

SCHEDULE 24:**HANDOVER AND EXIT MANAGEMENT**

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Introduction

- 1.1 The Contractor is required to ensure the orderly, safe and secure transition of the Services from the Contractor to any New Contractor in the event of expiry or termination (including partial termination) of this Contract for any reason.
- 1.2 This Schedule sets out the principles of the recompetition, exit and service transfer arrangements that are intended to facilitate recompetition during the Service Period and/or to achieve such orderly, safe and secure transition and which shall form the basis of the Exit Plan. For the avoidance of doubt, the Contractor shall be responsible for the overall management of the recompetition support, exit and service transfer arrangements.
- 1.3 For the avoidance of doubt, this Schedule also applies where a requirement for any part of the Services ceases whether or not the Service is to be replaced or re-provisioned and regardless of whether a recompetition in respect of the ceased Service is to take place. References to a New Contractor shall be deemed to include reference to more than one New Contractor where more than one is appointed to provide the Replacement Services.
- 1.4 This Schedule should also be read in conjunction with **clause 54 (Surveys on Expiry or Termination and Retention Fund)** (without limitation to other parts of the Contract that may also be relevant).

2. Maintenance of Recompetition Data

- 2.1 During the Service Period the Contractor shall maintain the following Recompetition Data:
- 2.1.1 such information as is required by this Contract including the Equipment Register, Asset Condition Schedule, Equipment Refresh Plan, the Service Data and the current Operating Procedures, and a list of those Assets that were transferred as Legacy Assets pursuant to an Asset and Contract Transfer Contract under **clause 13.2 (Asset and Contract Transfer)**;
- 2.1.2 a register of all Sub-Contracts and other relevant agreements (including relevant software and IPR licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Services, and a list of those contracts and agreements that were transferred as Legacy Contracts pursuant to an Asset and Contract Transfer Contract under **clause 13.2 (Asset and Contract Transfer)**;

- 2.1.3 a register of all supply contracts under which any person receives goods or services of any kind from the Prison (or from the Contractor or any Sub-Contractor in connection with the Prison) including the Authority Third Party Contracts;
- 2.1.4 in relation to the Contractor's ICT System, copies of documents, reports, summaries, systems and security components and other information necessary to provide an orderly exit transition (updated to reflect any significant change to the ICT infrastructure);
- 2.1.5 in relation to the staff of the Contractor and any Sub-Contractors, information that will be needed for the provision of TUPE information on expiry or termination of this Contract (including, as required, pursuant to **Part 4 (Employment Exit Provisions) of Schedule 18 (TUPE, Employees and Pensions)**); and
- 2.1.6 all other information necessary to permit the Authority and/or any potential New Contractor to understand how the Contractor provides the Services and to enable the smooth transition of the Services (or any part of them) with the minimum of disruption.
- 2.2 The Contractor shall maintain the Recompensation Data in such format as is specified by the Authority and shall update the Recompensation Data annually as part of its review of the Exit Plan (pursuant to **paragraph 5.3 (Updating the Exit Plan)**) and in the event that relevant items are added to, changed or removed from the Services.
- 2.3 The Recompensation Data to be maintained pursuant to **paragraph 2.1 (Maintenance of Recompensation Data)** is in addition to the other information to be maintained under the other provisions of this Contract.
- 2.4 The Contractor shall provide a copy of the Recompensation Data in an updated form as part of the delivery of the ACS DP in accordance with **clause 24.1 (Delivery of Annual Custodial Service Delivery Plan)** in each Contract Year to allow the Authority to assess the Contractor's compliance with this **paragraph 2 (Maintenance of Recompensation Data)**, unless the Authority has confirmed in writing that, for any particular Contract Year, it does not require the Contractor to do so.
3. **Obligations to Assist On Recompensation**
- 3.1 Subject to **paragraph 3.2 (Obligations to Assist on Recompensation)**, on reasonable notice and in any event within fourteen (14) Days of a written request, the Contractor shall provide to the Authority and/or (subject to the potential New Contractors entering into reasonable written

confidentiality undertakings with the Authority) to its potential New Contractors, the following Full Recompensation Data:

- 3.1.1 details of the Services (or relevant part of the Services) including the Operating Procedures and Operating Manual;
- 3.1.2 details of the Assets including asset number and details of their condition and physical location;
- 3.1.3 details of and information relating to the use of the Assets (including technical specifications);
- 3.1.4 a copy of the Recompensation Data, updated by the Contractor up to the date of delivery of such Recompensation Data;
- 3.1.5 copies of all Sub-Contracts and supply contracts as described in **paragraphs 2.1.2 and 2.1.3 (Maintenance of Recompensation Data)**;
- 3.1.6 all information relating to potential Transferring Contractor Employees required to be provided by the Contractor under **Schedule 18 (TUPE, Employees and Pensions)**;
- 3.1.7 without prejudice to the information to be provided by the Contractor pursuant to **Part 4 (Employment Exit Provisions) of Schedule 18 (TUPE, Employees and Pensions)**, details of any claims, demands or other liabilities owed by the Contractor or any Sub-Contractor to any employee of the Contractor or such Sub-Contractor used in delivery of the Services; and
- 3.1.8 all other requested information relating to the Services or any other aspect of this Contract reasonably required by the Authority,

and shall provide updates of such data on the same basis.

- 3.2 Without prejudice to its obligations under **paragraph 2.1 (Maintenance of Recompensation Data)**, the Contractor shall not be required to comply with the provisions of **paragraph 3.1 (Obligations to Assist on Recompensation)** before the Exit Period Commencement Date.
- 3.3 Notwithstanding **clause 61 (Information and Confidentiality)** and **clause 71 (Intellectual Property Rights)** and subject to the recipients entering into reasonable confidentiality agreements with the Authority, the Authority may redistribute the Recompensation Data and Full Recompensation Data to its employees, agents, contractors and advisers (and to those of any other Government Department) and to any potential New Contractors and their employees, agents,

contractors and advisers for the purposes of conducting and participating in a recompetition exercise.

3.4 The Recompetition Data and Full Recompetition Data shall be accurate and complete in all material respects and the level of detail to be provided by the Contractor shall be such as would be reasonably necessary to enable a third party to prepare an informed offer for those Services and not be disadvantaged in any subsequent procurement process compared to the Contractor (if the Contractor is invited to participate).

3.5 The Authority may require the Contractor to enter into an Ethical Wall Agreement at any point during a recompetition or contemplated recompetition of the Services or any part of the Services. If required to enter into an Ethical Wall Agreement, the Contractor will return a signed copy of the Ethical Wall Agreement within ten (10) Business Days of receipt (or such other timescale as the Authority may agree). The Contractor's costs of entering into the Ethical Wall Agreement will be borne solely by the Contractor.

4. **Effective Date of Termination or Expiry**

4.1 The Authority may serve notice upon the Contractor to extend the Expiry Date, the Early Termination Date or any Termination Date by a period as specified by the Authority at its discretion of:

4.1.1 in the case of the Expiry Date or the Early Termination Date, up to six (6) Months; and

4.1.2 in the case of any Termination Date (which for all purposes shall include any date on which this Contract comes to an end by virtue of any other means), up to eighteen (18) Months,

and in this respect the Authority shall not be deemed to have affirmed the Contract by any such extension or the continued receipt of the Services or relevant part of the Services. Once extended, there shall be no further right to extend under this **paragraph 4.1 (Effective Date of Termination or Expiry)**.

4.2 The Exit Period shall be the period commencing on:

4.2.1 in the case of expiry, eighteen (18) Months prior to the original Expiry Date;

4.2.2 in the case of early termination by the Authority under **clause 2.3 (Duration of Contract)**, the date on which notice was served in accordance with that clause; and

4.2.3 in the case of any other early termination, the date on which either Party serves notice of termination under this Contract,

and ending on the Expiry Date, Early Termination Date or Termination Date as extended by the Authority pursuant to **paragraph 4.1 (Effective Date of Termination or Expiry)**.

4.3 The Authority's extension notice under **paragraph 4.1 (Effective Date of Termination or Expiry)** shall be served:

4.3.1 no later than two hundred and seventy (270) Days following the Exit Period Commencement Date in the case of an expiry;

4.3.2 no later than thirty (30) Days following the Exit Period Commencement Date in the case of early termination by the Authority under **clause 2.3 (Duration of Contract)**; and

4.3.3 no later than two (2) Business Days following the Exit Period Commencement Date in the case of any other termination.

4.4 Within ten (10) Business Days of the Exit Period Commencement Date, each Party shall appoint an Exit Manager and provide written notification of such appointment to the other Party. The Contractor's Exit Manager will be responsible for ensuring that the Contractor and its employees, agents and Sub-Contractors comply with this Schedule. The Contractor shall ensure that its Exit Manager has the requisite authority to arrange and procure any resources of the Contractor as are reasonably necessary to enable the Contractor to comply with the requirements set out in this Schedule. The Parties' Exit Managers shall liaise with one another in relation to all issues relevant to the recompetition, expiry and termination of this Contract (in whole or in part) and all matters connected with this Schedule and each Party's compliance with it.

4.5 If the Contractor remains in possession of the Prison and Site following the expiry of the relevant Leases, it shall occupy the Prison and Site pursuant to a tenancy at will to be determinable by either Party at any time on notice on the same terms as the relevant Lease, save as to the term, as is necessary to enable the Contractor to comply with its obligations under this Schedule and this Contract.

5. **Exit Plan**

Contents of Exit Plan

5.1 The Contractor shall, within ninety (90) Days prior to the Services Commencement Date, deliver to the Authority a draft Exit Plan submitted as part of the draft Annual Custodial Service

Delivery Plan in accordance with **paragraph 6.1 (Preparation of the Annual Custodial Service Delivery Plan)** of **Schedule 5 (Mobilisation, Transition and Transformation)**, which sets out the Contractor proposed methodology for achieving an orderly transition of the Services from the Contractor to the New Contractor and which complies with the requirements set out in **paragraphs 5.2 (Contents of Exit Plan)** and **5.3 (Updating the Exit Plan)**. The Parties shall agree the contents of the draft Exit Plan in accordance with the process for agreeing the ACSDP as set out in **paragraph 6 (Preparation of the Annual Custodial Service Delivery Plan)** of **Schedule 5 (Mobilisation, Transition and Transformation)** and **clause 24 (Annual Custodial Service Delivery Plan)**.

5.2 The Exit Plan shall contain, as a minimum:

5.2.1 Recompetition Data in accordance with **paragraph 2.1 (Maintenance of Recompetition Data)** above.

5.2.2 separate mechanisms for dealing with:

5.2.2.1 expiry;

5.2.2.2 an early termination by the Authority pursuant to **clause 2.3 (Duration of Contract)**; and

5.2.2.3 any other termination;

5.2.3 the management structure to be employed by the Contractor during both transfer and cessation of the Services;

5.2.4 details of how the Contractor will achieve data transfer, systems migration, security and full segregation of the Authority's ICT System from the Contractor's ICT System; and how the Contractor will assist the Authority in procuring licences of any Third Party IPRs and/or Third Party Software that the Authority requires to be in place following the expiry of the Contract Period;

5.2.5 procedures to deal with requests made by the Authority and/or potential and actual New Contractor for employee information pursuant to **Schedule 18 (TUPE, Employees and Pensions)**;

5.2.6 how each of the issues set out in this Schedule will be addressed to facilitate the transition of Services from the Contractor to the New Contractor with the aim of ensuring that there is no disruption to or degradation of the Services during the Exit Period; and

5.2.7 in the versions produced during the Exit Period:

5.2.7.1 a detailed description of both the transfer and cessation processes, including a timetable for the transfer and cessation of the Services (or relevant part of the Services) on a single date or over a period of time, as required by the Authority; and

5.2.7.2 a timetable for providing Exit Assistance aligning to the mobilisation and transition plans of the New Contractor (to the extent such plans are notified to the Contractor in writing).

Updating the Exit Plan

5.3 The Contractor shall review and (if appropriate) update the draft Exit Plan in each Contract Year as part of the delivery of the ACS DP in accordance with **clause 24.1 (Delivery of Annual Custodial Service Delivery Plan)**, to reflect changes in the Services or any of the components of the draft Exit Plan. Following such update to the Exit Plan, the Parties shall follow the procedure for approval of the ACS DP as set out in **clause 24.2 (Approval of Annual Custodial Service Delivery Plan)**.

5.4 Within the relevant periods set out below, and not less than Monthly thereafter (or at such longer intervals as the Authority shall approve), the Contractor shall submit for the Authority's approval the draft Exit Plan in a final form that could be implemented immediately. The periods for provision of the final form Exit Plan shall be:

5.4.1 in respect of termination for Authority Default or Contractor Default, thirty (30) Days from the relevant Exit Period Commencement Date provided that for:

5.4.1.1 any termination for Contractor Default falling within **paragraphs (a) (Material Default), (e) (transfer without Authority Consent), (i) (failure to provide a Parent Company Guarantee) or (n) (failure to enter into the Lease or provide any Required Insurances pursuant to clause 68 (Insurance))** of the definition of Contractor Default, the Exit Period shall commence on the issue of the initial Termination Notice and not on any subsequent Termination Notice issued under **clause 44.2.3 (Rectification)** for failure to implement or carry out any rectification programme; and

5.4.1.2 for any termination for Contractor Default falling within any of the remaining paragraphs of the definition of Contractor Default, the Exit Period

shall commence on the issue of any Termination Notice issued under **clause 44.2.1 (Rectification)**;

5.4.2 for termination under **clauses 45 (Termination on Force Majeure), 47 (Termination in accordance with the Regulations), 48 (Termination for Prohibited Act and Prohibited Equality and Diversity Act) and 49 (Voluntary Termination by the Authority)**, ten (10) Days from the relevant Exit Period Commencement Date; and

5.4.3 in respect of expiry of this Contract, early termination by the Authority under **clause 2.3 (Duration of Contract)**, or any other termination of this Contract (whether whole or in part), thirty (30) Days from the relevant Exit Period Commencement Date.

5.5 The Parties shall use their respective reasonable endeavours to agree the contents of the final form of the Exit Plan. If the Parties are unable to agree the contents of the final form Exit Plan then such dispute shall be resolved in accordance with the Dispute Resolution Procedure. Until the agreement of the relevant version of the final form Exit Plan, the Contractor shall provide the Exit Assistance in accordance with the principles set out in this Schedule and the last approved version of the draft Exit Plan (insofar as this still applies).

5.6 The Contractor shall comply with all of its obligations contained in the Exit Plan.

6. **Exit Assistance**

General

6.1 During the Exit Period or such shorter period as the Authority may require, the Contractor shall continue to provide the Services and shall, at the request of the Authority under **paragraph 6.4 (Notification of Requirements for Exit Assistance)** provide the Exit Assistance.

6.2 During the Exit Period, the Contractor shall, in addition to providing the Services and Exit Assistance, provide to the Authority any further assistance reasonably requested by the Authority to allow the Services to continue without interruption following the termination or expiry of this Contract and to facilitate the orderly transfer of responsibility for and conduct of the Services (or part of the Services) to the New Contractor.

6.3 The Parties acknowledge that the migration of all or part of the Services from the Contractor to the New Contractor may be phased, such that certain elements of the Services are handed over before others. Any such phased migration shall be detailed in the Exit Plan.

Notification of Requirements for Exit Assistance

- 6.4 The Authority shall be entitled to provide an Exit Assistance Notice at any time (and in any number of such notices) during the Exit Period. The Exit Assistance Notice shall specify:
- 6.4.1 the date from which Exit Assistance is required;
 - 6.4.2 the nature of the Exit Assistance required; and
 - 6.4.3 the period during which it is anticipated that Exit Assistance will be required which, save as set out in **paragraph 6.5 (Notification of Requirements for Exit Assistance)**, shall continue no longer than the Exit Period.
- 6.5 Notwithstanding the other provisions of this Schedule, the Authority shall have an option to extend the period of Exit Assistance beyond the expiry of the Exit Period provided that it shall notify the Contractor to such effect no later than twenty (20) Business Days prior to such expiry and that the extension is reasonably required to complete the handover of the Services.

Handback Obligations

- 6.6 No later than ninety (90) Days prior to the Expiry Date or, as applicable, the Early Termination Date or as soon as possible following the receipt by the Authority of a Contractor Termination Notice, the Contractor shall obtain direction from the Authority as to which data and documents relating to the delivery of the Services (or relevant part of the Services) shall be destroyed (and their manner of destruction) and which data and documents shall be retained by the Contractor in accordance with **clause 64 (Contractor's Records and Provision of Information)** or returned in accordance with **paragraph 6.7 (Handback Obligations)**.
- 6.7 At the end of the Exit Period (or on such other date as is notified by the Authority) at its own cost and expense and save as directed otherwise under **paragraph 6.6 (Handback Obligations)**:
- 6.7.1 the Contractor shall erase from any computers, storage devices and storage media that are to be retained by the Contractor after the end of the Exit Period any software containing Service Data and Personal Data, in accordance with its obligations under **clause 65 (Data Protection)**;
 - 6.7.2 the Contractor shall return to the Authority such of the following as is in the Contractor's or a Sub-Contractor's possession or control:
 - 6.7.2.1 all hardware and software comprised within the Authority's ICT System and any other software licensed by the Authority to the Contractor under this Contract;

- 6.7.2.2 all materials in which the Intellectual Property Rights are owned by or licensed to the Authority;
 - 6.7.2.3 all computerised filing, recording, documentation, planning and drawings used in the provision of the Services (in a fully indexed and catalogued format that is capable of operating on a software application in use within the Authority's ICT System);
 - 6.7.2.4 all Authority Assets (including any Authority Assets that are Exit Legacy Assets) and any other equipment which belongs to the Authority or an Authority Related Party or a Prisoner; all Authority Assets must be in a fully operational state and, in addition to satisfying the condition requirements for all Assets, Built Environment and M&E Assets and equipment under **paragraph 4.16 (Reactive Maintenance) of Schedule 11 (Property and Facilities Management)**, must not have exceeded the end of their lifecycle as set out in the Asset Forward Replacement Plan under **paragraph 4.12 (Asset Forward Replacement Plan) of Schedule 11 (Property and Facilities Management)**; and
 - 6.7.2.5 any items that have been on-charged to the Authority, such as consumables;
 - 6.7.3 the Contractor shall transfer all Services Data and Personal Data (in complete, uncorrupted form) in its or its Sub-Contractors' possession or control to the Authority;
 - 6.7.4 the Contractor shall decommission and safely remove all Contractor Assets which the Authority has elected not to acquire under **paragraph 8 (Exit Legacy Assets and Exit Legacy Contracts)**, making good the locations from which such Contractor Assets are removed, and vacate the Site; and
 - 6.7.5 the Contractor shall return to the Authority all Confidential Information of the Authority and will certify that it does not retain any Authority Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Contractor for the purposes of providing the Services or Exit Assistance.
- 6.8 Except where this Contract provides otherwise, all licences and authorisations granted by the Authority to the Contractor and the Sub-Contractors in relation to the Services shall be terminated with effect from the end of the Exit Period.

Scope of Exit Assistance

- 6.9 The Exit Assistance to be provided by the Contractor shall include (without limitation and without prejudice to the other provisions of this Contract relating to exit co-operation) such of the following services as the Authority may specify in accordance with **paragraph 6.4.2 (Notification of Requirements for Exit Assistance)**:
- 6.9.1 notifying the Sub-Contractors of procedures to be followed during the Exit Period and providing management to ensure these procedures are followed;
 - 6.9.2 providing assistance and expertise as necessary to examine all operational and business processes (including all supporting documentation) in place and re-writing and implementing processes and procedures such that they are appropriate for use by the Authority and/or New Contractor after the end of the Exit Period;
 - 6.9.3 providing details of staffing requirements over the twelve (12) Month period immediately prior to the commencement of the Exit Period;
 - 6.9.4 providing reasonable assistance and expertise as necessary to support the Authority and/or the New Contractor develop the migration plan for business operations and Service Data to the New Contractor, which may include migration approach, testing of plans, contingency options, and handling of historic or archived Service Data;
 - 6.9.5 providing an information pack listing and describing the Services (or relevant part of the Services) for use by the Authority in the procurement of the Replacement Services;
 - 6.9.6 answering all reasonable questions from the Authority and/or its New Contractor regarding the Services (or relevant part of the Services);
 - 6.9.7 providing access to the Prison and the Site to the Authority and/or the potential and actual New Contractors during the Exit Period for the purpose of the smooth transfer of the Services (or relevant part of the Services) to the New Contractor, such access to include access:
 - 6.9.7.1 to information and documentation relating to the Services (or relevant part of the Services) that is in the possession or control of the Contractor or its Sub-Contractors (and the Contractor agrees and shall procure that its Sub-Contractors do not destroy or dispose of that information within this period) including the right to take reasonable copies of that material;
 - 6.9.7.2 following reasonable notice to members of the Contractor's Staff who have been involved in the provision or management of the Services and who are still employed or engaged by them; and

6.9.7.3 for the purposes of testing and/or preparing to install ICT systems and ICT equipment to be used to provide the Replacement Services; and

6.9.8 agreeing with the Authority an effective communication strategy and joint communications plan which sets out the implications for the Contractor's Staff, Authority staff and key stakeholders.

7. Knowledge Transfer

7.1 During the Exit Period upon request the Contractor shall:

7.1.1 transfer all training materials to those Authority and/or New Contractor staff responsible for internal training in connection with the provision of the Services;

7.1.2 provide for transfer to the Authority and/or the New Contractor of all knowledge reasonably required for the provision of the Services (or relevant part of the Services);

7.1.3 provide a detailed explanation of the procedures and operations used to provide the Services (or relevant part of the Services); and

7.1.4 following reasonable notice provide the Authority and/or New Contractor with access to such members of the Contractor's Staff as have been involved in the provision or management of the Services and who are still employed or engaged by them.

8. Exit Legacy Assets and Exit Legacy Contracts

8.1 During the Exit Period, the Contractor will not, without the Authority's prior written consent:

8.1.1 terminate or vary any Sub-Contract; or

8.1.2 (subject to normal maintenance requirements) make material modifications to, or dispose of, any Assets or acquire any new Contractor Assets.

8.2 No later than ten (10) Business Days prior to the planned Expiry Date, Early Termination Date or Termination Date, the Authority shall provide written notice to the Contractor setting out:

8.2.1 the Exit Legacy Assets; and

8.2.2 the Exit Legacy Contracts,

which are required by the Authority in order for the New Contractor to provide the Services. Where requested by the Authority or its New Contractor, the Contractor shall provide all reasonable assistance to the Authority and/or its New Contractor to enable it to determine which

Exit Legacy Assets and/or Exit Legacy Contracts the Authority and/or its New Contractor requires in order to provide the Replacement Services. Where requested by the Contractor, the Authority and/or the New Contractor shall discuss in good faith with the Contractor which Exit Legacy Assets and/or Exit Legacy Contracts are used by the Contractor in matters unconnected to the Services or Replacement Services.

8.3 With effect from the Expiry Date, Early Termination Date or Termination Date (as the case may be), the Contractor shall assign to the Authority (or its New Contractor), free from all liens, charges, options, encumbrances and third party rights, title to and all rights and interests in those Contractor Assets identified by the Authority pursuant to **paragraph 8.2 (Exit Legacy Assets and Exit Legacy Contracts)** which shall be acquired by the Authority for a consideration of £1 (one pound) in the aggregate.

8.4 The Contractor shall procure the assignment or novation of the Exit Legacy Contracts to the Authority or, at the Authority's request, to the New Contractor with effect from the date specified by the Authority or, if none is so specified, with effect from the Expiry Date, Early Termination Date or Termination Date. Such assignment or novation shall be at no cost to the Authority or the New Contractor. The Contractor shall enter into such documents and provide such other assistance as the Authority reasonably requires to effect this assignment or novation.

8.5 The Authority shall or, as appropriate, shall procure that the New Contractor shall:

8.5.1 join with the Contractor in entering into a novation or (where needed) an assignment of each relevant Exit Legacy Contract;

8.5.2 for each Exit Legacy Contract that is novated to the Authority or the New Contractor, carry out, perform and discharge all the obligations and liabilities created by or arising under that Exit Legacy Contract and exercise its rights arising under that Exit Legacy Contract.

8.6 The Contractor shall indemnify the Authority (and the New Contractor) against each loss, liability and cost arising out of any claims made by a counterparty to an Exit Legacy Contract which is assigned or novated to the Authority (or New Contractor) pursuant to **paragraph 8.4 (Exit Legacy Assets and Exit Legacy Contracts)** in relation to any matters arising prior to the date of assignment or novation of such Exit Legacy Contract.

9. Charges and Apportionments

9.1 All outgoings and expenses (including any remuneration due) and all rents, revenues, royalties and other periodical payments receivable in respect of the Exit Legacy Assets and Exit Legacy Contracts transferred to the Authority and/or the New Contractor pursuant to **paragraph 8 (Exit**

Legacy Assets and Exit Legacy Contracts), and in respect of the Prison Industries, shall be apportioned between the Authority and the Contractor (or the New Contractor and the Contractor, as applicable).

9.2 This apportionment shall be carried out as follows:

9.2.1 the payments shall be annualised and divided by three hundred and sixty-five (365) to reach a daily rate;

9.2.2 the Authority shall be responsible for or shall procure that the New Contractor shall be responsible for or entitled to (as the case may be) that part of the value of the invoice or other sum pro rata to the number of complete days following the transfer, multiplied by the daily rate; and

9.2.3 the Contractor shall be responsible for or entitled to (as the case may be) the rest of the invoice or other sum.

9.3 Each Party shall pay and/or the Authority shall procure that the New Contractor shall pay any monies due under **paragraph 9.2 (Charges and Apportionments)** as soon as reasonably practicable.