Authority, any right or remedy that the Authority has under this Agreement may be enforced by the Supply Chain Integrator on behalf of the Authority and, subject to Clause 5.23, the Supplier will liaise and cooperate with, and accept instructions from, the Supply Chain Integrator as if it was the Authority. For the avoidance of doubt, unless specifically set out in this Agreement, the Supplier shall not have any direct liability under this Agreement to the Supply Chain Integrator.

5.22 The Authority may, at any time, make direct contact with, and/or provide direct instructions to, the Supplier and, subject to Clause 5.23, the Supplier shall liaise directly with the Authority and comply with any such instructions (insofar as they are obliged to in accordance with this Agreement).

Matters Reserved for Direct Authority Instructions

5.23 Where any Reserved Matters arise, the Supplier shall liaise directly with the Authority (via the Reserved Matter Authority Representative) and shall comply with all instructions of the Authority in connection with the Reserved Matters (insofar as they are obliged to in accordance with this Agreement).

5.24 The Authority may amend the list of Reserved Matters from time to time by written notice to the Supplier. Any such change to Reserved Matters shall not constitute a Change for the purposes of the Change Control Procedure.

Conflicting Instructions

5.25 Where the Supplier receives any instruction from the:

5.25.1 Supply Chain Integrator that conflicts with any instruction received by the Supplier directly from the Authority; or

5.25.2 Authority that conflicts with any instruction received by the Supplier from the Supply Chain Integrator,

the Supplier shall immediately notify the Authority and the Supply Chain Integrator to seek clarification in relation to which instruction it should comply with. The Authority shall confirm which instruction (or any other instruction as may be relevant) the Supplier should comply with and the Supplier shall do so in accordance with its obligations under this Agreement.

Defaults Caused by Authority Supply Chain Members

5.26 Where any act or omission of an Authority Supply Chain Member (**Supply Chain Cause**) causes, or the Supplier reasonably believes will cause, the Supplier to be in Default in respect of any of its obligations under this Agreement, the Supplier shall immediately notify the Authority in writing, setting out details of the Default or likely Default, how the Supply Chain Cause has caused or will cause the relevant Default and what steps the Supplier has undertaken to mitigate the Default.

5.27 The Supplier shall at all times use all reasonable endeavours to mitigate the effects of the Supply Chain Cause and to continue to provide the Services in accordance with the requirements of this Agreement.

5.28 The Authority shall, acting reasonably, determine whether and to what extent the Supply Chain Cause has caused the Supplier Default and shall notify the Supplier of its determination in writing. If there is any Dispute in relation to the effects of a Supply Chain Cause, either Party may refer the Dispute to the Dispute Resolution Procedure. Pending the resolution of the Dispute, both Parties shall continue to resolve the causes of, and mitigate the effects of, the Supply Chain Cause.

5.29 Where the Authority determines that the Supply Chain Cause is not the cause of the relevant Default (whether in whole or in part), the relief set out in Clause 5.30 shall not

apply and the Supplier shall be liable for the consequences of such Default in accordance with the terms of this Agreement.

5.30 Where the Authority determines that the Default would not have occurred but for a Supply Chain Cause (whether in whole or in part):

5.30.1 the Supplier shall not be treated as being in breach of this Agreement to the extent that the Default was caused by the Supply Chain Cause;

5.30.2 the Authority shall not be entitled to exercise any of the following rights that may arise as a result of the relevant Default to the extent that the Default is caused by the Supply Chain Cause:

(a) to terminate this Agreement pursuant to Clause 35.1.2 (Termination by the Authority); or

(b) to take action pursuant Clauses 29 (Remedial Adviser) or 30 (Step-In);

5.30.3 where the Default constitutes a failure to Achieve a Milestone by its Milestone Date:

(a) the Milestone Date shall be postponed by a period equal to the period of Delay that was caused by the Supply Chain Cause;

(b) if the Authority, acting reasonably, considers it appropriate, the Implementation Plan shall be amended to reflect any consequential revisions required to subsequent Milestone Dates resulting from the Supply Chain Cause;

5.30.4 the Supplier shall have no liability to pay any Delay Payments associated with the Milestone to the extent that such failure was caused by the Supply Chain Cause; and

5.30.5 where the Default constitutes a Performance Failure:

(a) the Supplier shall not be liable to accrue Service Credits;

(b) the Authority shall not be entitled to withhold and retain any Compensation for Unacceptable KPI Failure pursuant to Clause 7.4.1 (Unacceptable KPI Failure); and

(c) the Supplier shall be entitled to invoice for the Service Charges for the relevant Operational Services affected by the Supply Chain Cause,

in each case, to the extent that the Performance Failure was directly caused by the Supply Chain Cause.

Authority Supply Chain Indemnity

5.31 The Supplier shall not, and shall ensure that the Supplier Personnel and its Sub-contractors do not (due to any Default or breach of duty), cause any Authority Supply Chain Member to breach its obligations to the Authority under the relevant Authority Supply Chain Contract (a **Consequential Supply Chain Breach**). The Supplier shall indemnify and keep indemnified the Authority for all expenses (including professional fees), costs, damages and losses incurred by it arising out of or in connection with any Consequential Supply Chain Breach.

6 Implementation and Transformation

Implementation Plan

6.1 The Implementation Plan sets out the Supplier's strategy and timescales for providing the Implementation Services, the Milestones against which the Supplier’s progress is measured and against which Milestone Payments under Schedule 7.1 (Charges and Invoicing) will be made.

6.2 The Supplier shall:

6.2.1 comply with the Implementation Plan; and

6.2.2 ensure that each Milestone is achieved on or before its Milestone Date.

6.3 The Parties shall comply with the provisions of Schedule 6.1 (Implementation) in relation to updating and maintaining the Implementation Plan and any Additional Operational Services Implementation Plans.

Development of Detailed Solutions

6.4 Where Detailed Solutions have not been agreed by the Parties prior to the Effective Date the Supplier shall develop and submit Detailed Solutions to the Authority for Approval in accordance with the procedure set out in Part B of Schedule 6.1 (Implementation and Detailed Solution Development). Until Detailed Solutions have been Approved by the Authority, such Detailed Solutions shall be deemed to be Outline Solution for the purposes of this Agreement. The Supplier shall ensure that:

6.4.1 Draft Detailed Solutions are based on the relevant Outline Solution (if applicable) and are submitted to the Authority on or before the Relevant Draft Detailed Solution Submission Date;

6.4.2 Detailed Solution Submissions meet the requirements set out in Clause 6.5 below and are submitted to the Authority on or before the Relevant Detailed Solution Submission Date; and

6.4.3 all Detailed Solutions required for the commencement of delivery of Operational Services are Approved on or before the Operational Readiness Completion Date.

6.5 Each Detailed Solution Submission prepared pursuant to Clause 6.4 shall set out:

6.5.1 the Supplier's solution for meeting the requirements of Schedule 2.1 (Statement of Requirements) in respect of the relevant Service Element of the Operational Services or the Additional Operational Services (as applicable);

6.5.2 the Deliverables to be provided in accordance with a proposed timescale;

6.5.3 the Test Plan for the relevant Deliverables (if relevant);

6.5.4 (where applicable) the Supplier's solution for transition of all relevant Service Elements from the:

(a) PRIME Services being performed by the relevant PRIME Contractor to the relevant Services performed by the Supplier; and

(b) Aegis Existing AACS Services being performed by the Aegis Existing AACS Supplier to the relevant Services performed by the Supplier.

6.6 As soon as reasonably practicable and, in any event, within two (2) Working Days of the Operational Readiness Completion Date the Supplier shall warrant and represent to the Authority that there are no inconsistencies between any of the Detailed Solutions that have been Approved by the Authority pursuant to the terms of this Agreement.

6.7 If (at any time) the Supplier becomes aware of any inconsistency between any of the Detailed Solutions or between any Detailed Solution and any requirement of this Agreement, the Supplier shall immediately notify the Authority and the Authority Representative shall, as soon as reasonably practicable, notify the Supplier which requirement or requirements the Supplier should comply with. The Supplier shall (at its own cost and expense) submit to the Authority such revisions as may be required to relevant Detailed Solutions so that any inconsistency is removed and the requirements of Schedule 2.1 (Statement of Requirements) are met in full and the terms of Schedule 8.2 (Change Control Procedure) shall apply accordingly without cost to the Authority.

Delivery of Detailed Solutions

6.8 Following Approval of the Detailed Solutions, the Supplier shall:

6.8.1 mobilise the Supplier’s resources in accordance with the Implementation Plan or the Additional Operational Services Implementation Plan (as applicable) including the allocation from the Supplier’s resources of appropriately qualified and experienced personnel with appropriate competence and expertise to provide all services required to prepare for

the delivery of Operational Services or the Additional Operational Services (as applicable);

6.8.2 prepare, submit and deliver the Deliverables in accordance with the relevant Detailed Solution and/or the Implementation Plan or the Additional Operational Services Implementation Plan (as applicable); and

6.8.3 where applicable:

(a) undertake Testing for relevant Deliverables in accordance with the process set out in the relevant Detailed Solution and Schedule 6.2 (Testing Procedures);

(b) obtain Acceptance of each of the relevant Deliverables by the Authority in accordance with Schedule 6.2 (Testing Procedures); and

(c) (where Acceptance is not given in respect of a relevant Deliverable) amend and re-submit each such Deliverable to meet the Authority's requirements in accordance with Schedule 6.2 (Testing Procedures).

Operational Readiness and Transformation Trials

6.9 The Supplier shall carry out Operational Readiness Testing in accordance with Part A of Schedule 6.4 (Operational Readiness and Transformation Trials). The Supplier shall not proceed with delivery of the Operational Services until the Authority confirms that the Supplier has achieved Operational Readiness or otherwise confirms that the Supplier may proceed in accordance with the procedure set out in Schedule 6.4 (Operational Readiness and Transformation Trials).

Transformation

6.10 The Supplier shall:

6.10.1 ensure that the Replacement Automated Access Control System is installed and operational at all Affected Properties on or before the Replacement Automated Access Control System Completion Date;

6.10.2 prepare and submit Security Threat and Risk Assessments, Interim Security Plans and Security Plans to the Authority for Approval in accordance with its obligations set out in Schedule 6.3 (Security Threat and Risk Assessments and Security Plans);

6.10.3 ensure that Security Threat and Risk Assessments for all Affected Properties are completed by the Security Threat and Risk Assessment Completion Date;

6.10.4 deliver all:

(a) Interim Security Plans to the Authority for Approval in accordance with the procedure set out in Schedule 6.3 (Security Threat and Risk Assessments and Security Plans) by the Operational Readiness Completion Date; and

(b) Security Plans to the Authority for Approval in accordance with the procedure set out in Schedule 6.3 (Security Threat and Risk Assessments and Security Plans) and within the timescales specified in Annex 1 of Schedule 2.2 (Performance Levels);

6.10.5 prior to proceeding with implementation of any Approved Security Plans, carry out Transformation Trials in accordance with Part B of Schedule 6.4 (Operational Readiness and Transformation Trials);

6.10.6 where Transformation Trials result in Trial Failure, comply with the procedures set out in Schedule 6.4 (Operational Readiness and Transformation Trials) in order to remedy the issues identified by the Transformation Trials and carry out additional Transformation Trials in order to achieve Trial Success;

6.10.7 where the Transformation Trials result in Trial Success (or where the Authority otherwise confirms in writing that the Supplier may proceed), the Supplier shall proceed with implementation of Approved Security Plans in

accordance with the agreed timescales set out in the Security Plans and shall comply with the Authority's instructions from time to time in relation to the prioritisation of roll-out of Security Plans.

Site Acceptance Test and User Acceptance Tests

6.11 As part of the implementation of a Security Plan at an Affected Property the Supplier shall undertake Site Acceptance Tests and User Acceptance Tests at each Affected Property in accordance with the methodology set out in the Testing, Commissioning and Handover Detailed Solution and the procedures set out in Schedule 6.2 (Testing Procedures).

Timing and Remedies for Delays

6.12 Failure by the Supplier to commence the Operational Services by the Operational Service Commencement Date shall be deemed to be a Supplier Termination Event which shall entitle the Authority to terminate this Agreement by giving notice to the Supplier under Clause 35 (Termination Rights).

6.13 If the Supplier becomes aware that there is, or there is reasonably likely to be, a Delay, it shall:

6.13.1 notify the Authority in accordance with Clause 27.1 (Rectification Plan Process); and

6.13.2 comply with the Rectification Plan Process in order to address the impact of the Delay or anticipated Delay; and

6.13.3 use all reasonable endeavours to eliminate or mitigate the consequences of any Delay or anticipated Delay.

6.14 Subject to Clause 25 (Limitations on Liability) and without prejudice to any other rights or remedies of the Authority, if:

6.14.1 Operational Readiness has not been achieved by the Operational Readiness Completion Date; and/or

6.14.2 the Operational Services are not commenced by the Operational Service Commencement Date; and/or

6.14.3 any Additional Operational Services are not commenced by the relevant Additional Operational Service Commencement Date;

6.14.4 there is otherwise a Delay,

then the Authority shall be entitled to:

6.14.5 set off any Losses incurred by the Authority against any payments otherwise due to the Supplier;

6.14.6 exercise its rights pursuant to Clause 31 (Increased Monitoring);

6.14.7 exercise its rights pursuant to Clause 29 (Remedial Adviser);

6.14.8 exercise its rights pursuant to Clause 30 (Step-In Rights);

6.14.9 exercise its rights pursuant to Clause 27 (Rectification Plan Process);

6.14.10 exercise its rights pursuant to Clause 28 (Delay Payments);

6.14.11 claim any Losses incurred by the Authority from the Supplier; and/or

6.14.12 require the Supplier to apply such additional resources as are necessary to remedy the failure or Delay (at the Supplier's cost).

Testing and Achievement of Milestones

6.15 The Parties shall comply with the provisions of Schedule 6.2 (Testing Procedures) in relation to the procedures to determine whether a Milestone has been Achieved.

Automated Access Control System

6.16 The Supplier acknowledges that until the Aegis Existing AACS End Date, the Aegis Existing AACS Supplier shall be providing the Aegis Existing AACS Services to the Authority in respect of door access to the Aegis Existing AACS Properties and enabling

and disabling intruder alarms across the Aegis Existing AACS Properties (the **AACS Transition Period**). For the avoidance of doubt, the Supplier shall be responsible for the provision of door access and intruder alarm services for all Affected Properties that are not Aegis Existing AACS Properties, in accordance with relevant part of Schedule 2.1 (Statement of Requirements).

6.17 During the AACS Transition Period, the Supplier shall comply with provisions of Schedule 14 (Aegis Existing Automated Access Control System) and the terms of the AACS Protocol agreed with the Aegis Existing AACS Supplier.

7 Performance indicators

7.1 The Supplier shall:

7.1.1 provide the Operational Services and any Additional Operational Services in such a manner so as to meet or exceed the Target Performance Level for each Performance Indicator from the Operational Service Commencement Date and each Additional Operational Service Commencement Date (as applicable); and

7.1.2 comply with the provisions of Schedule 2.2 (Performance Levels) in relation to the monitoring and reporting on its performance against the Performance Indicators.

Performance Failures

7.2 If in any Measurement Period:

7.2.1 a Performance Failure occurs, Service Credits shall be deducted from the Service Charges in accordance with Paragraph 3 of Part C of Schedule 7.1 (Charges and Invoicing);

7.2.2 a Material KPI Failure or a Material SPI Failure occurs, the Supplier shall comply with the Rectification Plan Process (in addition to Service Credits accruing in accordance with Clause 7.2.1); and

7.2.3 a Performance Failure occurs, the Supplier shall notify the Authority of the action (if any) it will take to rectify the relevant Performance Failure and/or to prevent the relevant Performance Failure from recurring; and

7.2.4 a Performance Failure occurs in relation to a Systems Performance Indicator or a Guarding Performance Indicator the Supplier shall carry out a Dynamic Risk Assessment (at the Supplier's cost) in accordance with the requirements set out in the Statement of Requirements in addition to complying with the provisions of Clause 7.2.2 or Clause 7.2.3 (as applicable) and shall implement the relevant remedies identified by the Dynamic Risk Assessment at the Supplier's cost.

7.3 Service Credits shall be the Authority's exclusive financial remedy for a KPI Failure or a SPI Failure (as applicable) except where:

7.3.1 the Supplier has over the previous 12 Month period accrued Service Credits in excess of the Service Credit Cap; or

7.3.2 the KPI Failure or SPI Failure (as applicable):

(a) is a Serious or Severe KPI Failure or SPI Failure (as applicable); or

(b) has arisen due to the wilful default by the Supplier or any Supplier Personnel; or

(c) results in:

(i) the corruption or loss of any Authority Data (in which case the remedies under Clause 20.7 (Authority Data and Security Requirements) shall also be available); or

(ii) the Authority being required to make a compensation payment to one or more third parties; or

7.3.3 the Supplier has fraudulently misreported its performance against any Performance Indicator; or

7.3.4 the Authority is otherwise entitled to or does terminate the relevant Services or this Agreement pursuant to Clause 35.1.2 (Termination by the Authority).

Unacceptable KPI Failure

7.4 If in any Measurement Period an Unacceptable KPI Failure occurs:

7.4.1 the Authority shall (subject to the Service Credit Cap) be entitled to withhold and retain as compensation for the Unacceptable KPI Failure a sum equal to any Service Charges which would otherwise have been due to the Supplier in respect of that Measurement Period (such sum being **Compensation for Unacceptable KPI Failure**); and

7.4.2 if the Authority withholds and retains such Compensation for Unacceptable KPI Failure, any Service Failure Points (accruing from a KPI Failure only) and Service Credits that would otherwise have accrued (in relation to the KPI Failure only) during the relevant Measurement Period shall not accrue,

provided that the operation of this Clause 7.4 shall be without prejudice to any right which the Authority may have to terminate this Agreement and/or to claim damages from the Supplier as a result of such Unacceptable KPI Failure.

7.5 The Supplier:

7.5.1 agrees that the application of Clause 7.4 is commercially justifiable where an Unacceptable KPI Failure occurs; and

7.5.2 acknowledges that it has taken legal advice on the application of Clause 7.4 and has had the opportunity to price for that risk when calculating the Service Charges.

Critical Performance Failure

7.6 If a Critical Performance Failure occurs, the Authority may exercise its rights to terminate this Agreement due to a Supplier Termination Event in whole or in part pursuant to Clause 35.1 or 35.2 (Termination by the Authority).

Changes to Performance Indicators and Service Credits

7.7 Not more than once in each Contract Year the Authority may, on giving the Supplier at least 3 Months' notice:

7.7.1 change the weighting that applies in respect of one or more specific Key Performance Indicators; and/or

7.7.2 convert one or more:

(a) Key Performance Indicators into a Subsidiary Performance Indicator; and/or

(b) Subsidiary Performance Indicators into a Key Performance Indicator (in which event the Authority shall also set out in the notice details of what will constitute a Minor KPI Failure, a Serious KPI Failure and a Severe KPI Failure for the new Key Performance Indicator)

7.8 The Supplier shall not be entitled to object to any changes made by the Authority under Clause 7.7, or increase the Service Charges as a result of such changes provided that:

7.8.1 the total number of Key Performance Indicators does not change from the number of Key Performance Indicators in place at the Effective Date;

7.8.2 the principal purpose of the change is to reflect changes in the Authority's business requirements and/or priorities or to reflect changing industry standards;

7.8.3 there is no change to the Service Credit Cap; and

7.8.4 there is no change to the aggregate total of Service Failure Points or Service Failure Credits in the table in Annex 1 of Schedule 2.2 (Performance Levels).

8 Services Improvement

8.1 In addition to meeting the requirements of the Statement of Requirements and the Contract Improvement and Development Detailed Solution, the Supplier shall have an on-going obligation throughout the Term to identify new or potential improvements to the Services in accordance with this Clause 8. As part of this obligation the Supplier shall identify and report to the OPR Group once every 6 Months on:

8.1.1 the emergence of new and evolving relevant technologies which could improve the IT Environment and/or the Services, and those technological advances potentially available to the Supplier and the Authority which the Parties may wish to adopt;

8.1.2 new or potential improvements to the Services including the quality, responsiveness, procedures, benchmarking methods, likely performance mechanisms and customer support services in relation to the Services;

8.1.3 new or potential improvements to the interfaces or integration of the Services with other services provided by third parties or the Authority which might result in efficiency or productivity gains or in reduction of operational risk;

8.1.4 changes in business processes and ways of working that would enable the Services to be delivered at lower cost and/or with greater benefits to the Authority; and/or

8.1.5 changes to the IT Environment, business processes and ways of working that would enable reductions in the total energy consumed in the delivery of Services.

8.2 The Supplier shall ensure that the information that it provides to the Authority shall be sufficient for the Authority to decide whether any improvement should be implemented. The Supplier shall provide any further information that the Authority requests.

8.3 If the Authority wishes to incorporate any improvement identified by the Supplier the Authority shall send the Supplier a Change Request in accordance with the Change Control Procedure.

9 Equipment and Maintenance

Supplier Equipment

9.1 The Supplier shall be solely responsible for the cost of carriage of Supplier Equipment to the Sites and to the Authority Premises, including its off-loading, removal of all packaging and all other associated costs. Likewise on termination or expiry of this Agreement the Supplier shall be responsible for the removal and safe disposal of all relevant Supplier Equipment from the Sites and the Authority Premises, including the cost of packing, carriage and making good the Sites and/or the Authority Premises following removal, and taking account of any sustainability requirements, including safe removal of data and recycling requirements.

9.2 All the Supplier's property, including Supplier Equipment, shall remain at the sole risk and responsibility of the Supplier, except that the Authority shall be liable for loss of or damage to any of the Supplier's property located on Authority Premises which is due to the act or omission of the Authority or any of its employees, agents or contractors or any other person accessing Authority Premises with the Authority’s consent other than the Supplier or Supplier Personnel.

9.3 Subject to any express provision of the Business Continuity and Disaster Recovery Detailed Solution to the contrary, the loss or destruction for any reason of any Supplier Equipment shall not relieve the Supplier of its obligation to supply the Services in accordance with this Agreement, including the Target Performance Levels.

Maintenance

9.4 The Supplier shall create and maintain a rolling schedule of planned maintenance to the Supplier System (the **Annual Planned Preventative Maintenance Plan**) which shall be agreed with the Authority. Once the Annual Planned Preventative Maintenance Plan has been agreed with the Authority Representative, the Supplier shall only undertake such planned maintenance (which shall be known as **Permitted Maintenance**) in accordance with the Annual Planned Preventative Maintenance Plan.

9.5 The Supplier shall give as much notice as is reasonably practicable to the Authority Representative prior to carrying out any Reactive Maintenance.

9.6 The Supplier shall carry out any necessary maintenance (whether Permitted Maintenance or Reactive Maintenance) where it reasonably suspects that the Supplier System or the Services or any part thereof has or may have developed a fault. Any such maintenance shall be carried out in such a manner and at such times so as to avoid (or where this is not possible so as to minimise) disruption to the Supplier System and the Services. The provisions of Paragraph 9 of Part A of Schedule 7.1 (Charges and Invoicing) shall apply to any Materials, Equipment and Consumables that have to be replaced as part of the Reactive Maintenance.

Supply of Goods

9.7 Where, as part of the Services, the Supplier is to provide goods (including consumables) and/or equipment to the Authority which are paid for by the Authority (including all items set out in Schedule 16 (Goods)) (**Goods**):

9.7.1 the relevant Goods and their prices shall be as set out in the Financial Model or otherwise agreed with the Authority;

9.7.2 the Supplier shall supply and, where relevant, install, alter or calibrate the Goods in accordance with the relevant provisions of the Statement of Requirements or such other specifications agreed by the Parties;

9.7.3 the Supplier shall ensure that the Goods are free from material defects in design, materials and workmanship during the Term;

9.7.4 if following inspection or testing the Authority considers that the Goods do not conform with the relevant provisions of the Statement of Requirements or any other agreed specification, the Authority shall inform the Supplier and the Supplier shall immediately take such remedial action as is necessary to ensure compliance; and

9.7.5 without prejudice to any other rights or remedies of the Authority:

(a) risk in the Goods shall pass to the Authority at the time of delivery; and

(b) ownership of the Goods shall pass to the Authority at the time of delivery or payment (whichever is earlier).

Section C - Payment, Taxation and Value for Money Provisions

10 Financial and Taxation Matters

Charges and Invoicing

10.1 In consideration of the Supplier carrying out its obligations under this Agreement, including the provision of the Services, the Authority shall pay the Charges to the Supplier in accordance with the pricing provisions and the invoicing procedure specified in Schedule 7.1 (Charges and Invoicing).

10.2 Except as otherwise provided, each Party shall bear its own costs and expenses incurred in respect of compliance with its obligations under Clauses 6.8 to 6.11 (Implementation and Transformation), 12 (Records, Reports, Audits and Open Book Data), 22 (Freedom of Information) and 23 (Protection of Personal Data).

10.3 Where the Authority:

10.3.1 exercises its rights; or

10.3.2 requires the Supplier to act,

pursuant to Clause 27 (Rectification Plan Process), Clause 29 (Remedial Adviser), Clause 30 (Step-In Rights), Clause 31 (Increased Monitoring) and Clause 32 (Service Exclusion), save where there is no failure or breach by the Supplier, the Supplier shall indemnify and keep indemnified the Authority for all expenses (including professional fees), costs, damages and losses incurred by it thereunder.

10.4 If the Authority fails to pay any amount due under this Agreement by the final date for payment of such sum, the Supplier shall have the right to charge interest on the unpaid amount at the applicable rate under the Late Payment of Commercial Debts (Interest) Act 1998, accruing on a daily basis from the final date for payment up to the date of actual payment.

Savings Proposals

10.5 Throughout the Term the Supplier shall use all reasonable endeavours to identify potential Savings. Where the Supplier identifies a potential Saving, the Supplier shall submit a written proposal to the Authority in respect of the potential Saving in accordance with the procedure set out in Schedule 7.6 (Savings Payments).

10.6 Where potential Savings are identified by the Supplier when preparing a Security Plan, the Supplier shall submit a Savings Proposal to the Authority in relation to the potential Savings as part of the Security Plan submission and the proposal shall be approved or rejected by the Authority in accordance with the procedure set out in Schedule 6.3 (Security Threat and Risk Assessments and Security Plans).

10.7 In all other cases, where potential Savings are identified by the Supplier, the Supplier shall submit the Savings Proposal to the Authority using the Change Control Procedure.

10.8 Where proposed Savings Proposals are Approved by the Authority:

10.8.1 the indemnity set out in Part C of Schedule 7.6 (Savings Payments) shall apply;

10.8.2 Savings realised by the Supplier during the Term shall be shared by the parties in accordance with Schedule 7.6 (Savings Payments);

10.8.3 any agreed Changes shall be documented in accordance with the Change Control Procedure; and

10.8.4 the relevant Security Plan(s) shall be updated (if applicable).

VAT

10.9 The Charges are stated exclusive of VAT, which shall be added at the prevailing rate as applicable and paid by the Authority following delivery of a valid VAT invoice.

10.10 The Supplier shall indemnify the Authority on a continuing basis against any liability, including any interest, penalties or costs incurred, that is levied, demanded or assessed on the Authority at any time in respect of the Supplier's failure to account for or to pay any VAT relating to payments made to the Supplier under this Agreement. Any amounts due under this Clause 10.10 shall be paid in cleared funds by the Supplier to the Authority not less than five (5) Working Days before the date upon which the tax or other liability is payable by the Authority.

Set-off and Withholding

10.11 Subject to the provisions of Paragraph 1.7 of Part B of Schedule 7.1 (Charges and Invoicing), the Authority may set off any amount owed by the Supplier to the Crown or any part of the Crown (including the Authority) against any amount due to the Supplier under this agreement or under any other agreement between the Supplier and the Authority.

Benchmarking

10.12 The Parties shall comply with the provisions of Schedule 7.3 (Benchmarking) in relation to the benchmarking of any or all of the Services.

Financial Distress

10.13 The Parties shall comply with the provisions of Schedule 7.4 (Financial Distress) in relation to the assessment of the financial standing of the Supplier and the consequences of a change to that financial standing.

Promoting Tax Compliance

10.14 If, at any point during the Term, an Occasion of Tax Non-Compliance occurs, the Supplier shall:

10.14.1 notify the Authority in writing of such fact within five (5) Working Days of its occurrence; and

10.14.2 promptly provide to the Authority:

(a) details of the steps which the Supplier is taking to address the Occasion of Tax Non-Compliance and to prevent the same from recurring, together with any mitigating factors that it considers relevant; and

(b) such other information in relation to the Occasion of Tax Non-Compliance as the Authority may reasonably require.

Forecasting of Charges

10.15 The Supplier shall comply with the obligations set out in Paragraph 3 of Part B of Schedule 7.1 (Charges and Invoicing) in relation to the provision of forecasts of Charges.

Section D - Contract Governance

11 Governance

11.1 The Parties shall comply with the provisions of Schedule 8.1 (Governance) in relation to the management and governance of this Agreement.

Representatives

11.2 Each Party shall have a representative for the duration of this Agreement who shall have the authority to act on behalf of their respective Party on the matters set out in, or in connection with, this Agreement.

11.3 The initial Supplier Representative shall be the person named as such in Schedule 9.2 (Key Personnel). Any change to the Supplier Representative shall be agreed in accordance with Clause 14 (Supplier Personnel).

11.4 The Authority shall notify the Supplier of the identity of the initial Authority Representative and the initial Reserved Matter Authority Representative within five (5) Working Days of the Effective Date. The Authority may, by written notice to the Supplier, revoke or amend the authority of the Authority Representative or appoint a new Authority Representative.

12 Records, Reports, Audits & Open Book Data

12.1 The Supplier shall comply with the provisions of:

12.1.1 Schedule 8.4 (Records Provisions) in relation to the maintenance and retention of Records; and

12.1.2 Part A of Schedule 7.5 (Financial Reports and Audit Rights) in relation to the maintenance of Open Book Data.

12.2 The Parties shall comply with the provisions of:

12.2.1 Part B of Schedule 7.5 (Financial Reports and Audit Rights) in relation to the provision of the Financial Reports; and

12.2.2 Part C of Schedule 7.5 (Financial Reports and Audit Rights) in relation to the exercise of the Audit Rights by the Authority or any Audit Agents.

13 Change

Change Control Procedure

13.1 Except as expressly set out in this Agreement (including any variations pursuant to Clauses 13.3 13.12, 13.13 and 13.14), any requirement for a Change shall be subject to the Change Control Procedure.

Changes to Affected Properties

13.2 The Supplier acknowledges that the Authority Estate and the number and location of Affected Properties will vary during the Term.

13.3 The Authority shall be entitled to vary the Affected Properties by written notice to the Supplier at any time. For the avoidance of doubt, the Change Control Procedure shall not apply to such variations of the Affected Properties.The Authority shall use reasonable endeavours to provide not less than 2 Months' notice of variations to the Affected Properties.

13.4 Where a new Affected Property is introduced during the Term:

13.4.1 the Supplier shall carry out a Security Threat and Risk Assessment and prepare a Security Plan for that Affected Property in accordance with the procedure set out in Schedule 6.3 (Security Threat and Risk Assessments and Security Plans);

13.4.2 the Supplier shall implement the Approved Security Plan at the new Affected Property; and

13.4.3 the relevant Service Charges set out in Schedule 7.1 (Charges and Invoicing) shall apply to the provision of Operational Services at the new Affected Property.

13.5 Where an Affected Property is removed during the Term, the Supplier shall:

13.5.1 cease to provide the Services at the Affected Property from the date specified in the Authority's notice;

13.5.2 remove the relevant costs elements for that Affected Property from the Financial Model from the date when the relevant property ceases to be an Affected Property (if applicable);

13.5.3 provide all documentation, instructions and user codes for Security Systems installed or otherwise used at the Affected Property and remove any Security Systems on the instruction of the Authority.

13.6 Where an Affected Property is removed during the Term, the Authority shall indemnify and keep indemnified the Supplier and any Supplier Subcontractor against any Affected Property Removal Redundancy Payments made to any Affected Property Removal Employee whose employment is terminated on grounds of redundancy due to the removal of the Affected Property from the remit of this Agreement, subject to the following:

13.6.1 the indemnity in this clause 13.6 shall not apply, and the Supplier and/or any Supplier Subcontractor will not be entitled to recover from the Authority any Affected Property Removal Redundancy Payments, where the Authority has removed the Affected Property from the remit of this Agreement pursuant to Clause 32 or Clause 35.1.2 due to a failure by the Supplier to comply with its obligations under this Agreement;

13.6.2 the Supplier and any Supplier Subcontractor shall be required to take reasonable mitigation action in order to avoid or reduce the Affected Property Removal Redundancy Payments, including by redeploying employees, transferring them to alternative roles and requiring the Affected Property Removal Employees to work their notice;

13.6.3 neither the Supplier nor any Supplier Subcontractor shall be entitled to recover any Affected Property Removal Redundancy Payments unless the same has been Approved in accordance with Schedule 12 (Approval) before it has been incurred;

13.6.4 where Approval is sought for Affected Property Removal Redundancy Payments under this clause 13.6, the Supplier shall provide the Authority with sufficient information for the Authority to reasonably verify:

(a) that the redundancies are genuine and are a result of the Affected Property removal;

(b) the steps taken to mitigate the Affected Property Removal Redundancy Payments in accordance with clause 13.6.2; and

(c) the Supplier's and any Supplier Subcontractors calculation of the Affected Property Removal Redundancy Payments;

13.6.5 that the Affected Property Removal Employees are dismissed or given notice of dismissal within 40 days of the date that the Affected Property removal takes affect or such longer period required by Law, their employment contract or an applicable collective agreement; and

13.6.6 where the Supplier can demonstrate that an Affected Property Removal Employee who is subject to a Proposal for an Affected Property Removal Redundancy Payment is surplus to requirement in its provisions of the Services, despite the Supplier and/or any Supplier Sub-contractor having taken reasonable steps in order to avoid the redundancy, and accordingly proposes to dismiss the employee as redundant, but redeployment of the employee is possible (for the avoidance of doubt, the Parties agree that redeployment of the employee would not be possible where the Supplier does not have a contractual right to redeploy the employee and, despite reasonable efforts by the Supplier to obtain consent to the redeployment, the employee does not provide such consent) and would offer value for money to the Authority when compared with redundancy, then the Authority may require the Supplier or its Sub-contractor to redeploy that employee. In such circumstances:

(a) the indemnity in respect to Affected Property Removal Redundancy Payments set out this Clause 13.6 shall not apply in respect to that employee; and

(b) the Authority shall pay the Supplier the actual direct costs incurred by the Supplier or the Supplier Sub-contractor arising out of the redeployment of such person (including retraining and relocation costs) subject to a maximum amount of £30,000 per employee and appropriate evidence being provided of the costs; and

13.6.7 for the avoidance of doubt, neither the Supplier nor any Supplier Sub-contractor shall be entitled to any double recovery from the Authority (whether by way of an indemnity claim or staff cost adjustment under this Agreement). In particular, where Approval is sought for any Affected Property Removal Redundancy Payments under this clause 13.6, the indemnities set out in Part E of Schedule 9.1 (Staff Transfer) and Part C of Schedule 7.6 (Savings Payments) shall not apply.

13.7 The Supplier shall keep a log of all Affected Property variation notices notified to the Supplier by the Authority and shall update Schedule 15 (Affected Properties) throughout the Term.

13.8 For the avoidance of doubt:

13.8.1 the removal of a property as an Affected Property under this Agreement shall not constitute partial termination and the provisions of Schedules 7.2 (Payments on Termination), 8.5 (Exit Management) and 9.1 (Staff Transfer) shall not apply; and

13.8.2 the Supplier shall be responsible for all costs incurred by the Supplier as a result of the removal of the relevant property as an Affected Property under this Agreement, other than Affected Property Removal Redundancy Payments.

Change in Law

13.9 Subject to Clauses 13.19 to 13.21 (inclusive), the Supplier shall neither be relieved of its obligations to supply the Services in accordance with the terms and conditions of this Agreement nor be entitled to an increase in the Charges as the result of:

13.9.1 a General Change in Law; or

13.9.2 a Specific Change in Law where the effect of that Specific Change in Law on the Services is reasonably foreseeable at the Effective Date.

13.10 If a Specific Change in Law occurs or will occur during the Term (other than as referred to in Clause 13.9.2), the Supplier shall:

13.10.1 notify the Authority as soon as reasonably practicable of the likely effects of that change, including:

(a) whether any Change is required to the Services, the Charges or this Agreement; and

(b) whether any relief from compliance with the Supplier's obligations is required, including any obligation to Achieve a Milestone and/or to meet the Target Performance Levels; and

13.10.2 provide the Authority with evidence:

(a) that the Supplier has minimised any increase in costs or maximised any reduction in costs, including in respect of the costs of its Sub-contractors;

(b) that the Supplier's profit margin is equal to or less than the profit margin contained in the Supplier's Final Bid Submission;

(c) as to how the Specific Change in Law has affected the cost of providing the Services; and

(d) demonstrating that any expenditure that has been avoided, for example which would have been required under the provisions of Clause 8 (Services Improvement), has been taken into account in amending the Charges.

13.11 Any variation in the Charges or relief from the Supplier's obligations resulting from a Specific Change in Law (other than as referred to in Clause 13.9.2) shall be implemented in accordance with the Change Control Procedure.

Changes to the UK Threat Level

13.12 The Supplier shall ensure that each Interim Security Plan and Security Plan sets out the measures that the Supplier shall take if the severity of the UK Threat Level is increased. If the severity of the UK Threat Level increases, the Supplier shall implement the measures set out in each Interim Security Plan or Security Plan (as applicable) in accordance with the Response to Heightened Threat Detailed Solution. For the avoidance of doubt, the Change Control Procedure shall not apply to any Change to the Services required due to implementation of increased UK Threat Level severity measures but applicable Charges will vary in accordance with the revised security measures that are delivered as set out in each Interim Security Plan or Security Plan (as applicable).

Changes to Site Risk Profiles

13.13 In the event that there is a material change in the risk associated with any Affected Property that is not due to a change in the UK Threat Level as set out in clause 13.12 above (**Affected Property Risk Change**), the Parties shall agree (acting reasonably) in accordance with Schedule 6.3 (Security Threat and Risk Assessments and Security Plans) any necessary changes required to any relevant Interim Security Plan or Security Plan (as applicable) as a consequence of such Affected Property Risk Change and the Charges shall be adjusted accordingly so as to leave the Supplier in a no better and no worse position than immediately prior to the Affected Property Risk Change.

Changes to Security Officer Numbers on Short Notice

13.14 If the Authority requires the number of Security Officers attending an Affected Property to be temporarily increased (relative to the number of Security Officers that should be at the Affected Property in accordance with the relevant Interim Security Plan or Security Plan (as applicable)) in accordance with Paragraph 21 of Schedule 2.1 (Statement or Requirement) or otherwise (**Security Officer Increase**), the provisions of Clauses 13.15 and 13.16 shall apply (as applicable). All requests for a Security Officer Increase shall be made in writing via the Supply Chain Integrator's work order management system or such other document management system as may be agreed by the Parties.

13.15 If the Authority requests a Security Officer Increase with 48 hours' notice or more (**Additional Security Officers**), the Supplier shall comply with such request by providing the relevant number of Security Officers to the Affected Property in accordance with the Authority's request. Additional Security Officer Charges shall be payable in accordance with Schedule 7.1 (Charges and Invoicing).

13.16 If the Authority requests a Security Officer Increase with less than 48 hours' notice (**Short Notice Additional Security Officers**), the Supplier shall use all reasonable endeavours to comply with such request by providing the relevant number of Security Officers to the Affected Property in accordance with the Authority's request. If the Supplier is not able to comply with the Authority's request, the Supplier shall notify the Authority within 2 hours of receipt of the Authority's request and shall set out reasons why it cannot comply with such request. Short Notice Additional Security Officer Charges shall be payable in accordance with Schedule 7.1 (Charges and Invoicing).

13.17 The Supplier shall keep a record of each request for a Security Officer Increase and of the timesheets for any Security Officers provided in response to each Security Officer Increase request and shall provide these as evidence with any invoice in respect of any Security Officer Charges for each Security Officer Increase.

13.18 For the avoidance of doubt, any permanent increase in the number of Security Officers that the Authority requires to attend an Affected Property shall be effected in accordance with the Change Control Procedure.

Supplier Personnel Costs Changes in Law

13.19 Where there is, or is likely to be, a Supplier Personnel Costs Change in Law, the Supplier shall notify the Authority as soon as reasonably practicable of the likely effects of that Supplier Personnel Costs Change in Law on the actual expenditure incurred by the Supplier in respect of Account Management Personnel, Security Officers and/or Apprenticeship Levy Costs (as applicable). The Supplier shall provide evidence of the effects on the actual expenditure incurred by the Supplier in respect of Account Management Personnel, Security Officers and/or Apprenticeship Levy Costs (as applicable) with reference to the Financial Model.

13.20 Subject to Clause 13.21, with effect from the date that the Supplier becomes subject to any relevant Supplier Personnel Costs Change in Law (**Trigger Date**), the Supplier shall be entitled to increase the Charges by an amount equal to the actual unavoidable increase in the actual expenditure incurred by the Supplier in respect of Account Management Personnel, Security Officers or Apprenticeship Levy Costs (as applicable) solely as a direct result of the Supplier Personnel Costs Change in Law and so as to provide that the Supplier is in a no better and no worse position in respect of Supplier Profit Margin on the actual expenditure incurred by the Supplier in respect of Account Management Personnel, Security Officers or Apprenticeship Levy Costs (as applicable) as it was immediately preceding the Trigger Date.

13.21 Without prejudice to Clauses 13.9, 13.10 and 13.11 and for the avoidance of doubt, if there is a Change in Law in respect of any or all of the items specified in the definition of Supplier Personnel Costs Change in Law but such Change in Law does not increase the actual expenditure incurred by the Supplier in respect of Account Management Personnel, Security Officers and/or Apprenticeship Levy Costs (as applicable), the Change in Law shall not be a Supplier Personnel Costs Change in Law and, as such, Clauses 13.19 and 13.20 shall not apply to such Change in Law.

13.22 Where there is a Change in Law that is not a Supplier Personnel Costs Change in Law but the Supplier can evidence (with reference to the Financial Model) that such Change

in Law will have the direct effect of unavoidably increasing the Supplier's Costs, the Supplier may notify the Authority of the likely effects of that Change in Law on the Supplier's Costs. Upon receipt of such notification, the Authority may (at its sole discretion), but for the avoidance of doubt shall not be obliged to, agree a proportionate increase in the Charges to reflect such increase in the Supplier's Costs and provided that any such increase shall under no circumstances exceed an amount equivalent to the actual increase in the Supplier's Costs and shall be calculated to provide that the Supplier is in a no better and no worse position in respect of Supplier Profit Margin on the Supplier's Costs as it was immediately preceding the relevant Change in Law.

Section E - Supplier Personnel and Supply Chain

14 Supplier Personnel

14.1 The Supplier shall:

14.1.1 where possible, provide, at least seven (7) days in advance of any admission to Authority Premises, a list of the names of all Supplier Personnel requiring such admission, specifying the capacity in which they require admission and giving such other particulars as the Authority may reasonably require. Where such notice is not possible due to the need for Supplier Personnel to attend any Authority Premises with less than seven (7) days' notice, the Supplier shall provide the above details as soon as is possible in the circumstances and in any event prior to any admission of the Supplier Personnel to the Authority Premises. For the avoidance of doubt, this clause 14.1.1 is without prejudice to the Authority's rights under clause 14.2;

14.1.2 ensure that all Supplier Personnel:

(a) are appropriately qualified, trained and experienced to provide the Services with all reasonable skill, care and diligence;

(b) are vetted in accordance with Good Industry Practice and, where applicable, the security requirements set out in Schedule 2.1 (Statement of Requirements) and Schedule 2.4 (Contract Security Management); and

(c) comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force from time to time for the conduct of personnel and all reasonable requirements of the Authority concerning conduct at or outside of the Authority Premises, including the security requirements as set out in Schedule 2.4 (Contract Security Management);

14.1.3 subject to Schedule 9.1 (Staff Transfer), retain overall control of the Supplier Personnel at all times so that the Supplier Personnel shall not be deemed to be employees, agents or contractors of the Authority;

14.1.4 be liable at all times for all acts or omissions of Supplier Personnel, so that any act or omission of a member of any Supplier Personnel which results in a Default under this Agreement shall be a Default by the Supplier;

14.1.5 use all reasonable endeavours to minimise the number of changes in Supplier Personnel;

14.1.6 replace (temporarily or permanently, as appropriate) any Supplier Personnel as soon as practicable if any Supplier Personnel have been removed or are unavailable for any reason whatsoever;

14.1.7 bear the programme familiarisation and other costs associated with any replacement of any Supplier Personnel; and

14.1.8 procure that the Supplier Personnel shall vacate the Authority Premises immediately upon the termination or expiry of this Agreement.

14.2 If the Authority reasonably believes that any of the Supplier Personnel are unsuitable to undertake work in respect of this Agreement, it may:

14.2.1 refuse admission to the relevant person(s) to the Authority Premises; and/or

14.2.2 direct the Supplier to end the involvement in the provision of the Services of the relevant person(s).

Key Personnel

14.3 The Supplier shall ensure that the Key Personnel fulfil the Key Roles at all times during the Term. Schedule 9.2 (Key Personnel) lists the Key Roles and names of the persons who the Supplier shall appoint to fill those Key Roles at the Effective Date.

14.4 The Authority may identify any further roles as being Key Roles and, following agreement to the same by the Supplier, the relevant person selected to fill those Key Roles shall be included on the list of Key Personnel.

14.5 The Supplier shall not remove or replace any Key Personnel (including when carrying out Exit Management) unless:

14.5.1 requested to do so by the Authority;

14.5.2 the person concerned resigns, retires or dies or is on maternity or long-term sick leave;

14.5.3 the person's employment or contractual arrangement with the Supplier or a Sub-contractor is terminated for material breach of contract by the employee; or

14.5.4 the Supplier first consults with the Authority and thereafter obtains the Authority's prior written consent (such consent not to be unreasonably withheld or delayed).

14.6 The Supplier shall:

14.6.1 notify the Authority promptly of the absence of any Key Personnel (other than for short-term sickness or holidays of 2 weeks or less, in which case the Supplier shall ensure appropriate temporary cover for that Key Role);

14.6.2 ensure that any Key Role is not vacant for any longer than ten (10) Working Days, unless it is not reasonably practicable for the Supplier to appoint a replacement for the Key Role within this period, in which case the Supplier shall ensure that such replacement is appointed as soon as reasonably possible and in the meantime shall ensure reasonable cover for the Key Role such that all of its duties are fulfilled;

14.6.3 give as much notice as is reasonably practicable of its intention to remove or replace any member of Key Personnel and, except in the cases of death, unexpected ill health or a material breach of the Key Personnel's employment contract, this will mean at least sixty (60) Working Days' notice;

14.6.4 ensure that all arrangements for planned changes in Key Personnel provide adequate periods during which incoming and outgoing personnel work together to transfer responsibilities and ensure that such change does not have an adverse impact on the performance of the Services; and

14.6.5 ensure that in relation to any replacement for a Key Role:

(a) the replacement has a level of qualifications and experience appropriate to the relevant Key Role;

(b) the replacement is fully competent to carry out the tasks assigned to the Key Personnel whom he or she has replaced; and

(c) the Supplier first consults with the Authority and thereafter obtains the Authority's prior written consent to the replacement (such consent not to be unreasonably withheld of delayed).

Employment Indemnity

14.7 The Parties agree that:

14.7.1 the Supplier shall both during and after the Term indemnify the Authority against all Employee Liabilities that may arise as a result of any claims brought against the Authority by any person where such claim arises from any act or omission of the Supplier or any Supplier Personnel; and

14.7.2 the Authority shall both during and after the Term indemnify the Supplier against all Employee Liabilities that may arise as a result of any claims brought against the Supplier by any person where such claim arises from any act or omission of the Authority or any of the Authority's employees, agents, consultants and contractors.

Income Tax and National Insurance Contributions

14.8 Where the Supplier or any Supplier Personnel are liable to be taxed in the UK or to pay national insurance contributions in respect of consideration received under this Agreement, the Supplier shall:

14.8.1 at all times comply with the Income Tax (Earnings and Pensions) Act 2003 and all other statutes and regulations relating to income tax, and the Social Security Contributions and Benefits Act 1992 and all other statutes and regulations relating to national insurance contributions, in respect of that consideration; and

14.8.2 indemnify the Authority against any income tax, national insurance and social security contributions and any other liability, deduction, contribution, assessment or claim arising from or made in connection with the provision of the Services by the Supplier or any Supplier Personnel.

Staff Transfer

14.9 The Parties agree that:

14.9.1 where the commencement of the provision of the Services or any part of the Services results in one or more Relevant Transfers, Schedule 9.1 (Staff Transfer) shall apply as follows:

(a) where the Relevant Transfer involves the transfer of Transferring Authority Employees, Part A and Part E of Schedule 9.1 (Staff Transfer) shall apply;

(b) where the Relevant Transfer involves the transfer of Transferring Former Supplier Employees, Part B and Part E of Schedule 9.1 (Staff Transfer) shall apply;

(c) where the Relevant Transfer involves the transfer of Transferring Authority Employees and Transferring Former Supplier Employees, Parts A, B and E of Schedule 9.1 (Staff Transfer) shall apply; and

(d) Part C of Schedule 9.1 (Staff Transfer) shall not apply;

14.9.2 where commencement of the provision of the Services or a part of the Services does not result in a Relevant Transfer, Parts C and E of Schedule 9.1 (Staff Transfer) shall apply and Parts A and B of Schedule 9.1 (Staff Transfer) shall not apply; and

14.9.3 Part D of Schedule 9.1 (Staff Transfer) shall apply on the expiry or termination of the Services or any part of the Services.

15 Supply Chain Rights and Protections

Appointment of Sub-contractors

15.1 The Supplier shall exercise due skill and care in the selection and appointment of any Sub-contractors to ensure that the Supplier is able to:

15.1.1 manage any Sub-contractors in accordance with Good Industry Practice;

15.1.2 comply with its obligations under this Agreement in the delivery of the Services; and

15.1.3 assign, novate or otherwise transfer to the Authority or any Replacement Supplier any of its rights and/or obligations under each Sub-contract that relates exclusively to this Agreement.

15.2 Prior to sub-contracting any of its obligations under this Agreement, the Supplier shall notify the Authority in writing of:

15.2.1 the proposed Sub-contractor's name, registered office and company registration number;

15.2.2 the scope of any Services to be provided by the proposed Sub-contractor; and

15.2.3 where the proposed Sub-contractor is an Affiliate of the Supplier, evidence that demonstrates to the reasonable satisfaction of the Authority that the proposed Sub-contract has been agreed on arm's-length terms.

15.3 If requested by the Authority within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 15.2, the Supplier shall also provide:

15.3.1 a copy of the proposed Sub-contract; and

15.3.2 any further information reasonably requested by the Authority.

15.4 The Authority may, within ten (10) Working Days of receipt of the Supplier's notice issued pursuant to Clause 15.2 (or, if later, receipt of any further information requested pursuant to Clause 15.3), object to the appointment of the relevant Sub-contractor if it considers that:

15.4.1 the appointment of a proposed Sub-contractor may prejudice the provision of the Services and/or may be contrary to the interests of the Authority;

15.4.2 the proposed Sub-contractor is unreliable and/or has not provided reasonable services to its other customers;

15.4.3 the proposed Sub-contractor employs unfit persons; and/or

15.4.4 the proposed Sub-contractor should be excluded in accordance with Clause 15.18,

in which case, the Supplier shall not proceed with the proposed appointment.

15.5 If:

15.5.1 the Authority has not notified the Supplier that it objects to the proposed Sub-contractor's appointment by the later of ten (10) Working Days of receipt of:

(a) the Supplier's notice issued pursuant to Clause 15.1; and

(b) any further information requested by the Authority pursuant to Clause 15.3; and

15.5.2 the proposed Sub-contract is not a Key Sub-contract (which shall require the written consent of the Authority in accordance with Clause 15.6 (Appointment of Key Sub-contractors)),

the Supplier may proceed with the proposed appointment and, where the Sub-contract is entered into exclusively for the purpose of delivery of the Services, may notify the Authority that the relevant Sub-contract shall constitute a Third Party Contract for the purposes of Schedule 4.4 (Third Party Contracts).

Appointment of Key Sub-contractors

15.6 Where the Supplier wishes to enter into a Key Sub-contract or replace a Key Sub-contractor, it must obtain the prior written consent of the Authority, such consent not to be unreasonably withheld or delayed. For these purposes, the Authority may withhold its consent to the appointment of a Key Sub-contractor if it reasonably considers that:

15.6.1 the appointment of a proposed Key Sub-contractor may prejudice the provision of the Services or may be contrary to the interests of the Authority;

15.6.2 the proposed Key Sub-contractor is unreliable and/or has not provided reasonable services to its other customers;

15.6.3 the proposed Key Sub-contractor employs unfit persons; and/or

15.6.4 the proposed Key Sub-contractor should be excluded in accordance with Clause 15.18.

15.7 The Authority consents to the appointment of the Key Sub-contractors listed in Schedule 4.3 (Notified Key Sub-contractors).

15.8 Except where the Authority has given its prior written consent, the Supplier shall ensure that each Key Sub-contract shall include:

15.8.1 provisions which will enable the Supplier to discharge its obligations under this Agreement;

15.8.2 a right under CRTPA for the Authority to enforce any provisions under the Key Sub-contract which are capable of conferring a benefit upon the Authority;

15.8.3 a provision enabling the Authority to enforce the Key Sub-contract as if it were the Supplier;

15.8.4 a provision enabling the Supplier to assign, novate or otherwise transfer any of its rights and/or obligations under the Key Sub-contract to the Authority or any Replacement Supplier without restriction (including any need to obtain any consent or approval) or payment by the Authority;

15.8.5 obligations no less onerous on the Key Sub-contractor than those imposed on the Supplier under this Agreement in respect of:

(a) data protection requirements set out in Clauses 20 (Authority Data and Security Requirements) and 23 (Protection of Personal Data);

(b) FOIA requirements set out in Clause 22 (Freedom of Information);

(c) the obligation not to embarrass the Authority or otherwise bring the Authority into disrepute set out in Clause 5.6.13 (Services);

(d) the keeping of records in respect of the services being provided under the Key Sub-contract, including the maintenance of Open Book Data; and

(e) the conduct of Audits set out in Part C of Schedule 7.5 (Financial Reports and Audit Rights);

15.8.6 provisions enabling the Supplier to terminate the Key Sub-contract on notice on terms no more onerous on the Supplier than those imposed on the Authority under Clauses 35.1.1 (Termination by the Authority) and 36.4 (Payments by the Authority) and Schedule 7.2 (Payments on Termination) of this Agreement;

15.8.7 a provision restricting the ability of the Key Sub-contractor to sub-contract all or any part of the services provided to the Supplier under the Key Sub-contract without first seeking the written consent of the Authority;

15.8.8 a provision enabling the Supplier or the Authority to appoint a Remedial Adviser on substantially the same terms as are set out in Clause 29 (Remedial Adviser);

15.8.9 a provision enabling the Supplier, the Authority or any other person on behalf of the Authority to step-in on substantially the same terms as are set out in Clause 30 (Step-in Rights);

15.8.10 a provision requiring the Key Sub-contractor to participate in, and if required by the Authority in the relevant Multi-Party Procedure Initiation

Notice to procure the participation of all or any of its Sub-contractors in, the Multi-Party Dispute Resolution Procedure; and

15.8.11 a provision requiring the Key Sub-contractor to:

(a) promptly notify the Supplier and the Authority in writing of any of the following of which it is, or ought to be, aware:

(i) the occurrence of a Financial Distress Event in relation to the Key Sub-contractor; or

(ii) any fact, circumstance or matter of which it is aware which could cause the occurrence of a Financial Distress Event in relation to the Key Sub-contractor,

and in any event, provide such notification within ten (10) Working Days of the date on which the Key Sub-contractor first becomes aware of such; and

(b) co-operate with the Supplier and the Authority in order to give full effect to the provisions of Schedule 7.4 (Financial Distress), including meeting with the Supplier and the Authority to discuss and review the effect of the Financial Distress Event on the continued performance and delivery of the Services, and contributing to and complying with the Financial Distress Service Continuity Plan.

15.9 The Supplier shall not terminate or materially amend the terms of any Key Sub-contract without the Authority's prior written consent, which shall not be unreasonably withheld or delayed.

Sub-Contractors

15.10 The Supplier shall ensure that all Sub-contracts contain provisions:

15.10.1 giving the Supplier a right to terminate the Sub-contract if the Sub-contractor fails to comply in the performance of the Sub-contract with legal obligations in the fields of environmental, social or employment law;

15.10.2 requiring the Supplier or other party receiving goods or services under the contract to consider and verify invoices under that contract in a timely fashion;

15.10.3 that if the Supplier or other party fails to consider and verify an invoice in accordance with Clause 15.10.2, the invoice shall be regarded as valid and undisputed for the purpose of Clause 15.10.4 after a reasonable time has passed;

15.10.4 requiring the Supplier to pay any undisputed sums which are due from it to the Sub-contractor within a specified period not exceeding 30 days from the receipt of a valid and undisputed invoice;

15.10.5 giving the Authority a right to publish the Supplier's compliance with its obligation to pay undisputed invoices within the specified payment period; and

15.10.6 requiring the Sub-contractor to include a clause to the same effect as this Clause 15.10 in any contracts it enters into wholly or substantially for the purpose of performing or contributing to the performance of the whole or any part of this Agreement.

15.11 The Supplier shall:

15.11.1 pay any undisputed sums which are due from it to a Sub-contractor within 30 days from the receipt of a valid and undisputed invoice; and

15.11.2 include within the Performance Monitoring Report produced by it pursuant to Schedule 2.2 (Performance Levels) a summary of its compliance with Clause 15.11.1, such data to be certified each Quarter by a director of the Supplier as being accurate and not misleading.

15.12 Notwithstanding any provision of Clauses 21 (Confidentiality) and 23.1 (Publicity and Branding), if the Supplier notifies the Authority that the Supplier has failed to pay a Sub-contractor's undisputed invoice within 30 days of receipt, or the Authority otherwise discovers the same, the Authority shall be entitled to publish the details of the late or non-payment (including on government websites and in the press).

Termination of Sub-contracts

15.13 The Authority may require the Supplier to terminate a Sub-contract where:

(a) the acts or omissions of the relevant Sub-contractor have caused or materially contributed to the Authority's right of termination pursuant to Clause 35.1.2 (Termination by the Authority);

(b) the relevant Sub-contractor or any of its Affiliates have embarrassed the Authority or otherwise brought the Authority into disrepute by engaging in any act or omission which is reasonably likely to diminish the trust that the public places in the Authority, regardless of whether or not such act or omission is related to the Sub-contractor's obligations in relation to the Services or otherwise;

(c) the relevant Sub-contractor has failed to comply in the performance of its Sub-contract with legal obligations in the fields of environmental, social or labour law;

(d) the Authority has found grounds for exclusion of the Sub-contractor in accordance with Clause 15.18;

(e) there is a change of Control of the relevant Sub-contractor, unless:

(i) the Authority has given its prior written consent to the particular change of Control, which subsequently takes place as proposed; or

(ii) the Authority has not served its notice of objection within 6 Months of the later of the date the change of Control took place or the date on which the Authority was given notice of the change of Control.

Competitive Terms

15.14 If the Authority is able to obtain from any Sub-contractor or any other third party (on a like-for-like basis) more favourable commercial terms with respect to the supply of any goods, software or services used by the Supplier or the Supplier Personnel in the supply of the Services, then the Authority may:

15.14.1 require the Supplier to replace its existing commercial terms with that person with the more favourable commercial terms obtained by the Authority in respect of the relevant item; or

15.14.2 subject to Clause 15.13, enter into a direct agreement with that Sub-contractor or third party in respect of the relevant item.

15.15 If the Authority exercises either of its options pursuant to Clause 15.14, then the Charges shall be reduced by an amount that is agreed in accordance with the Change Control Procedure.

15.16 The Authority's right to enter into a direct agreement for the supply of the relevant items is subject to:

15.16.1 the Authority making the relevant item available to the Supplier where this is necessary for the Supplier to provide the Services; and

15.16.2 any reduction in the Charges taking into account any unavoidable costs payable by the Supplier in respect of the substituted item, including in respect of any licence fees or early termination charges.

Retention of Legal Obligations

15.17 Notwithstanding the Supplier's right to sub-contract pursuant to this Clause 15, the Supplier shall remain responsible for all acts and omissions of its Sub-contractors and the acts and omissions of those employed or engaged by the Sub-contractors as if they were its own.

Exclusion of Sub-contractors

15.18 Where the Authority considers whether there are grounds for the exclusion of a Sub-contractor under Regulation 57 of the Public Contracts Regulations 2015, then:

15.18.1 if the Authority finds there are compulsory grounds for exclusion, the Supplier shall replace or shall not appoint the Sub-contractor;

15.18.2 if the Authority finds there are non-compulsory grounds for exclusion, the Authority may require the Supplier to replace or not to appoint the Sub- contractor and the Supplier shall comply with such a requirement.

Section F - Intellectual Property, Data and Confidentiality

16 Intellectual Property Rights

16.1 Except as expressly set out in this Agreement:

16.1.1 the Authority shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Supplier or its licensors, including:

(a) the Supplier Software;

(b) the Third Party Software;

(c) the Third Party IPRs;

(d) the Project Specific IPRs;

(e) the Specially Written Software; and

(f) the Supplier Background IPRs;

16.1.2 the Supplier shall not acquire any right, title or interest in or to the Intellectual Property Rights of the Authority or its licensors, including:

(a) the Authority Software;

(b) the Authority Data; and

(c) the Authority Background IPRs.

16.2 Where either Party acquires, by operation of law, title to Intellectual Property Rights that is inconsistent with the allocation of title set out in Clause 16.1, it shall assign in writing such Intellectual Property Rights as it has acquired to the other Party on the request of the other Party (whenever made).

16.3 Neither Party shall have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.

17 Licences Granted by the Supplier

Specially Written Software and Project Specific IPRs

17.1 The Supplier hereby grants to the Authority, or shall procure the direct grant to the Authority of, a perpetual, worldwide, royalty-free, non-exclusive and, subject to the provisions of Clause 36.12.2 (Consequences of Expiry or Termination), irrevocable licence to use (which shall include the right to load, execute, interpret, store, transmit, display, copy (for the purposes of loading, execution, interpretation, storage, transmission or display), modify, adapt, enhance, reverse compile, decode and translate):

17.1.1 the Documentation, Source Code and the Object Code of the Specially Written Software;

17.1.2 all build instructions, test instructions, test scripts, test data, operating instructions and other documents and tools necessary for maintaining and supporting the Specially Written Software (together the **Software Supporting Materials)**; and

17.1.3 the Project Specific IPRs (and any items containing any Project Specific IPRs) including but not limited to the right to copy, adapt, publish (including on the IT Environment) and distribute such Project Specific IPRs.

17.2 The Supplier shall:

17.2.1 inform the Authority of all Specially Written Software that constitutes a modification or enhancement to Supplier Software or Third Party Software;

17.2.2 deliver to the Authority the Specially Written Software in both Source Code and Object Code forms together with relevant Documentation and all related Software Supporting Materials within seven days of the issue of a Milestone Achievement Certificate in respect of the relevant Deliverable and shall provide updates of the Source Code and of the Software Supporting Materials promptly following each new release of the Specially Written Software, in each case on media that is reasonably acceptable to the Authority;

17.2.3 provide copies of all items containing Project Specific IPRs in native format and any other format reasonably requested by the Authority; and

17.2.4 acknowledges and agrees that the ownership of the media referred to in Clause 17.2 shall vest in the Authority upon their receipt by the Authority.

Supplier Software and Supplier Background IPRs

17.3 The Supplier hereby grants to the Authority:

17.3.1 subject to the provisions of Clause 36.12.2 (Consequences of Expiry or Termination), perpetual, royalty-free, sub-licensable and non-exclusive licences to use (including but not limited to the right to load, execute, store, transmit, display and copy (for the purposes of archiving, backing-up, loading, execution, storage, transmission or display)):

(a) the Supplier Non-COTS Software for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function; and

(b) the Supplier Non-COTS Background IPRs for any purpose relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function; and

17.3.2 a perpetual licence to use the Supplier COTS Software and Supplier COTS Background IPRs on the licence terms identified in a letter in or substantially in the form set out in Annex 1 to Schedule 5 (Software) and signed by or on behalf of the Parties on or before the Effective Date provided always that the Authority shall remain entitled to sub-license and to assign and novate the Supplier COTS Software and Supplier COTS Background IPRs on equivalent terms to those set out in Clauses 17.7 and 17.8.2 in relation to the Supplier Non-COTS Software and Supplier Non-COTS Background IPRs.

17.4 At any time during the Term or following termination or expiry of this Agreement, the Supplier may terminate the licence granted in respect of the Supplier Non-COTS Software under Clause 17.3.1(a) or in respect of the Supplier Non-COTS Background IPRs under Clause 17.3.1(b) by giving 30 days' notice in writing (or such other period as agreed by the Parties) if the Authority or any person to whom the Authority grants a sub-licence pursuant to Clause 17.7 (Authority's right to sub-license) commits any material breach of the terms of Clause 17.3.1(a) or 17.3.1(b) or 17.7.1(b) (as the case may be) which, if the breach is capable of remedy, is not remedied within 120 Working Days after the Supplier gives the Authority written notice specifying:

17.4.1 the specific licence, or Supplier Non-COTS Software, or Supplier Non-COTS Background IPRs, or Supplier COTS Software, or Supplier COTS Background IPRs that the Authority or its sub-licensee has used in material breach of Clause 17.3;

17.4.2 how such use has materially breached these terms; and

17.4.3 requiring its remedy,

(an **Initial Breach Notice**)

the Supplier may issue a second written notice, stating that the material breach has not been remedied and that the Authority shall have a further sixty (60) Working Days from the date of the second written notice to remedy the material breach (a **Final Breach Notice**). If the Authority has not remedied the material breach within sixty (60) Working Days of a Final Breach Notice then the Supplier may terminate the parts of the licence granted under Clause 17.3 that the Authority has materially breached by issuing a Termination Notice and this relevant licence shall then terminate on the date specified in the Termination Notice (which shall not be less than twenty (20) Working Days from the date of the issue of the Termination Notice). The Supplier's right to terminate a licence under this Clause is limited to terminating the Authority's licence in relation to the specific part of the Supplier System that the Authority has used in material breach of the terms of Clause 17.3, and such breach will not permit the Supplier to terminate any other licence or right granted to the Authority or this Agreement which will remain in full force and effect.

17.5A If a licence is terminated by the Supplier in accordance with Clause 17.4, the Authority shall have the right to terminate this Agreement (in whole or in part) by giving not less than sixty (60) Working Days' notice to the Supplier.

17.5 In the event the licence of the Supplier Non-COTS Software or the Supplier Non-COTS Background IPRs is terminated pursuant to Clause 17.4, the Authority shall:

17.5.1 immediately cease all use of the Supplier Non-COTS Software or the Supplier Non-COTS Background IPRs (as the case may be);

17.5.2 at the discretion of the Supplier, return or destroy documents and other tangible materials to the extent that they contain any of the Supplier Non-COTS Software and/or the Supplier Non-COTS Background IPRs, provided that if the Supplier has not made an election within 6 Months of the termination of the licence, the Authority may destroy the documents and other tangible materials that contain any of the Supplier Non-COTS Software and/or the Supplier Non-COTS Background IPRs (as the case may be); and

17.5.3 ensure, so far as reasonably practicable, that any Supplier Non-COTS Software and/or Supplier Non-COTS Background IPRs that are held in electronic, digital or other machine-readable form ceases to be readily accessible (other than by the information technology staff of the Authority) from any computer, word processor, voicemail system or any other device containing such Supplier Non-COTS Software and/or Supplier Non-COTS Background IPRs.

Authority's Right to Sub-license

17.6 The Authority shall be freely entitled to sub-license the rights granted to the Authority pursuant to Clause 17.1 (Specially Written Software and Project Specific IPRs).

17.7 The Authority may sub-license:

17.7.1 the rights granted under Clause 17.3.1 (Supplier Software and Supplier Background IPRs) to a third party (including for the avoidance of doubt, any Replacement Supplier) provided that:

(a) the sub-licence is on terms no broader than those granted to the Authority;

(b) the sub-licence authorises the third party to use the rights licensed in Clause 17.3.1 (Supplier Software and Supplier Background IPRs) only for purposes relating to the Services (or substantially equivalent services) or for any purpose relating to the exercise of the Authority's (or any other Central Government Body's) business or function; and

(c) the sub-licensee shall have executed a confidentiality undertaking in favour of the Supplier in or substantially in the form set out in Annex 2 to Schedule 5 (Software); and

17.7.2 the rights granted under Clause 17.3.1 (Supplier Software and Supplier Background IPRs) to any Approved Sub-Licensee to the extent necessary to use and/or obtain the benefit of the Specially Written Software and/or the Project Specific IPRs provided that:

(a) the sub-licence is on terms no broader than those granted to the Authority; and

(b) the Supplier has received a confidentiality undertaking in its favour in or substantially in the form set out in Annex 2 to Schedule 5 (Software) duly executed by the Approved Sub-Licensee.

Authority's Right to Assign/Novate Licences

17.8 The Authority:

17.8.1 shall be freely entitled to assign, novate or otherwise transfer its rights and obligations under the licence granted to the Authority pursuant to Clause 17.1 (Specially Written Software and Project Specific IPRs); and

17.8.2 may assign, novate or otherwise transfer its rights and obligations under the licences granted pursuant to Clause 17.3.1 (Supplier Software and Supplier Background IPRs) to:

(a) a Central Government Body; or

(b) to any body (including any private sector body) which performs or carries on any of the functions and/or activities that previously had been performed and/or carried on by the Authority.

17.9 Any change in the legal status of the Authority which means that it ceases to be a Central Government Body shall not affect the validity of any licence granted in Clause 17.1 (Specially Written Software and Project Specific IPRs) and/or Clause 17.3 (Supplier Software and Supplier Background IPRs). If the Authority ceases to be a Central Government Body, the successor body to the Authority shall still be entitled to the benefit of the licences granted in Clause 17.1 (Specially Written Software and Project Specific IPRs) and Clause 17.3 (Supplier Software and Supplier Background IPRs).

17.10 If a licence granted in Clause 17.1 (Specially Written Software and Project Specific IPRs) and/or Clause 17.3 (Supplier Software and Supplier Background IPRs) is novated under Clause 17.8 (Authority's Right to Assign/Novate Licences) or there is a change of the Authority's status pursuant to Clause 17.9, the rights acquired on that novation or change of status shall not extend beyond those previously enjoyed by the Authority.

Third Party Software and Third Party IPRs

17.11 The Supplier shall not use in the provision of the Services any Third Party Non-COTS Software or Third Party Non-COTS IPRs unless in each case it has:

17.11.1 first procured that the owner or an authorised licensor of the relevant Third Party Non-COTS IPRs or Third Party Non-COTS Software (as the case may be) has granted a direct licence to the Authority on a perpetual, royalty-free basis to the Authority and on terms no less favourable to the Authority than those set out in Clauses 17.3.1 and 17.4 (Supplier Software and Supplier Background IPRs) and Clause 17.8.2 (Authority's Right to Assign/Novate Licences); or

17.11.2 complied with the provisions of Clause 17.12.

17.12 If the Supplier cannot obtain for the Authority a licence in respect of any Third Party Non-COTS Software and/or Third Party Non-COTS IPRs in accordance with the licence terms set out in Clause 17.11.1, the Supplier shall:

17.12.1 notify the Authority in writing giving details of what licence terms can be obtained from the relevant third party and whether there are alternative software providers which the Supplier could seek to use; and

17.12.2 use the relevant Third Party Non-COTS Software and/or Third Party Non-COTS IPRs only if the Authority has first Approved in writing the terms of the licence from the relevant third party.

17.13 The Supplier shall:

17.13.1 notify the Authority in writing of all Third Party COTS Software and Third Party COTS IPRs that it uses and the terms on which it uses them; and

17.13.2 unless instructed otherwise in writing by the Authority, within twenty (20) Working Days of notification pursuant to Clause 17.12.1, use all reasonable endeavours to procure in each case that the owner or an authorised licensor of the relevant Third Party COTS Software and Third Party COTS IPRs grants a direct licence to the Authority on terms:

(a) no less favourable (including as to indemnification against IPRs Claims) than those granted by the Supplier in respect of the Supplier COTS Software pursuant to Clause 17.3.2; or

(b) on which such Third Party COTS Software and Third Party COTS IPRs are usually made commercially available by the relevant third party,

provided in both cases the Authority is entitled to review and agree any such terms in advance.

Termination and Replacement Suppliers

17.14 For the avoidance of doubt, the termination or expiry of this Agreement shall not of itself result in any termination of any of the licences granted by the Supplier or relevant third party pursuant to or as contemplated by this Clause 17.

17.15 The Supplier shall, if requested by the Authority in accordance with Schedule 8.5 (Exit Management) and at the Supplier's cost:

17.15.1 grant (or procure the grant) to any Replacement Supplier of:

(a) a licence to use any Supplier Non-COTS Software, Supplier Non-COTS Background IPRs, Third Party Non-COTS IPRs and/or Third Party Non-COTS Software on a royalty-free basis to the Replacement Supplier and on terms no less favourable than those granted to the Authority in respect of the relevant Software and/or IPRs pursuant to or as contemplated by this Clause 17 subject to receipt by the Supplier of a confidentiality undertaking in its favour in or substantially in the form set out in Annex 2 to Schedule 5 (Software) duly executed by the Replacement Supplier;

(b) a licence to use any Supplier COTS Software and/or Supplier COTS Background IPRs, on terms no less favourable (including as to indemnification against IPRs Claims) than those on which such software is usually made commercially available by the Supplier; and/or

17.15.2 use all reasonable endeavours to procure the grant to any Replacement Supplier of a licence to use any Third Party COTS Software and/or Third Party COTS IPRs on terms no less favourable (including as to indemnification against IPRs Claims) than those on which such software is usually made commercially available by the relevant third party.

18 Licences Granted by the Authority

18.1 The Authority hereby grants to the Supplier a royalty-free, non-exclusive, non-transferable licence during the Term to use the Authority Software, the Authority Background IPRs and the Authority Data solely to the extent necessary for performing the Services in accordance with this Agreement, including (but not limited to) the right to grant sub-licences to Sub-contractors provided that:

18.1.1 any relevant Sub-contractor has entered into a confidentiality undertaking with the Supplier on the same terms as set out in Clause 21 (Confidentiality); and

18.1.2 the Supplier shall not, without the Authority's prior written consent, use the licensed materials for any other purpose or for the benefit of any person other than the Authority.

18.2 In the event of the termination or expiry of this Agreement, the licence granted pursuant to Clause 18.1 and any sub-licence granted by the Supplier in accordance with Clause 18.1 shall terminate automatically on the date of such termination or expiry and the Supplier shall:

18.2.1 immediately cease all use of the Authority Software, the Authority Background IPRs and the Authority Data (as the case may be);

18.2.2 at the discretion of the Authority, return or destroy documents and other tangible materials that contain any of the Authority Software, the Authority Background IPRs and the Authority Data, provided that if the Authority has not made an election within 6 Months of the termination of the licence, the Supplier may destroy the documents and other tangible materials that contain any of the Authority Software, the Authority Background IPRs and the Authority Data (as the case may be); and

18.2.3 ensure, so far as reasonably practicable, that any Authority Software, Authority Background IPRs and Authority Data that are held in electronic, digital or other machine-readable form ceases to be readily accessible from any Supplier computer, word processor, voicemail system or any other Supplier device containing such Authority Software, Authority Background IPRs and/or Authority Data.

19 IPRs Indemnity

19.1 The Supplier shall at all times, during and after the Term, on written demand indemnify the Authority and each other Indemnified Person, and keep the Authority and each other Indemnified Person indemnified, against all Losses incurred by, awarded against or agreed to be paid by an Indemnified Person arising from an IPRs Claim.

19.2 If an IPRs Claim is made, or the Supplier anticipates that an IPRs Claim might be made, the Supplier may, at its own expense and sole option, either:

19.2.1 procure for the Authority or other relevant Indemnified Person the right to continue using the relevant item which is subject to the IPRs Claim; or

19.2.2 replace or modify the relevant item with non-infringing substitutes provided that:

(a) the performance and functionality of the replaced or modified item is at least equivalent to the performance and functionality of the original item;

(b) the replaced or modified item does not have an adverse effect on any other services or the IT Environment;

(c) there is no additional cost to the Authority or relevant Indemnified Person (as the case may be); and

(d) the terms and conditions of this Agreement shall apply to the replaced or modified Services.

19.3 If the Supplier elects to procure a licence in accordance with Clause 19.2.1 or to modify or replace an item pursuant to Clause 19.2.2, but this has not avoided or resolved the IPRs Claim, then:

19.3.1 the Authority may terminate this Agreement (if subsisting) with immediate effect by written notice to the Supplier; and

19.3.2 without prejudice to the indemnity set out in Clause 19.1, the Supplier shall be liable for all reasonable and unavoidable costs of the substitute items and/or services including the additional costs of procuring, implementing and maintaining the substitute items.

20 Authority Data and Security Requirements

20.1 The Supplier shall not delete or remove any proprietary notices contained within or relating to the Authority Data.

20.2 The Supplier shall not store, copy, disclose, or use the Authority Data except as necessary for the performance by the Supplier of its obligations under this Agreement or as otherwise expressly authorised in writing by the Authority.

20.3 To the extent that Authority Data is held and/or processed by the Supplier, the Supplier shall supply that Authority Data to the Authority as requested by the Authority in the format specified in Schedule 2.1 (Statement of Requirements).

20.4 The Supplier shall preserve the integrity of Authority Data and prevent the corruption or loss of Authority Data at all times that the relevant Authority Data is under its control or the control of any Sub-contractor.

20.5 The Supplier shall perform secure back-ups of all Authority Data and shall ensure that up-to-date back-ups are stored off-site in accordance with the Business Continuity and Disaster Recovery Detailed Solution. The Supplier shall ensure that such back-ups are available to the Authority (or to such other person as the Authority may direct) at all times upon request and are delivered to the Authority at no less than 3 Monthly intervals (or such other intervals as may be agreed in writing between the Parties).

20.6 The Supplier shall ensure that any system on which the Supplier holds any Authority Data, including back-up data, is a secure system that complies with:

20.6.1 the Baseline Security Requirements;

20.6.2 complies with the DWP Information Security Policy;

20.6.3 is capable of implementing and enforcing appropriate security standards as specified by DWP from time to time including but not limited to the result of any information risk assessment undertaken pursuant to the DWP Enterprise Security Risk Management Strategy;

20.6.4 as part of the HMG Security Policy Framework, complies with and shall have certificated the HMG Cyber Essentials Scheme or approved equivalent as defined under the HMG Cyber Essentials Scheme (further details available at: www.cyber-essentials-scheme.co.uk); and

20.6.5 complies with all relevant aspects of the Government Digital Service Open Standards.

20.7 If the Authority Data is corrupted, lost or sufficiently degraded as a result of the Supplier's Default so as to be unusable, the Authority may:

20.7.1 require the Supplier (at the Supplier's expense) to restore or procure the restoration of Authority Data to the extent and in accordance with the requirements specified in the Business Continuity and Disaster Recovery Detailed Solution and the Supplier shall do so as soon as practicable but not later than five (5) Working Days from the date of receipt of the Authority's notice; and/or

20.7.2 itself restore or procure the restoration of Authority Data, and shall be repaid by the Supplier any reasonable expenses incurred in doing so to the extent and in accordance with the requirements specified in the Business Continuity and Disaster Recovery Detailed Solution.

20.8 If at any time the Supplier suspects or has reason to believe that Authority Data has or may become corrupted, lost or sufficiently degraded in any way for any reason, then the Supplier shall notify the Authority immediately and inform the Authority of the remedial action the Supplier proposes to take.

20.9 The Supplier shall comply with the requirements of Schedule 2.4 (Contract Security Management).

20.10 The Supplier its Sub-contractors and Key Sub-contractors shall comply with the DWP Offshoring Policy. For the avoidance of doubt, the DWP Offshoring Policy shall apply to Landed Resources.

20.11 In accordance with the DWP Offshoring Policy and without limiting any other provision of this Agreement, the Supplier and any of its Sub-contractors or Key Sub-contractors, shall not offshore Authority Data outside the United Kingdom without the prior written consent of the Authority, and where the Authority gives consent, the Supplier shall comply with any reasonable instructions notified to it by the Authority in relation to the Authority Data in question.

20.12 Where the Authority has given its prior written consent to the Supplier to process, host or access Authority Data from premises outside the United Kingdom (in accordance with Clause 20.11):

20.12.1 the Supplier must notify the Authority (in so far as they are not prohibited by Law) where any regulatory bodies seek to gain or has gained access to such Authority Data; and

20.12.2 the Supplier shall take all necessary steps to prevent any access to, or disclosure of, any Authority Data to any regulatory bodies outside the United Kingdom unless required by Law without any applicable exception or exemption.

20.13 The Authority shall notify the Supplier of any changes or proposed changes to the Baseline Security Requirements. The Supplier shall comply with any such changes required by the Authority and the Change Control Procedure shall not apply.

20.14 Notwithstanding any of the Supplier's obligations in respect of information security, data protection and environmental protection, where the Supplier is required (for whatever reason) to dispose of any part of the Supplier System or the Authority System, any Authority Assets or any documentation or other items used in connection with the provision of the Services or otherwise in connection with this Agreement, the Supplier shall ensure that any data visible on, stored on, imbedded in or otherwise accessible in relation to, such items/documents (including any Authority Data, Personal Data or Confidential Information) is irretrievably deleted and/or destroyed prior to any such disposal (subject always to the Authority's right to request copies of any such data prior to such deletion and/or disposal). Upon request by the Authority, the Supplier shall provide proof of such deletion/destruction. Any breach by the Supplier of this Clause 20.14 shall be a material Default by the Supplier for the purposes of limb (b) of Supplier Termination Event.

Malicious Software

20.15 The Supplier shall, as an enduring obligation throughout the Term, use the latest versions of anti-virus definitions and software available from an industry accepted anti-virus software vendor (unless otherwise agreed in writing between the Parties) to check for, contain the spread of, and minimise the impact of Malicious Software in the IT Environment (or as otherwise agreed by the Parties).

20.16 Notwithstanding Clause 20.15, if Malicious Software is found, the Parties shall cooperate to reduce the effect of the Malicious Software and, particularly if Malicious Software causes loss of operational efficiency or loss or corruption of Authority Data, assist each other to mitigate any Losses and to restore the Services to their desired operating efficiency.

20.17 Any cost arising out of the actions of the Parties taken in compliance with the provisions of Clause 20.16 shall be borne by the Parties as follows:

20.17.1 by the Supplier where the Malicious Software originates from the Supplier Software, the Third Party Software supplied by the Supplier (except where the Authority has waived the obligation set out in Clause 20.15) or the Authority Data (whilst the Authority Data was under the control of the Supplier) unless the Supplier can demonstrate that such Malicious Software was present and not quarantined or otherwise identified by the Authority when provided to the Supplier; and

20.17.2 otherwise by the Authority.

21 Confidentiality

21.1 For the purposes of this Clause 21, the term **Disclosing Party** shall mean a Party which discloses or makes available directly or indirectly its Confidential Information and **Recipient** shall mean the Party which receives or obtains directly or indirectly Confidential Information.

21.2 Except to the extent set out in this Clause 21 or where disclosure is expressly permitted elsewhere in this Agreement, the Recipient shall:

21.2.1 treat the Disclosing Party's Confidential Information as confidential and keep it in secure custody (which is appropriate depending upon the form in which such materials are stored and the nature of the Confidential Information contained in those materials);

21.2.2 not disclose the Disclosing Party's Confidential Information to any other person except as expressly set out in this Agreement or without obtaining the owner's prior written consent;

21.2.3 not use or exploit the Disclosing Party's Confidential Information in any way except for the purposes anticipated under this Agreement; and

21.2.4 immediately notify the Disclosing Party if it suspects or becomes aware of any unauthorised access, copying, use or disclosure in any form of any of the Disclosing Party's Confidential Information.

21.3 The Recipient shall be entitled to disclose the Confidential Information of the Disclosing Party where:

21.3.1 the Recipient is required to disclose the Confidential Information by Law, provided that Clause 22 (Transparency and Freedom of Information) shall apply to disclosures required under the FOIA or the EIRs;

21.3.2 the need for such disclosure arises out of or in connection with:

(a) any legal challenge or potential legal challenge against the Authority arising out of or in connection with this Agreement;

(b) the examination and certification of the Authority's accounts (provided that the disclosure is made on a confidential basis) or for any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority is making use of any Services provided under this Agreement; or

(c) the conduct of a Central Government Body review in respect of this Agreement; or

21.3.3 the Recipient has reasonable grounds to believe that the Disclosing Party is involved in activity that may constitute a criminal offence under the Bribery Act 2010 and the disclosure is being made to the Serious Fraud Office.

21.4 If the Recipient is required by Law to make a disclosure of Confidential Information, the Recipient shall as soon as reasonably practicable and to the extent permitted by Law notify the Disclosing Party of the full circumstances of the required disclosure including the relevant Law and/or regulatory body requiring such disclosure and the Confidential Information to which such disclosure would apply.

21.5 The Supplier may disclose the Confidential Information of the Authority on a confidential basis only to:

(a) Supplier Personnel who are directly involved in the provision of the Services and need to know the Confidential Information to enable performance of the Supplier's obligations under this Agreement;

(b) its auditors; and

(c) its professional advisers for the purposes of obtaining advice in relation to this Agreement.

Where the Supplier discloses Confidential Information of the Authority pursuant to this Clause 21.5, it shall remain responsible at all times for

compliance with the confidentiality obligations set out in this Agreement by the persons to whom disclosure has been made.

21.6 The Authority may disclose the Confidential Information of the Supplier:

21.6.1 on a confidential basis to any Central Government Body for any proper purpose of the Authority or of the relevant Central Government Body;

21.6.2 to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;

21.6.3 to the extent that the Authority (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;

21.6.4 on a confidential basis to a professional adviser, consultant, supplier (including, for the avoidance of doubt, the Supply Chain Integrator) or other person engaged by any of the entities described in Clause 21.6.1 (including any benchmarking organisation) for any purpose relating to or connected with this Agreement;

21.6.5 on a confidential basis for the purpose of the exercise of its rights under this Agreement, including the Audit Rights, its step-in rights pursuant to Clause 30 (Step-In Rights), its rights to appoint a Remedial Adviser pursuant to Clause 29 (Remedial Adviser) and Exit Management rights; or

21.6.6 on a confidential basis to a proposed Successor Body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Agreement,

and for the purposes of the foregoing, references to disclosure on a confidential basis shall mean disclosure subject to a confidentiality agreement or arrangement containing terms no less stringent than those placed on the Authority under this Clause 21.

21.7 Nothing in this Clause 21 shall prevent a Recipient from using any techniques, ideas or know-how gained during the performance of this Agreement in the course of its normal business to the extent that this use does not result in a disclosure of the Disclosing Party's Confidential Information or an infringement of Intellectual Property Rights.

22 Transparency and Freedom of Information

22.1 The Parties acknowledge that:

22.1.1 reports generated by the Supplier pursuant to the terms of this Agreement; and

22.1.2 the content of this Agreement, including any changes to this Agreement agreed from time to time, except for:

(a) any information which is exempt from disclosure in accordance with the provisions of the FOIA, which shall be determined by the Authority; and

(b) Commercially Sensitive Information;

(together the **Transparency Information**) are not Confidential Information.

22.2 Notwithstanding any other provision of this Agreement, the Supplier hereby gives its consent for the Authority to publish to the general public the Transparency Information in its entirety (but with any information which is exempt from disclosure in accordance with the provisions of the FOIA redacted). The Authority shall, prior to publication, consult with the Supplier on the manner and format of publication and to inform its decision regarding any redactions but shall have the final decision in its absolute discretion.

22.3 The Supplier shall assist and co-operate with the Authority to enable the Authority to publish the Transparency Information.

22.4 If the Authority believes that publication of any element of the Transparency Information would be contrary to the public interest, the Authority shall be entitled to exclude such information from publication. The Authority acknowledges that it

would expect the public interest by default to be best served by publication of the Transparency Information in its entirety. Accordingly, the Authority acknowledges that it will only exclude Transparency Information from publication in exceptional circumstances and agrees that where it decides to exclude information from publication it will provide a clear explanation to the Supplier.

22.5 The Authority shall publish the Transparency Information in a format that assists the general public in understanding the relevance and completeness of the information being published to ensure the public obtain a fair view on how the Agreement is being performed, having regard to the context of the wider commercial relationship with the Supplier.

22.6 The Supplier agrees that any Information it holds that is reasonably relevant to or that arises from the provision of the Services shall be provided to the Authority on request unless the cost of doing so would exceed the appropriate limit prescribed under section 12 of the FOIA. The Authority may disclose such Information under the FOIA and the EIRs and may (except for Commercially Sensitive Information, Confidential Information (subject to Clause 21.6.3) and Open Book Data) publish such Information. The Supplier shall provide to the Authority within five (5) Working Days (or such other period as the Authority may reasonably specify) any such Information requested by the Authority.

22.7 The Supplier acknowledges that the Authority is subject to the requirements of the FOIA and the EIRs. The Supplier shall:

22.7.1 provide all necessary assistance and cooperation as reasonably requested by the Authority to enable the Authority to comply with its obligations under the FOIA and EIRs;

22.7.2 transfer to the Authority all Requests for Information relating to this Agreement that it receives as soon as practicable and in any event within two (2) Working Days of receipt;

22.7.3 provide the Authority with a copy of all Information held on behalf of the Authority which is requested in a Request For Information and which is in its possession or control in the form that the Authority requires within five (5) Working Days (or such other period as the Authority may reasonably specify) of the Authority's request for such Information; and

22.7.4 not respond directly to a Request For Information addressed to the Authority unless authorised in writing to do so by the Authority.

22.8 The Supplier acknowledges that the Authority may be required under the FOIA and EIRs to disclose Information (including Commercially Sensitive Information) without consulting or obtaining consent from the Supplier. The Authority shall take reasonable steps to notify the Supplier of a Request For Information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this Agreement) the Authority shall be responsible for determining in its absolute discretion whether any Commercially Sensitive Information and/or any other information is exempt from disclosure in accordance with the FOIA and EIRs.

23 Protection of Personal Data

23.1 The Parties acknowledge that during the Term the Supplier will Process Personal Data on behalf of the Authority in connection with the provision of the Services and may also, from time to time, Process Personal Data for its own purposes as a Data Controller in connection the provision of the Services.

23.2 In all cases when the Supplier is Processing Personal Data in connection with this Agreement as a Data Controller the Supplier shall (and shall procure that all Sub-contractors shall):

23.2.1 take such steps identified by the Authority to assist the Authority to comply with the Data Protection Legislation;

23.2.2 comply with the Data Protection Legislation;

23.2.3 not:

(a) do anything to cause the Authority to contravene any provisions of the Data Protection Legislation;

(b) carry out any Processing of Authority Data, or any Personal Data obtained in the course of this Agreement at or from a location outside of the United Kingdom without the Authority's prior consent; or

(c) allow Authority Data to be accessed from outside of the United Kingdom without the Authority's prior consent;

23.2.4 ensure that at all times it has in place appropriate technical and organisational measures to guard against unauthorised or unlawful processing of the Personal Data and/or accidental loss, destruction or damage to the Personal Data, including the measures as are set out in Clause 20 (Authority Data and Security Requirements);

23.2.5 provide all reasonable co-operation and assistance as may be requested by the Authority from time to time to enable the Authority to comply with the Data Protection Legislation, including providing input into and carrying out data protection impact assessments and assisting with consultations with the Information Commissioner's Office;

23.2.6 notify the Authority promptly if a data security breach occurs, if any complaints are made or if a regulatory investigation is commenced (in each case in connection with the Personal Data) and provide all such information as may be requested by the Authority in relation to such breach, complaint or notification (as applicable); and

23.2.7 provide the Authority with such information as the Authority may from time to time require to satisfy itself that the Supplier and its Sub-contractors have complied with this Clause 23.

23.3 Without limiting Clause 23.2 or any applicable standards, policies, procedures and regulations specified in the Policies Schedule, the Parties shall comply with their respective obligations as set out in Schedule 11 (Data Protection).

24 Publicity and Branding

24.1 The Supplier shall not:

24.1.1 make any press announcements or publicise this Agreement or its contents in any way; or

24.1.2 use the Authority's name or brand in any promotion or marketing or announcement of orders;

without the prior written consent of the Authority, which shall not be unreasonably withheld or delayed.

24.2 Each Party acknowledges to the other that nothing in this Agreement either expressly or by implication constitutes an endorsement of any products or services of the other Party (including the Services, the Supplier System and the Authority System) and each Party agrees not to conduct itself in such a way as to imply or express any such approval or endorsement.

24.3 Each Party shall take reasonable steps to ensure that its employees, agents, Sub-contractors, Key Sub-contractors, suppliers, professional advisors and consultants comply with this Clause 23.1.

Section G - Liability, Indemnities and Insurance

25 Limitations on Liability

Unlimited Liability

25.1 Neither Party limits its liability for:

25.1.1 death or personal injury caused by its negligence, or that of its employees, agents or Sub-contractors (as applicable);

25.1.2 fraud or fraudulent misrepresentation by it or its employees;

25.1.3 breach of any obligation as to title implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982; or

25.1.4 any liability to the extent it cannot be limited or excluded by Law.

25.2 The Supplier's liability in respect of the indemnities in Clause 10.10 (VAT), Clause 14.7 (Employment Indemnity), Clause 14.8 (Income Tax and National Insurance Contributions), Clause 19 (IPRs Indemnity), Schedule 8.5 (Exit Management), Schedule 9.1 (Staff Transfer) and the Annexes to Schedule 9.1 (Staff Transfer) shall be unlimited.

25.3 The Authority's liability in respect of the indemnities in Clause 14.7 (Employment Indemnity), Parts A to D (but not Part E) of Schedule 9.1 (Staff Transfer) and the Annexes to Schedule 9.1 (Staff Transfer) shall be unlimited.

Financial and other Limits

25.4 Subject to Clauses 25.1 and 25.2 (Unlimited Liability) and Clauses 25.8 and 25.9 (Consequential Losses):

25.4.1 the Supplier's aggregate liability in respect of loss of or damage to the Authority Premises or other property or assets of the Authority (including technical infrastructure, assets or equipment but excluding any loss or damage to the Authority Data or any other data) that is caused by Defaults of the Supplier occurring in each and any Contract Year shall in no event exceed £50,000,000 (fifty million pounds); and

25.4.2 the Supplier's aggregate liability in respect of all other Losses incurred by the Authority under or in connection with this Agreement as a result of Defaults by the Supplier in each and any Contract Year shall in no event exceed £100,000,000 (one hundred million pounds),

and if the Authority elects to extend the Initial Term in accordance with Clause 4.2, the Authority may (at its sole discretion) review the liability caps specified in Clauses 25.4.1 and 25.4.2 and may reduce the relevant liability caps for the First Extension Period and/or the Second Extension Period as it feels is appropriate in the circumstances but, for the avoidance of doubt, shall not be obliged to make any amendment to the liability caps; any such change to be undertaken in accordance with the Change Control Procedure.

25.5 Subject to Clauses 25.1 and 25.2 (Unlimited Liability) and Clauses 25.8 and 25.9 (Consequential losses) the Supplier's aggregate liability in respect of all:

25.5.1 Service Credits; and

25.5.2 Compensation for Unacceptable KPI Failure;

incurred in any Contract Year shall be subject to the Service Credit Cap.

25.6 Deductions from Charges shall not be taken into consideration when calculating the Supplier's liability under Clause 25.4.2.

25.7 Subject to Clauses 25.1 and 25.3 (Unlimited Liability) and Clause 25.8 (Consequential Losses) and without prejudice to the Authority's obligation to pay the Charges as and when they fall due for payment:

25.7.1 the Authority's total aggregate liability in respect of all Losses incurred by the Supplier under or in connection with this Agreement as a result of early termination of this Agreement by the Authority pursuant to Clause 35.1.1 (Termination by the Authority) or by the Supplier pursuant to Clause 35.3.1 (Termination by the Supplier) shall in no event exceed the following amounts:

(a) in relation to the Unrecovered Payment, the amount set out in Paragraph 4 of Schedule 7.2 (Payments on Termination);

(b) in relation to the Breakage Costs Payment, the amount set out in Paragraph 3.2 of Schedule 7.2 (Payments on Termination); and

(c) in relation to the Compensation Payment, the amount set out in Paragraph 6 of Schedule 7.2 (Payments on Termination); and

25.7.2 the Authority's aggregate liability in respect of all Losses incurred by the Supplier under or in connection with this Agreement as a result of Defaults of the Authority shall in no event exceed:

(a) in relation to Defaults occurring in the first Contract Year, an amount equal to the total Milestone Payments payable under or in relation to the Implementation Phase;

(b) in relation to Defaults occurring during any subsequent Contract Year, an amount equal to the total Charges paid and/or due to be paid under this Agreement in the Contract Year immediately preceding the occurrence of the Default; and

(c) in relation to Defaults occurring after the end of the Term, an amount equal to the total Charges paid and/or due to be paid to the Supplier in the 12 Month period immediately prior to the last day of the Term.

Consequential Losses

25.8 Subject to Clauses 25.1, 25.2 and 25.3 (Unlimited Liability) and Clause 25.9, neither Party shall be liable to the other Party for:

25.8.1 any indirect, special or consequential Loss; or

25.8.2 any loss of profits, turnover, business opportunities or damage to goodwill (in each case whether direct or indirect).

25.9 Notwithstanding Clause 25.8 but subject to Clause 25.4, the Supplier acknowledges that the Authority may, amongst other things, recover from the Supplier the following Losses incurred by the Authority to the extent that they arise as a result of a Default by the Supplier:

25.9.1 any additional operational and/or administrative costs and expenses incurred by the Authority, including costs relating to time spent by or on behalf of the Authority in dealing with the consequences of the Default;

25.9.2 any wasted expenditure or charges;

25.9.3 the additional cost of procuring Replacement Services for the remainder of the Term and/or replacement Deliverables, which shall include any incremental costs associated with such Replacement Services and/or replacement Deliverables above those which would have been payable under this Agreement;

25.9.4 any Annual Savings Payments that have been paid to the Supplier in respect of which Savings have not been realised due to Supplier Default;

25.9.5 any compensation or interest paid to a third party by the Authority;

25.9.6 any fine or penalty incurred by the Authority pursuant to Law and any costs incurred by the Authority in defending any proceedings which result in such fine or penalty; and

25.9.7 any costs, compensation or other charges payable by the Authority to an Authority Supply Chain Member under an Authority Supply Chain Contract (a **Supply Chain Liability**) where the Supply Chain Liability arises due to a Default by the Supplier under this Agreement.

Conduct of Indemnity Claims

25.10 Where under this Agreement one Party indemnifies the other Party, the Parties shall comply with the provisions of Schedule 8.6 (Conduct of Claims) in relation to the

conduct of claims made by a third person against the Party having (or claiming to have) the benefit of the indemnity.

Mitigation

25.11 Each Party shall use all reasonable endeavours to mitigate any loss or damage suffered arising out of or in connection with this Agreement, including any Losses for which the relevant Party is entitled to bring a claim against the other Party pursuant to the indemnities in this Agreement.

26 Insurance

The Supplier shall comply with the provisions of Schedule 2.5 (Insurance Requirements) in relation to obtaining and maintaining insurance.

Section H - Remedies and Relief

27 Rectification Plan Process

27.1 Without prejudice to any other right or remedy available to the Authority, in the event that:

27.1.1 there is, or is reasonably likely to be, a Delay;

27.1.2 in any Measurement Period there has been:

(a) a Material KPI Failure;

(b) a Material SPI Failure; and/or

(c) a Performance Failure that requires a Rectification Plan by way of an Additional Remedial Measure; and/or

27.1.3 the Supplier commits a material Default that is capable of remedy (and for these purposes a material Default may be a single material Default or a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are remedied) which taken together constitute a material Default),

(each a **Notifiable Default**), the Supplier shall notify the Authority of the Notifiable Default as soon as practicable but in any event within three (3) Working Days of becoming aware of the Notifiable Default, detailing the actual or anticipated effect of the Notifiable Default and, unless the Notifiable Default also constitutes a Rectification Plan Failure or other Supplier Termination Event, the Authority may not terminate this Agreement in whole or in part on the grounds of the Notifiable Default without first following the Rectification Plan Process.

Notification

27.2 If:

27.2.1 the Supplier notifies the Authority pursuant to Clause 27.1 that a Notifiable Default has occurred; or

27.2.2 the Authority notifies the Supplier that it considers that a Notifiable Default has occurred (setting out sufficient detail so that it is reasonably clear what the Supplier has to rectify),

then, unless the Notifiable Default also constitutes a Supplier Termination Event and the Authority serves a Termination Notice, the Supplier shall comply with the Rectification Plan Process.

27.3 The **Rectification Plan Process** shall be as set out in Clauses 27.4 (Submission of the draft Rectification Plan) to 27.9 (Agreement of the Rectification Plan).

Submission of the draft Rectification Plan

27.4 The Supplier shall submit a draft Rectification Plan to the Authority for it to review as soon as possible and in any event within ten (10) Working Days (or such other period as may be agreed between the Parties) after the original notification pursuant to Clause

27.2 (Notification). The Supplier shall submit a draft Rectification Plan even if the Supplier disputes that it is responsible for the Notifiable Default.

27.5 The draft Rectification Plan shall set out:

27.5.1 full details of the Notifiable Default that has occurred, including a root cause analysis;

27.5.2 the actual or anticipated effect of the Notifiable Default; and

27.5.3 the steps which the Supplier proposes to take to rectify the Notifiable Default (if applicable) and to prevent such Notifiable Default from recurring, including timescales for such steps and for the rectification of the Notifiable Default (where applicable).

27.6 The Supplier shall promptly provide to the Authority any further documentation that the Authority reasonably requires to assess the Supplier's root cause analysis. If the Parties do not agree on the root cause set out in the draft Rectification Plan, either Party may refer the matter to be determined by an expert in accordance with Paragraph 6 of Schedule 8.3 (Dispute Resolution Procedure).

Agreement of the Rectification Plan

27.7 The Authority may reject the draft Rectification Plan by notice to the Supplier if, acting reasonably, it considers that the draft Rectification Plan is inadequate, for example because the draft Rectification Plan:

27.7.1 is insufficiently detailed to be capable of proper evaluation;

27.7.2 will take too long to complete;

27.7.3 will not prevent reoccurrence of the Notifiable Default; and/or

27.7.4 will rectify the Notifiable Default but in a manner which is unacceptable to the Authority.

27.8 The Authority shall notify the Supplier whether it consents to the draft Rectification Plan as soon as reasonably practicable. If the Authority rejects the draft Rectification Plan, the Authority shall give reasons for its decision and the Supplier shall take the reasons into account in the preparation of a revised Rectification Plan. The Supplier shall submit the revised draft of the Rectification Plan to the Authority for review within five (5) Working Days (or such other period as agreed between the Parties) of the Authority's notice rejecting the first draft.

27.9 If the Authority consents to the Rectification Plan:

27.9.1 the Supplier shall immediately start work on the actions set out in the Rectification Plan; and

27.9.2 the Authority may no longer terminate this Agreement in whole or in part on the grounds of the relevant Notifiable Default.

28 Delay Payments

28.1 If a Milestone has not been Achieved by its relevant Milestone Date, the provisions of Paragraph 1 of Part C of Schedule 7.1 (Charges and Invoicing) shall apply in relation to the payment of Delay Payments.

28.2 Delay Payments shall be the Authority's exclusive financial remedy for the Supplier's failure to Achieve a Milestone by its Milestone Date except where:

28.2.1 the Authority is entitled to or does terminate this Agreement pursuant to Clause 35.1.2 (Termination by the Authority); or

28.2.2 the Delay exceeds the Delay Deduction Period.

29 Remedial Adviser

29.1 Without prejudice to any other right or remedy available to the Authority, if:

29.1.1 any of the Intervention Trigger Events occur; or

29.1.2 the Authority reasonably believes that any of the Intervention Trigger Events are likely to occur,

(each an **Intervention Cause**), the Authority may give notice to the Supplier (an **Intervention Notice**) giving reasonable details of the Intervention Cause and requiring:

(a) a meeting between the Authority Representative and the Supplier Representative to discuss the Intervention Cause; and/or

(b) the appointment as soon as practicable by the Supplier of a Remedial Adviser, as further described in this Clause 29.

For the avoidance of doubt, if the Intervention Cause is also a Supplier Termination Event, the Authority has no obligation to exercise its rights under this Clause 29.1 prior to or instead of exercising its right to terminate this Agreement.

29.2 If the Authority gives notice that it requires the appointment of a Remedial Adviser:

29.2.1 the Remedial Adviser shall be:

(a) a person selected by the Supplier and Approved by the Authority; or

(b) if none of the persons selected by the Supplier have been Approved by the Authority (or no person has been selected by the Supplier) within ten (10) Working Days following the date on which the Intervention Notice is given, a person identified by the Authority;

29.2.2 the terms of engagement and start date agreed with the Remedial Adviser must be Approved by the Authority; and

29.2.3 any right of the Authority to terminate this Agreement pursuant to Clause 35.1.2 (Termination by the Authority) for the occurrence of that Intervention Cause shall be suspended for sixty (60) Working Days from (and including) the date of the Intervention Notice (or such other period as may be agreed between the Parties) (the **Intervention Period**).

29.3 The Remedial Adviser's overall objective shall be to mitigate the effects of, and (to the extent capable of being remedied) to remedy, the Intervention Cause and to avoid the occurrence of similar circumstances in the future. In furtherance of this objective (but without diminishing the Supplier's responsibilities under this Agreement), the Parties agree that the Remedial Adviser may undertake any one or more of the following actions:

29.3.1 observe the conduct of and work alongside the Supplier Personnel to the extent that the Remedial Adviser considers reasonable and proportionate having regard to the Intervention Cause;

29.3.2 gather any information the Remedial Adviser considers relevant in the furtherance of its objective;

29.3.3 write reports and provide information to the Authority in connection with the steps being taken by the Supplier to remedy the Intervention Cause;

29.3.4 make recommendations to the Authority and/or the Supplier as to how the Intervention Cause might be mitigated or avoided in the future; and/or

29.3.5 take any other steps that the Authority and/or the Remedial Adviser reasonably considers necessary or expedient in order to mitigate or rectify the Intervention Cause.

29.4 The Supplier shall:

29.4.1 work alongside, provide information to, co-operate in good faith with and adopt any reasonable methodology in providing the Services recommended by the Remedial Adviser;

29.4.2 ensure that the Remedial Adviser has all the access it may require in order to carry out its objective, including access to the Assets;

29.4.3 submit to such monitoring as the Authority and/or the Remedial Adviser considers reasonable and proportionate in respect of the Intervention Cause;

29.4.4 implement any reasonable recommendations made by the Remedial Adviser that have been Approved by the Authority within the timescales given by the Remedial Adviser; and

29.4.5 not terminate the appointment of the Remedial Adviser prior to the end of the Intervention Period without the prior consent of the Authority (such consent not to be unreasonably withheld).

29.5 The Supplier shall be responsible for:

29.5.1 the costs of appointing, and the fees charged by, the Remedial Adviser; and

29.5.2 its own costs in connection with any action required by the Authority and/or the Remedial Adviser pursuant to this Clause 29.

29.6 If:

29.6.1 the Supplier:

(a) fails to perform any of the steps required by the Authority in an Intervention Notice; and/or

(b) is in Default of any of its obligations under Clause 29.4; and/or

29.6.2 the relevant Intervention Trigger Event is not rectified by the end of the Intervention Period,

(each a **Remedial Adviser Failure**), the Authority shall be entitled to terminate this Agreement pursuant to Clause 35.1.2 (Termination by the Authority).

30 Step-in Rights

30.1 On the occurrence of a Step-In Trigger Event, the Authority may, without prejudice to any other right or remedy available to the Authority, serve notice on the Supplier (a **Step-In Notice**) that it will be taking action under this Clause 30 (Step-in Rights), either itself or with the assistance of a third party (provided that the Supplier may require any third parties to comply with a confidentiality undertaking equivalent to Clause 21 (Confidentiality)). The Step-In Notice shall set out the following:

30.1.1 the action the Authority wishes to take and in particular the Services that it wishes to control (the **Required Action**);

30.1.2 the Step-In Trigger Event that has occurred and whether the Authority believes that the Required Action is due to the Supplier's Default;

30.1.3 the date on which it wishes to commence the Required Action;

30.1.4 the time period which it believes will be necessary for the Required Action;

30.1.5 whether the Authority will require access to the Supplier's premises and/or the Sites; and

30.1.6 to the extent practicable, the impact that the Authority anticipates the Required Action will have on the Supplier's obligations to provide the Services during the period that the Required Action is being taken.

30.2 Following service of a Step-In Notice, the Authority shall:

30.2.1 take the Required Action set out in the Step-In Notice and any consequential additional action as it reasonably believes is necessary to achieve the Required Action;

30.2.2 keep records of the Required Action taken and provide information about the Required Action to the Supplier;

30.2.3 co-operate wherever reasonable with the Supplier in order to enable the Supplier to continue to provide the Services in relation to which the Authority is not assuming control; and

30.2.4 act reasonably in mitigating the cost that the Supplier will incur as a result of the exercise of the Authority's rights under this Clause 30.

30.3 For so long as and to the extent that the Required Action is continuing, then:

30.3.1 the Supplier shall not be obliged to provide the Services to the extent that they are the subject of the Required Action;

30.3.2 no Deductions shall be applicable in relation to Charges in respect of Services that are the subject of the Required Action and the provisions of Clause 30.4 shall apply to Deductions from Charges in respect of other Services; and

30.3.3 the Authority shall pay to the Supplier the Charges after subtracting any applicable Deductions and the Authority's costs of taking the Required Action.

30.4 If the Supplier demonstrates to the reasonable satisfaction of the Authority that the Required Action has resulted in:

30.4.1 the degradation of any Services not subject to the Required Action; or

30.4.2 the non-Achievement of a Milestone,

beyond that which would have been the case had the Authority not taken the Required Action, then the Supplier shall be entitled to an agreed adjustment of the Charges.

30.5 Before ceasing to exercise its step in rights under this Clause 30 the Authority shall deliver a written notice to the Supplier (a **Step-Out Notice**), specifying:

30.5.1 the Required Action it has actually taken; and

30.5.2 the date on which the Authority plans to end the Required Action (the **Step-Out Date**) subject to the Authority being satisfied with the Supplier's ability to resume the provision of the Services and the Supplier's plan developed in accordance with Clause 30.6.

30.6 The Supplier shall, following receipt of a Step-Out Notice and not less than twenty (20) Working Days prior to the Step-Out Date, develop for the Authority's Approval a draft plan (a **Step-Out Plan**) relating to the resumption by the Supplier of the Services, including any action the Supplier proposes to take to ensure that the affected Services satisfy the requirements of this Agreement.

30.7 If the Authority does not Approve the draft Step-Out Plan, the Authority shall inform the Supplier of its reasons for not Approving it. The Supplier shall then revise the draft Step-Out Plan taking those reasons into account and shall re-submit the revised plan to the Authority for the Authority's Approval. The Authority shall not withhold or delay its Approval of the draft Step-Out Plan unnecessarily.

30.8 The Supplier shall bear its own costs in connection with any step-in by the Authority under this Clause 30, provided that the Authority shall reimburse the Supplier's reasonable additional expenses incurred directly as a result of any step-in action taken by the Authority under:

30.8.1 limbs (c) or (d) of the definition of a Step-In Trigger Event; or

30.8.2 limbs(e), (f) and (g) of the definition of a Step-in Trigger Event (insofar as the primary cause of the Authority serving the Step-In Notice is identified as not being the result of the Supplier's Default).

31 Increased Monitoring

31.1 At any time the Authority may by notice to the Supplier increase the level of the Authority's and/or the Supply Chain Integrator's monitoring of the Supplier, and/or, at the Authority's option, of the Supplier's monitoring of its own performance of its

obligations under this Agreement in respect of the Services until such time as the Supplier shall have demonstrated to the reasonable satisfaction of the Authority that it will perform (and is capable of performing) its obligations under this Agreement.

31.2 For the purposes of Clause 31.1, the Authority acknowledges that if the Supplier has otherwise failed to have demonstrated to the reasonable satisfaction of the Authority as required by Clause 31.1 but:

31.2.1 if the Supplier has removed the person or persons responsible for the fraudulent and/or erroneous reporting; or

31.2.2 if in the following 3 Month period following the Authority notice (if it has not already been established) there have been no further erroneous reports of any kind,

this shall be regarded as sufficient demonstration that the Supplier will perform and is capable of performing its obligations.

31.3 If the Authority issues a notice under Clause 31.1 as a result of any failure by the Supplier to perform the Services in accordance with this Agreement, the Supplier shall bear its own costs and indemnify and keep the Authority indemnified at all times from and against all reasonable costs and expenses (including internal management costs and professional fees) incurred by or on behalf of the Authority in relation to such increased level of monitoring arising due to circumstances under Clause 31.1.

31.4 If the Authority issues a notice under Clause 31.1 other than as a result of any failure by the Supplier to perform the Services in accordance with this Agreement, the Authority shall bear its own costs and indemnify and keep the Supplier indemnified at all times from and against all reasonable costs and expenses incurred by the Supplier in relation to such increased level of monitoring arising due to circumstances under Clause 31.1 provided always that the Supplier shall notify the Authority of any such reasonable costs and expenses prior to incurring those costs and/or expenses.

32 Service Exclusion

32.1 Where:

32.1.1 the Supplier has not achieved the Deliverables within 30 days of the relevant Milestone Date;

32.1.2 a breach of Clauses 5.15 – 5.18 (inclusive) (Independence and Conflicts of Interest) has occurred or the Authority reasonably believes that a breach of Clause 5.15 – 5.18 (inclusive) (Independence and Conflicts of Interest) has or is likely to occur; and/or

32.1.3 there is a material breach of part of the Services,

(each a **Service Exclusion Cause**) the Authority may give notice to the Supplier (a **Service Exclusion Notice**) giving reasonable details of the Service Exclusion Cause.

32.2 The Service Exclusion Notice shall set out the following:

32.2.1 the relevant Service Exclusion Cause that has occurred (or in the case of Clause 32.1.2 is likely to occur);

32.2.2 the date on which the Authority wishes to commence provision of the relevant part or parts of the Service whether by itself or through a third party;

32.2.3 whether the Authority or any third party appointed by the Authority will require access to the Supplier's premises and/or any premises owned by the Authority; and

32.2.4 to the extent practicable, the impact that the Authority anticipates the action set out in the Service Exclusion Notice will have on the Supplier’s obligations to provide the remaining Services.

32.3 Following service of a Service Exclusion Notice:

32.3.1 the Authority shall and/or shall procure that a third party shall take the action set out in the Service Exclusion Notice and any consequential additional action as it reasonably believes is necessary to ensure that the Services (or relevant part thereof) are delivered to the standard required pursuant to the terms of this Agreement and so that the Authority is not in breach of any Law and/or its statutory duties;

32.3.2 the Supplier shall co-operate fully (and/or procure that any Authority Supply Chain Member co-operates fully) with the Authority and/or any third party appointed by the Authority in order to enable the Authority and/or any third party appointed by the Authority to provide the Services identified in the Service Exclusion Notice so as to ensure that such Services are provided to the standard required pursuant to the terms of this Agreement and so that the Authority is not in breach of any Law and/or its statutory duties;

32.3.3 without double counting with Clause 32.3.4 the Supplier shall be responsible for the Authority's reasonable and properly incurred costs and expenses (including any internal management time and/or procurement costs associated with appointing a third party) relating to the exercise of the Authority's rights under this Clause 32 (Service Exclusion); and

32.3.4 the Service Charges shall be adjusted to reflect the removal of the relevant parts of the Services identified in the Service Exclusion Notice.

33 Authority Cause

33.1 Notwithstanding any other provision of this Agreement, if the Supplier has failed to:

33.1.1 Achieve a Milestone by its Milestone Date;

33.1.2 provide the Operational Services in accordance with the Target Performance Levels; and/or

33.1.3 comply with its obligations under this Agreement, (each a **Supplier Non-Performance**),

and can demonstrate that the Supplier Non-Performance would not have occurred but for an Authority Cause, then (subject to the Supplier fulfilling its obligations in this Clause 33):

(a) the Supplier shall not be treated as being in breach of this Agreement to the extent the Supplier can demonstrate that the Supplier Non-Performance was caused by the Authority Cause;

(b) the Authority shall not be entitled to exercise any rights that may arise as a result of that Supplier Non-Performance:

(i) to terminate this Agreement pursuant to Clause 35.1.2 (Termination by the Authority); or

(ii) to take action pursuant Clauses 29 (Remedial Adviser) or 30 (Step-In);

(c) where the Supplier Non-Performance constitutes the failure to Achieve a Milestone by its Milestone Date:

(i) the Milestone Date shall be postponed by a period equal to the period of Delay that the Supplier can demonstrate was caused by the Authority Cause;

(ii) if the Authority, acting reasonably, considers it appropriate, the Implementation Plan shall be amended to reflect any consequential revisions required to subsequent Milestone Dates resulting from the Authority Cause;

(iii) the Supplier shall have no liability to pay any Delay Payments associated with the Milestone to the extent that the Supplier can

demonstrate that such failure was caused by the Authority Cause; and

(iv) the Supplier shall be entitled to claim compensation to reimburse the Supplier for additional reasonably and properly incurred costs subject to and in accordance with the following principles:

33.1.3.c.iv.1. the Supplier can demonstrate that it has incurred such costs solely and directly as a result of the Authority Cause;

33.1.3.c.iv.2. the Supplier has been or will be unable to mitigate such costs having complied with its obligations under Clause 33.1; and

33.1.3.c.iv.3. the compensation shall not operate so as to put the Supplier in a better position than it would have been but for the occurrence of the Authority Cause; and/or

(d) where the Supplier Non-Performance constitutes a Performance Failure:

(i) the Supplier shall not be liable to accrue Service Credits;

(ii) the Authority shall not be entitled to withhold and retain any Compensation for Unacceptable KPI Failure pursuant to Clause 7.4.1 (Unacceptable KPI Failure); and

(iii) the Supplier shall be entitled to invoice for the Service Charges for the relevant Operational Services affected by the Authority Cause,

in each case, to the extent that the Supplier can demonstrate that the Performance Failure was directly caused by the Authority Cause.

33.2 In order to claim any of the rights and/or relief referred to in Clause 33.1, the Supplier shall as soon as reasonably practicable (and in any event within ten (10) Working Days) after becoming aware that an Authority Cause has caused, or is reasonably likely to cause, a Supplier Non-Performance, give the Authority notice (a **Relief Notice**) setting out details of:

33.2.1 the Supplier Non-Performance;

33.2.2 the Authority Cause and its effect, or likely effect, on the Supplier's ability to meet its obligations under this Agreement;

33.2.3 any steps which the Authority can take to eliminate or mitigate the consequences and impact of such Authority Cause; and

33.2.4 the relief and/or compensation claimed by the Supplier.

33.3 Following the receipt of a Relief Notice, the Authority shall as soon as reasonably practicable consider the nature of the Supplier Non-Performance and the alleged Authority Cause and whether it agrees with the Supplier's assessment set out in the Relief Notice as to the effect of the relevant Authority Cause and its entitlement to relief and/or compensation, consulting with the Supplier where necessary.

33.4 The Supplier shall use all reasonable endeavours to eliminate or mitigate the consequences and impact of an Authority Cause, including any Losses that the Supplier may incur and the duration and consequences of any Delay or anticipated Delay.

33.5 Without prejudice to Clause 5.10 (Continuing obligation to provide the Services), if a Dispute arises as to:

33.5.1 whether a Supplier Non-Performance would not have occurred but for an Authority Cause; and/or

33.5.2 the nature and/or extent of the relief and/or compensation claimed by the Supplier,

either Party may refer the Dispute to the Dispute Resolution Procedure. Pending the resolution of the Dispute, both Parties shall continue to resolve the causes of, and mitigate the effects of, the Supplier Non-Performance.

33.6 Any Change that is required to the Implementation Plan or to the Charges pursuant to this Clause 33 shall be implemented in accordance with the Change Control Procedure.

34 Force Majeure

34.1 Subject to the remaining provisions of this Clause 34 (and, in relation to the Supplier, subject to its compliance with its obligations under the Business Continuity and Disaster Recovery Detailed Solution and the Statement of Requirements), a Party may claim relief under this Clause 34 from liability for failure to meet its obligations under this Agreement for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. Any failure or delay by the Supplier in performing its obligations under this Agreement which results from a failure or delay by an agent, Sub-contractor or supplier shall be regarded as due to a Force Majeure Event only if that agent, Sub-contractor or supplier is itself impeded by a Force Majeure Event from complying with an obligation to the Supplier.

34.2 The Affected Party shall as soon as reasonably practicable issue a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.

34.3 If the Supplier is the Affected Party, it shall not be entitled to claim relief under this Clause 34 to the extent that consequences of the relevant Force Majeure Event:

34.3.1 are capable of being mitigated by any of the Services including any action to be taken in accordance with the Business Continuity and Disaster Recovery Detailed Solution, but the Supplier has failed to do so; and/or

34.3.2 should have been foreseen and prevented or avoided by a prudent provider of services similar to the Services, operating to the standards required by this Agreement.

34.4 Subject to Clause 34.5, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Services affected by the Force Majeure Event.

34.5 The Parties shall at all times following the occurrence of a Force Majeure Event and during its subsistence use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event. Where the Supplier is the Affected Party, it shall take all steps in accordance with Good Industry Practice to overcome or minimise the consequences of the Force Majeure Event.

34.6 Where, as a result of a Force Majeure Event:

34.6.1 an Affected Party fails to perform its obligations in accordance with this Agreement, then during the continuance of the Force Majeure Event:

(a) the other Party shall not be entitled to exercise any rights to terminate this Agreement in whole or in part as a result of such failure other than pursuant to Clause 35.1.3 (Termination by the Authority) or Clause 35.3.2 (Termination by the Supplier); and

(b) neither Party shall be liable for any Default arising as a result of such failure;

34.6.2 the Supplier fails to perform its obligations in accordance with this Agreement:

(a) the Authority shall not be entitled:

(i) during the continuance of the Force Majeure Event to exercise its rights under Clause 29 (Remedial Adviser) and/or Clause 30 (Step-in Rights) as a result of such failure;

(ii) to receive Delay Payments pursuant to Clause 28 (Delay Payments) to the extent that the Achievement of any Milestone is affected by the Force Majeure Event; and

(iii) to receive Service Credits or withhold and retain any of the Service Charges as compensation pursuant to Clause 7.4.1 (Unacceptable KPI Failure) to the extent that a Performance Failure has been caused by the Force Majeure Event; and

(b) the Supplier shall be entitled to receive payment of the Charges (or a proportional payment of them) only to the extent that the Services (or part of the Services) continue to be performed in accordance with the terms of this Agreement during the occurrence of the Force Majeure Event.

34.7 Where the Services or a substantial part of them cannot be performed due to a Force Majeure Event for a continuous period in excess of thirty (30) days, the Authority, on giving written notice may exercise its rights under Clause 30 (Step-in Rights). Where the Authority elects to do so it shall be responsible for its own costs.

34.8 The Affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the Affected Party to be unable to comply with its obligations under this Agreement.

34.9 Relief from liability for the Affected Party under this Clause 34 shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under this Agreement and shall not be dependent on the serving of notice under Clause 34.7

Section I - Termination and Exit Management

35 Termination Rights

Termination by the Authority

35.1 The Authority may terminate this Agreement (in whole or in part) by issuing a Termination Notice to the Supplier:

35.1.1 for convenience at any time by providing not less than 3 months' written notice to the Supplier;

35.1.2 if a Supplier Termination Event occurs;

35.1.3 if a Force Majeure Event endures for a continuous period of more than 90 days; or

35.1.4 if the Agreement has been substantially amended to the extent that the Public Contracts Regulations 2015 require a new procurement procedure,

and this Agreement (or part thereof) shall terminate on the date specified in the Termination Notice.

35.2 Where the Authority:

35.2.1 is terminating this Agreement under Clause 35.1.2 due to the occurrence of either limb (b) and/or (g) of the definition of Supplier Termination Event, it may rely on a single material Default or on a number of Defaults or repeated Defaults (whether of the same or different obligations and regardless of whether such Defaults are cured) which taken together constitute a material Default; and/or

35.2.2 has the right to terminate this Agreement under Clause 35.1.2 or Clause 35.1.3, it may, prior to or instead of terminating the whole of this Agreement, serve a Termination Notice requiring the Partial Termination of this Agreement to the extent that it relates to any part of the Services which are materially affected by the relevant circumstances.

Termination by the Supplier

35.3 The Supplier may, by issuing a Termination Notice to the Authority, terminate:

35.3.1 this Agreement if the Authority fails to pay an undisputed sum due to the Supplier under this Agreement which in aggregate exceeds £10,000,000 (ten million pounds) and such amount remains outstanding forty (40) Working Days after the receipt by the Authority of a notice of non-payment from the Supplier; or

35.3.2 any Services that are materially impacted by a Force Majeure Event that endures for a continuous period of more than 90 days,

and this Agreement or the relevant Services (as the case may be) shall then terminate on the date specified in the Termination Notice (which shall not be less than twenty (20) Working Days from the date of the issue of the Termination Notice). If the operation of Clause 35.3.2 would result in a Partial Termination, the provisions of Clause 35.4 (Partial Termination) shall apply.

Partial Termination

35.4 If the Supplier notifies the Authority pursuant to Clause 35.3.2 (Termination by the Supplier) that it intends to terminate this Agreement in part and the Authority, acting reasonably, believes that the effect of such Partial Termination is to render the remaining Services incapable of meeting a significant part of the Authority Requirements, then the Authority shall be entitled to terminate the remaining part of this Agreement by serving a Termination Notice to the Supplier within 1 Month of receiving the Supplier's Termination Notice. For the purpose of this Clause 35.4, in assessing the significance of any part of the Authority Requirements, regard shall be had not only to the proportion of that part to the Authority Requirements as a whole, but also to the importance of the relevant part to the Authority.

35.5 The Parties shall agree the effect of any Change necessitated by a Partial Termination in accordance with the Change Control Procedure, including the effect the Partial Termination may have on any other Services and the Charges, provided that:

35.5.1 the Supplier shall not be entitled to an increase in the Charges in respect of the Services that have not been terminated if the Partial Termination arises due to the occurrence of a Supplier Termination Event;

35.5.2 any adjustment to the Charges (if any) shall be calculated in accordance with the Financial Model and must be reasonable; and

35.5.3 the Supplier shall not be entitled to reject the Change.

36 Consequences of Expiry or Termination

General Provisions on Expiry or Termination

36.1 The provisions of Clauses 5.9 (Specially Written Software warranty), 10.9 and 10.10 (VAT), 12 (Records, Reports, Audits and Open Book Data), 14.7 (Employment Indemnity), 14.8 (Income Tax and National Insurance Contributions), 16 (Intellectual Property Rights), 17 (Licences Granted by the Supplier), 19.1 (IPRs Indemnity), 21 (Confidentiality), 22 (Transparency and Freedom of Information), 23 (Protection of Personal Data), 25 (Limitations on Liability), 36 (Consequences of Expiry or Termination), 42 (Severance), 44 (Entire Agreement), 45 (Third Party Rights), 47 (Disputes) and 48 (Governing Law and Jurisdiction), 50 (Brexit) and the provisions of Schedules 1 (Definitions), 7.1 (Charges and Invoicing), 7.2 (Payments on Termination), 7.5 (Financial Reports and Audit Rights), 8.3 (Dispute Resolution Procedure), 8.4 (Records Provisions), 8.5 (Exit Management), and 9.1 (Staff Transfer), shall survive the termination or expiry of this Agreement.

Exit Management

36.2 The Parties shall comply with the provisions of Schedule 8.5 (Exit Management) and any current Exit Detailed Solution in relation to orderly transition of the Services to the Authority or a Replacement Supplier.

Payments by the Authority

36.3 If this Agreement is terminated by the Authority pursuant to Clause 35.1.1 (Termination by the Authority) or by the Supplier pursuant to Clause 35.3.1 (Termination by the Supplier), the Authority shall pay the Supplier the following payments (which shall be the Supplier's sole remedy for the termination of this Agreement):

36.3.1 the Termination Payment; and

36.3.2 the Compensation Payment, if either of the following periods is less than 365 days:

(a) the period from (but excluding) the date that the Termination Notice is given (or, where Paragraph 2.3 of Part D of Schedule 7.1 (Charges and Invoicing) applies, deemed given) by the Authority pursuant to Clause 35.1.1 (Termination by the Authority) to (and including) the Termination Date; or

(b) the period from (and including) the date of the non-payment by the Authority referred to in Clause 35.3.1 (Termination by the Supplier) to (and including) the Termination Date.

36.4 If this Agreement is terminated (in part or in whole) by the Authority pursuant to Clauses 35.1.2, 35.1.3 and/or 35.2 (Termination by the Authority), or the Term expires, the only payments that the Authority shall be required to make as a result of such termination (whether by way of compensation or otherwise) are:

36.4.1 payments in respect of any Assets or apportionments in accordance with Schedule 8.5 (Exit Management); and

36.4.2 payments in respect of unpaid Charges for Services received up until the Termination Date.

36.5 For the avoidance of doubt, if this Agreement is terminated (in part or in whole) by the Authority pursuant to Clauses 35.1.2, 35.1.3 and/or 35.2 (Termination by the Authority), no Annual Savings Payment will be payable to the Supplier in relation to the Contract Year in which this Agreement is terminated.

36.6 The costs of termination incurred by the Parties shall lie where they fall if either Party terminates or partially terminates this Agreement for a continuing Force Majeure Event pursuant to Clauses 35.1.3 or 35.2.2 (Termination by the Authority) or 35.3.2 (Termination by the Supplier).

Payments by the Supplier

36.7 In the event of termination or expiry of this Agreement, the Supplier shall repay to the Authority all Charges it has been paid in advance in respect of Services not provided by the Supplier as at the date of expiry or termination.

36.8 If this Agreement is terminated (in whole or in part) by the Authority pursuant to Clause 35.1.2 (Termination by the Authority) prior to Achievement of one or more Milestone(s), the Authority may at any time on or within 12 Months of the issue of the relevant Termination Notice by issue to the Supplier of written notice (a **Milestone Adjustment Payment Notice**) require the Supplier to repay to the Authority an amount equal to the aggregate Milestone Adjustment Payment Amounts in respect of each Milestone to which the Milestone Adjustment Payment Notice relates.

36.9 A Milestone Adjustment Payment Notice shall specify:

36.9.1 each Milestone to which it relates;

36.9.2 in relation to each such Milestone, each Deliverable relating to that Milestone that the Authority wishes to retain, if any (each such Deliverable being a **Retained Deliverable**); and

36.9.3 those Retained Deliverables, if any, the Allowable Price for which the Authority considers should be subject to deduction of an adjusting payment on the grounds that they do not or will not perform in all material respects in accordance with their specification (such adjusting payment being an **Allowable Price Adjustment**),

and may form part of a Termination Notice.

36.10 The Supplier shall within ten (10) Working Days of receipt of a Milestone Adjustment Payment Notice, in each case as applicable:

36.10.1 notify the Authority whether it agrees that the Retained Deliverables which the Authority considers should be subject to an Allowable Price Adjustment as specified in the relevant Milestone Adjustment Payment Notice should be so subject; and

36.10.2 in relation to each such Retained Deliverable that the Supplier agrees should be subject to an Allowable Price Adjustment, notify the Authority of the Supplier's proposed amount of the Allowable Price Adjustment and the basis for its Approval;

36.10.3 provide the Authority with its calculation of the Milestone Adjustment Payment Amount in respect of each Milestone the subject of the relevant Milestone Adjustment Payment Notice using its proposed Allowable Price Adjustment, including details of:

(a) all relevant Milestone Payments; and

(b) the Allowable Price of each Retained Deliverable; and

36.10.4 provide the Authority with such supporting information as the Authority may require.

36.11 If the Parties do not agree the calculation of a Milestone Adjustment Payment Amount within twenty (20) Working Days of the Supplier's receipt of the relevant Milestone Adjustment Payment Notice, either Party may refer the Dispute to the Dispute Resolution Procedure.

36.12 If the Authority issues a Milestone Adjustment Payment Notice pursuant to Clause 36.8:

36.12.1 the Authority shall:

(a) securely destroy or return to the Supplier all Non-retained Deliverables that are in tangible form; and

(b) ensure that all Non-retained Deliverables that are held in electronic, digital or other machine-readable form cease to be readily accessible (other than by the information technology staff of the Authority) from any computer, word processor, voicemail system or any other device containing such all Non-retained Deliverables,

in each case as soon as reasonably practicable after repayment of the aggregate Milestone Adjustment Payment Amounts repayable pursuant to that Milestone Adjustment Payment Notice; and

36.12.2 all licences granted pursuant to Clause 17 (Licences granted by the Supplier) in respect of Specially Written Software and Project Specific IPRs and any Supplier Non-COTS Software and/or Supplier Background IPRs shall terminate upon such repayment to the extent that they relate to the Non-retained Deliverables.

Section J - Miscellaneous and Governing Law

37 Compliance

Health and Safety

37.1 The Supplier shall perform its obligations under this Agreement (including those in relation to the Services) in accordance with:

37.1.1 all applicable Law regarding health and safety; and

37.1.2 the Health and Safety Policy whilst at the Authority Premises.

37.2 Each Party shall notify the other as soon as practicable of any health and safety incidents or material health and safety hazards at the Authority Premises of which it becomes aware and which relate to or arise in connection with the performance of this

Agreement. The Supplier shall instruct the Supplier Personnel to adopt any necessary associated safety measures in order to manage any such material health and safety hazards.

Equality and Diversity

37.3 The Supplier shall:

37.3.1 perform its obligations under this Agreement (including those in relation to the Services) in accordance with:

(a) all applicable equality Law;

(b) the Authority's Policies and any other equality and diversity policy that the Authority may create and as provided to the Supplier from time to time;

(c) any other requirements and instructions which the Authority reasonably imposes in connection with any equality obligations imposed on the Authority at any time under applicable equality Law;

(d) the provisions of Schedule 9.3 (Equality); and

37.3.2 take all necessary steps, and inform the Authority of the steps taken, to prevent unlawful discrimination designated as such by any court or tribunal, or the Equality and Human Rights Commission or (any successor organisation); and

37.3.3 not unlawfully discriminate either directly or indirectly on such grounds as age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex or sexual orientation and without prejudice to the generality of the foregoing the Supplier shall not unlawfully discriminate within the meaning and scope of the Equality Act 2010 or other relevant or equivalent legislation, or any statutory modification or re-enactment thereof.

Official Secrets Act and Finance Act

37.4 The Supplier shall comply with the provisions of:

37.4.1 the Official Secrets Acts 1911 to 1989; and

37.4.2 section 182 of the Finance Act 1989.

38 Assignment and Novation

38.1 The Supplier shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights, obligations or liabilities under this Agreement without the prior written consent of the Authority.

38.2 The Authority may at its discretion assign, novate or otherwise dispose of any or all of its rights, obligations and liabilities under this Agreement and/or any associated licences to:

(a) any Central Government Body; or

(b) a body other than a Central Government Body (including any private sector body) which performs any of the functions that previously had been performed by the Authority; or

38.2.2 a devolved government or assembly (or any agency thereof) which performs any of the functions that previously had been performed by the Authority,

and the Supplier shall, at the Authority's request, enter into a novation agreement in such form as the Authority shall reasonably specify in order to enable the Authority to exercise its rights pursuant to this Clause 38.2.

38.3 A change in the legal status of the Authority such that it ceases to be a Central Government Body shall not (subject to Clause 38.4) affect the validity of this Agreement and this Agreement shall be binding on any successor body to the Authority.

38.4 If the Authority assigns, novates or otherwise disposes of any of its rights, obligations or liabilities under this Agreement to a body which is not a Central Government Body or if a body which is not a Central Government Body succeeds the Authority (any such body a **Successor Body**), the Supplier shall have the right to terminate for an Insolvency Event affecting the Successor Body identical to the right of termination of the Authority under limb (k) of the definition of Supplier Termination Event (as if references in that limb (k) to the Supplier and the Guarantor and references to a Party in the definition of Insolvency Event were references to the Successor Body).

39 Waiver and Cumulative Remedies

39.1 The rights and remedies under this Agreement may be waived only by notice and in a manner that expressly states that a waiver is intended. A failure or delay by a Party in ascertaining or exercising a right or remedy provided under this Agreement or by law shall not constitute a waiver of that right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

39.2 The Authority's rights and remedies under this Agreement are cumulative and do not exclude any rights or remedies provided by law, in equity or otherwise.

39.3 Without prejudice to any entitlement of the Supplier to specific performance of any obligation under this Agreement or to injunctive relief the Supplier's sole remedy in relation to matters for which an express right or remedy is stated in this Agreement shall be that right or remedy and the Supplier shall have no additional right or remedy arising by common law in equity by statute or otherwise.

40 Relationship of the Parties

Except as expressly provided otherwise in this Agreement, nothing in this Agreement, nor any actions taken by the Parties pursuant to this Agreement, shall create a partnership, joint venture or relationship of employer and employee or principal and agent between the Parties, or authorise either Party to make representations or enter into any commitments for or on behalf of any other Party.

41 Prevention of Fraud and Bribery

41.1 The Supplier represents and warrants that neither it, nor to the best of its knowledge any Supplier Related Party, have at any time prior to the Effective Date:

41.1.1 committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or

41.1.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

41.2 The Supplier shall not during the term of this Agreement:

41.2.1 commit a Prohibited Act; and/or

41.2.2 do or suffer anything to be done which would cause the Authority or any of the Authority's employees, consultants, contractors, sub-contractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.

41.3 The Supplier shall during the term of this Agreement:

41.3.1 establish, maintain and enforce, and require that its Sub-contractors establish, maintain and enforce, policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent the occurrence of a Prohibited Act; and

41.3.2 keep appropriate records of its compliance with its obligations under Clause 41.3.1 and make such records available to the Authority on request.

41.4 The Supplier shall immediately notify the Authority in writing if it becomes aware of any breach of Clause 41.1and/or 41.2, or has reason to believe that it has or any Supplier Related Party has:

41.4.1 been subject to an investigation or prosecution which relates to an alleged Prohibited Act;

41.4.2 been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act; and/or

41.4.3 received a request or demand for any undue financial or other advantage of any kind in connection with the performance of this Agreement or otherwise suspects that any person or Party directly or indirectly connected with this Agreement has committed or attempted to commit a Prohibited Act.

41.5 If the Supplier makes a notification to the Authority pursuant to Clause 41.4, the Supplier shall respond promptly to the Authority's enquiries, co-operate with any investigation, and allow the Authority to Audit any books, Records and/or any other relevant documentation in accordance with Clause 12 (Records, Reports, Audits and Open Book Data).

41.6 If the Supplier is in Default under Clauses 41.1 and/or 41.2, the Authority may by notice:

41.6.1 require the Supplier to remove from performance of this Agreement any Supplier Personnel whose acts or omissions have caused the Default; or

41.6.2 immediately terminate this Agreement.

41.7 Any notice served by the Authority under Clause 41.6 shall specify the nature of the Prohibited Act, the identity of the Party who the Authority believes has committed the Prohibited Act and the action that the Authority has elected to take (including, where relevant, the date on which this Agreement shall terminate).

42 Severance

42.1 If any provision of this Agreement (or part of any provision) is held to be void or otherwise unenforceable by any court of competent jurisdiction, such provision (or part) shall to the extent necessary to ensure that the remaining provisions of this Agreement are not void or unenforceable be deemed to be deleted and the validity and/or enforceability of the remaining provisions of this Agreement shall not be affected.

42.2 In the event that any deemed deletion under Clause 42.1 is so fundamental as to prevent the accomplishment of the purpose of this Agreement or materially alters the balance of risks and rewards in this Agreement, either Party may give notice to the other Party requiring the Parties to commence good faith negotiations to amend this Agreement so that, as amended, it is valid and enforceable, preserves the balance of risks and rewards in this Agreement and, to the extent that is reasonably possible, achieves the Parties' original commercial intention.

42.3 If the Parties are unable to agree on the revisions to this Agreement within thirty-five (35) Working Days of the matter being referred pursuant to Clause 42.2, this Agreement shall automatically terminate with immediate effect. The costs of termination incurred by the Parties shall lie where they fall if this Agreement is terminated pursuant to this Clause 42.3.

43 Further Assurances

Each Party undertakes at the request of the other, and at the cost of the requesting Party to do all acts and execute all documents which may be reasonably necessary to give effect to the meaning of this Agreement.

44 Entire Agreement

44.1 This Agreement constitutes the entire agreement between the Parties in respect of its subject matter and supersedes and extinguishes all prior negotiations, arrangements, understanding, course of dealings or agreements made between the Parties in relation to its subject matter, whether written or oral.

44.2 Neither Party has been given, nor entered into this Agreement in reliance on, any warranty, statement, promise or representation other than those expressly set out in this Agreement.

44.3 Nothing in this Clause 44 shall exclude any liability in respect of misrepresentations made fraudulently.

45 Third Party Rights

45.1 Certain provisions of the Agreement, including Clause 19.1 (IPRs Indemnity), Paragraphs 2.1 and 2.3 of Part A, Paragraphs 2.1, 2.3 and 2.4 of Part B, Paragraph 2.1 of Part C and Paragraphs 1.4, 2.3 and 2.8 of Part D and Paragraph 1 of Part E of Schedule 9.1 (Staff Transfer) and the provisions of Paragraph 6.9 of Schedule 8.5 (Exit Management) (together **Third Party Provisions**), confer benefits on persons named in such provisions other than the Parties (each such person a **Third Party Beneficiary**) and are, subject to Clause 45.3, intended to be enforceable by Third Parties Beneficiaries by virtue of the CRTPA.

45.2 Subject to Clause 45.1 and Clause 5.21, a person who is not a Party to this Agreement has no right under the CRTPA to enforce any term of this Agreement but this does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.

45.3 No Third Party Beneficiary may enforce, or take any step to enforce, any Third Party Provision without the prior written consent of the Authority, which may, if given, be given on and subject to such terms as the Authority may determine.

45.4 Any amendments or modifications to this Agreement may be made, and any rights created under Clause 45.1 may be altered or extinguished, by the Parties without the consent of any Third Party Beneficiary.

46 Notices

46.1 Any notices sent under this Agreement must be in writing.

46.2 Subject to Clause 46.4, the following table sets out the method by which notices may be served under this Agreement and the respective deemed time and proof of service:

Manner of Delivery	Deemed time of service	Proof of service
Email	9.00am on the first Working Day after sending	Dispatched as a pdf attachment to an e-mail to the correct e-mail address without any error message.
Personal delivery	On delivery, provided delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the next Working Day.	Properly addressed and delivered as evidenced by signature of a delivery receipt
Prepaid, Royal Mail Signed For™ 1st Class or other	At the time recorded by the delivery service, provided	Properly addressed prepaid and delivered as

prepaid, next Working Day service providing proof of delivery.	that delivery is between 9.00am and 5.00pm on a Working Day. Otherwise, delivery will occur at 9.00am on the same Working Day (if delivery before 9.00am) or on the next Working Day (if after 5.00pm).	evidenced by signature of a delivery receipt

46.3 Notices shall be sent to the addresses set out below or at such other address as the relevant Party may give notice to the other Party for the purpose of service of notices under this Agreement:

	Supplier	**Authority**
Contact	Alan Thresher	Max Curzon-Hope
Address	Sutton Park House, 15 Carshalton Road, Sutton, SM1 4LD	Department for Work & Pensions, Caxton House London, SW1H 9NA
Email	alan.thresher@uk.g4s.com	via DWP e-Procurement Solution
		Copy sent to:
Contact	N/A	The Company Secretary
Address	N/A	Sodexo Limited, One Southampton Row, Holborn, London WC1B 5HA
Email	N/A	via DWP e-Procurement Solution

46.4 The following notices may only be served as an attachment to an email if the original notice is then sent to the recipient by personal delivery or recorded delivery in the manner set out in the table in Clause 46.2:

46.4.1 Step-In Notices;

46.4.2 Force Majeure Notices;

46.4.3 notices issued by the Supplier pursuant to Clause 35.3 (Termination by the Supplier);

46.4.4 Termination Notices; and

46.4.5 Dispute Notices.

46.5 Failure to send any original notice by personal delivery or recorded delivery in accordance with Clause 46.4 shall invalidate the service of the related e-mail transmission. The deemed time of delivery of such notice shall be the deemed time of delivery of the original notice sent by personal delivery or Royal Mail Signed For™ 1st Class delivery (as set out in the table in Clause 46.2) or, if earlier, the time of response or acknowledgement by the other Party to the email attaching the notice.

46.6 This Clause 46 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution (other than the service of a Dispute Notice under Schedule 8.3 (Dispute Resolution Procedure)).

47 Disputes

47.1 The Parties shall resolve Disputes arising out of or in connection with this Agreement in accordance with the Dispute Resolution Procedure.

47.2 Where there is a Dispute between the Parties, notwithstanding such Dispute, the Supplier shall continue to provide the Services in accordance with the terms of this Agreement.

48 Governing Law and Jurisdiction

48.1 This Agreement and any issues, disputes or claims (whether contractual or non-contractual) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.

48.2 Subject to Clause 47 (Disputes) and Schedule 8.3 (Dispute Resolution Procedure), the Parties agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (whether contractual or non-contractual) that arises out of or in connection with this Agreement or its subject matter or formation.

49 Guarantee

49.1 Upon written request from the Authority at any time on or after the Effective Date the Supplier shall:

49.1.1 procure that the Guarantor shall execute and deliver to the Authority the Guarantee substantially in the form set out in Schedule 10 or in such other form as the Authority may, in its absolute discretion agree; and

49.1.2 deliver to the Authority a certified copy extract of the board minutes of the Guarantor approving the execution of the Guarantee.

50 Brexit

50.1 The Parties agree that on the date when the United Kingdom leaves the European Union as a consequence of a notice under Article 50 of the Treaty of the European Union, this Agreement shall be amended as follows:

50.1.1 in Schedule 1 (Definitions):

(a) delete the definition of Acquired Rights Directive;

(b) in the definition of Employment Regulations delete the words “or any other Regulations implementing the Acquired Rights Directive”;

50.1.2 in Schedule 2.3 (Standards):

(a) in Paragraph 10.2 replace the words “in compliance with Directive 2002/96/EC and subsequent replacements (including those in compliance with Directive 2012/19/EU)” with the words “and any regulations which amend or replace those Regulations.”;

(b) in Paragraph 10.3 insert after the words “ensure compliance with” the words “any relevant obligations replacing”; and

(c) replace Paragraph 10.4 with the following: “The Supplier shall comply with any code or guidance on energy efficiency issued by the UK Government or statutory body.”;

50.1.3 in Paragraph 5.3 of Annex 1 (Baseline Security Requirements) to Schedule 2.4 (Contract Security Management)

delete the words “which have been defined as adequate by the EU Commission”; and

50.1.4 in Schedule 9.1 (Staff Transfer) delete the words “and/or the Acquired Rights Directive” in Part A paragraphs. 2.1.6; 2.3; Part C paragraph 1.2; and Part D paragraphs 2.1; 2.3.6; and 2.5.

In witness of which this Agreement has been duly executed as a deed by the Parties on the date which appears at the head of its page 1.

Executed as a deed, but not delivered)
until the date specified on this deed,)
by **Doug Hewitson** a director of **G4S**)
Secure Solutions (UK) Limited)
in the presence of)

Witness signature ……

Witness name …….

Witness address ……..

……

Witness occupation …….

The corporate seal of the Secretary of)
State for Work and Pensions is hereunto)
affixed and authenticated by:)

……

Authorised Signatory