

## Schedule 10 - Exit Management

**“Emergency Exit”** means any termination of this Contract which is a:

- (a) termination of the whole or part of this Contract in accordance with Section H (Termination Rights and Disruption), except where the period of notice given under that Clause is greater than or equal to six (6) months;
- (b) termination of the provision of the Services for any reason prior to the expiry of any period of notice of termination served pursuant to Section H (Termination Rights and Disruption); or
- (c) wrongful termination or repudiation of this Contract by either Party;

**“Exit Information”** has the meaning given in Paragraph 3.2;

**“Exit Information Delay Payment”** has the meaning given in Paragraph 3.4;

**“Exit Manager”** means the person appointed by each Party pursuant to either Paragraph 2.2 or Paragraph 2.3 for managing the Parties' respective obligations under this Schedule;

**“Ordinary Exit”** means any termination of this Contract which occurs:

- (a) pursuant to Section H (Termination Rights and Disruption); other than an Emergency Exit;
- (b) where the period of notice given by the Party serving notice to terminate pursuant to such Clause is greater than or equal to six (6) months; or
- (c) as a result of the expiry of the Contract Period;

**“Registers”** means the registers referred to in Paragraphs 2.1(a) and 2.1(b);

**“Termination Assistance Notice”** has the meaning given in Paragraph 5.1 of this Schedule;

**“Termination Assistance Period”** in relation to a Termination Assistance Notice, the period specified in the Termination Assistance Notice for which the Contractor is required to provide the Termination Services as such period may be extended pursuant to Paragraph 5.2 of this Schedule;

**“Termination Payment”** means the commitments, liabilities and expenditure which would otherwise represent an unavoidable loss by the Contractor by reason of termination of the Contract pursuant to the occurrence of a Termination Payment Event which shall be calculated as and be exclusively equal to:

- (a) Breakage Costs and Unrecovered Costs, if termination occurs in the period from the Commencement Date up to and including the date which is forty (40) Months after the Commencement Date; or
- (b) Unrecovered Costs, if termination occurs after the date which is forty (40) Months after the Commencement Date

**“Termination Payment Event”** means termination of the Contract pursuant to one of the grounds referred to in Clauses H1.1(a) or H1.1(d)

**“Termination Services”** means any of the Services, which may include all of the Services, to be performed by the Contractor during the Termination Assistance Period and any other actions required pursuant to the Termination Assistance Notice;

**“Transferable Contracts”** means the Sub-contracts or other agreements which are necessary to enable the Authority or any Replacement Contractor to perform the Services or the Replacement Services; and

“**Transferring Contracts**” has the meaning given in Paragraph 6.2.

## **2 OBLIGATIONS DURING THE TERM TO FACILITATE EXIT**

2.1 During the Contract Period, the Contractor shall:

- (a) create and maintain a register of all:
  - (i) Sub-contracts and other relevant agreements required for the performance of the Services; and
  - (ii) personnel engaged on the Services under this Contract by the Contractor, its Sub-contractors or elsewhere within its supply chain, denoting those that are employees or otherwise, including any individuals that are agency staff and/or self-employed (“**the Personnel List**”). The Contractor shall provide the Authority with an updated register of the Personnel List annually or at any point during the Contract Period within ten (10) days of a written request by the Authority;
- (b) create and maintain a database detailing the infrastructure and operating procedures through which the Contractor provides the Services, which shall contain sufficient detail to permit the Authority and/or Replacement Contractor to understand how the Contractor provides the Services and to enable the smooth transition of the Services with the minimum of disruption;
- (c) agree the format of the Registers with the Authority as part of the process of agreeing the Exit Plan; and
- (d) at all times keep the Registers up to date, in particular in the event that Sub-contracts or other relevant agreements are added to or removed from the Services.

2.2 Each Party shall appoint a person for the purposes of managing the Parties' respective obligations under this Schedule and provide written notification of such appointment to the other Party within three (3) months of the Commencement Date. The Contractor's Exit Manager shall 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 will liaise with one another in relation to all issues relevant to the termination of this Contract and all matters connected with this Schedule and each Party's compliance with it.

2.3 Either Party may appoint a replacement Exit Manager by providing prior written notification of such appointment to the other Party.

2.4 The Contractor undertakes that it shall not knowingly do or omit to do anything which may adversely affect the ability of the Authority (i) to ensure an orderly transfer of responsibility for the supply of the Services (or their equivalent) to any Replacement Contractor or (ii) to discontinue the supply of all or part of the Services.

2.5 The Contractor shall bear its own costs and expenses incurred in respect of compliance with its obligations under this Schedule 10.

## **3 OBLIGATIONS TO ASSIST ON RE-TENDERING OR REPLACEMENT OF SERVICES**

- 3.1 In order to facilitate a smooth and orderly transfer of responsibility on the expiry, termination or re-tendering, in full or in part, of the Contract the Contractor shall:-
- (a) act fairly and in good faith at all times in connection with any re-tender process for supply of the Services (or their equivalent) conducted by the Authority;
  - (b) comply with the Authority's reasonable requests in connection with any tender process so as to enable the Authority to facilitate a fair and open competitive tender of the supply of the Services (or their equivalent);
  - (c) do or perform such other acts and things and execute all documents as may reasonably be required in order to facilitate the re-tender or transition process;
  - (d) save for any Commercially Sensitive Information deliver any documents, information and data (in any form whatsoever but for the avoidance of doubt, any machine readable or electronic data shall be provided in a readily readable form) in the possession or control of the Contractor which relate to:
    - (i) the performance, monitoring, management and reporting of the Services; and
    - (ii) the terms and conditions of employment and the employment records of those of the Transferring Contractor Employees or those employees who may be affected by the TUPE Regulations upon any transfer of responsibility for the supply of the Services (or their equivalent).
- 3.2 On reasonable notice at any point during the Contract Period, the Contractor shall provide to the Authority and/or its potential Replacement Contractors (subject to the potential Replacement Contractors entering into reasonable written confidentiality undertakings), the following material and information in order to facilitate the preparation by the Authority of any invitation to tender and/or to facilitate any potential Replacement Contractors undertaking due diligence:
- (a) details of the Service(s);
  - (b) a copy of the Registers, updated by the Contractor up to the date of delivery of such Registers;
  - (c) an inventory of Authority Data in the Contractor's possession or control;
  - (d) details of any key terms of any third party contracts, particularly as regards charges, termination, assignment and novation;
  - (e) a list of on-going and/or threatened disputes in relation to the provision of the Services;
  - (f) within twenty (20) days of a written request from the Authority, to the extent permitted by applicable Law, all information relating to Transferring Contractor Employees or those who may be Transferring Contractor Employees required to be provided by the Contractor under this Contract, such information to include the Staffing Information (as defined in Schedule 19 (Employee Provisions and TUPE) and the information contained within Paragraph 1.6 of Part D of Schedule 19 (Employee Provisions and TUPE); and
  - (g) such other material and information as the Authority shall reasonably require, (together, the "**Exit Information**").

- 3.3 The Contractor represents and warrants that the Exit Information is full, accurate and complete as at the date of provision to the Authority. If the Contractor fails to provide the Information set out in Paragraph 3.2(f) within the twenty (20) days, the Contractor shall pay an Exit Information Delay Payment to the Authority.
- 3.4 The Exit Information Delay Payment shall accrue:
- (a) at a daily rate of an amount equal to 10 per cent. of the Service Fee Periodic Payment for each Working Day's delay (exclusive of VAT);
  - (b) from (but excluding) the date the Authority requested the information in Paragraph 3.2(f) to (and including) the date on which the Contractor provides the Exit Information under Paragraph 3.2(f) to the Authority to the Authority's satisfaction; and
  - (c) on a daily basis, with any part day counting as a day.
- 3.5 The Contractor acknowledges that the Authority may disclose the Contractor's Confidential Information to an actual or prospective Replacement Contractor or any third party whom the Authority is considering engaging to the extent that such disclosure is necessary in connection with such engagement (except that the Authority may not under this Paragraph 3.5 disclose any Contractor's Confidential Information which is information relating to the Contractor's or its Sub-contractors' prices or costs).
- 3.6 The Contractor shall:
- (a) notify the Authority within five (5) Working Days of any material change to the Exit Information which may adversely impact upon the potential transfer and/or continuance of any Services and shall consult with the Authority regarding such proposed material changes; and
  - (b) provide complete updates of the Exit Information on an as-requested basis as soon as reasonably practicable and in any event within ten (10) Working Days of a request in writing from the Authority.
- 3.7 The Contractor may charge the Authority for its reasonable additional costs to the extent the Authority requests more than four (4) updates in any six (6) month period.
- 3.8 The Exit Information 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:
- (a) prepare an informed offer for those Services; and
  - (b) not be disadvantaged in any subsequent procurement process compared to the Contractor (if the Contractor is invited to participate).

#### **4 EXIT PLAN**

- 4.1 The Contractor shall, within three (3) months after the Commencement Date, deliver to the Authority an Exit Plan which:
- (a) sets out the Contractor's proposed methodology for achieving an orderly transition of the Services from the Contractor to the Authority and/or its Replacement Contractor on the expiry or termination of this Contract;
  - (b) complies with the requirements set out in Paragraph 4.3; and
  - (c) is otherwise reasonably satisfactory to the Authority.

- 4.2 The Parties shall use reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within twenty (20) Working Days of its submission, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure.
- 4.3 The Exit Plan shall set out, as a minimum:
- (a) how the Exit Information is obtained;
  - (b) separate mechanisms for dealing with Ordinary Exit and Emergency Exit, the provisions relating to Emergency Exit being prepared on the assumption that the Contractor may be unable to provide the full level of assistance which is required by the provisions relating to Ordinary Exit, and in the case of Emergency Exit, provision for the supply by the Contractor of all such reasonable assistance as the Authority shall require to enable the Authority or its Sub-contractors to provide the Services;
  - (c) the management structure to be employed during both transfer and cessation of the Services in an Ordinary Exit and an Emergency Exit;
  - (d) the management structure to be employed during the Termination Assistance Period;
  - (e) a detailed description of both the transfer and cessation processes, including a timetable, applicable in the case of an Ordinary Exit and an Emergency Exit, including (without limitation) exit from Authority Premises, returning the Authority Data to the Authority and maintenance of security;
  - (f) how the Services will transfer to the Replacement Contractor and/or the Authority;
  - (g) the duties and responsibilities of the Contractor and the Authority leading up to and covering the expiry or termination of the Contract and the transition process for the transfer of the supply of the Services (or their equivalent);
  - (h) how the Contractor shall co-operate and liaise with any Replacement Contractor appointed by the Authority to supply the Services (or their equivalent);
  - (i) procedures to deal with requests made by the Authority and/or a Replacement Contractor for Staffing Information pursuant to Schedule 19 (Employee Provisions and TUPE) to determine (i) which employees are or are likely to become Transferring Contractor Employees and (ii) to identify or develop any measures for the purposes of the TUPE Regulations envisaged in respect of Transferring Contractor Employees); and
  - (j) how each of the issues set out in this Schedule will be addressed to facilitate the transition of the Services from the Contractor to the Replacement Contractor and/or the Authority with the aim of ensuring that there is no disruption to or degradation of the Services during the Termination Assistance Period.
- 4.4 The Parties acknowledge that the migration of the Services from the Contractor to the Authority and/or its Replacement Contractor may be phased, such that certain of the Services are handed over before others.
- 4.5 The Contractor shall review and (if appropriate) update the Exit Plan on a basis consistent with the principles set out in this Schedule in the first month of each Contract Year (commencing with the second Contract Year) to reflect any changes in

the Services that have occurred since the Exit Plan was last agreed. Following such update, the Contractor shall submit the revised Exit Plan to the Authority for review. Within twenty (20) Working Days following submission of the revised Exit Plan, the Parties shall meet and use reasonable endeavours to agree the contents of the revised Exit Plan. If the Parties are unable to agree the contents of the revised Exit Plan within that twenty (20) Working Day period, such dispute shall be resolved in accordance with the Dispute Resolution Procedure.

### **Finalisation of the Exit Plan**

- 4.6 Within twenty (20) Working Days after service of a Termination Notice by either Party or six (6) months prior to the expiry of this Contract, the Contractor will submit for the Authority's approval the Exit Plan in a final form that could be implemented immediately. The final form of the Exit Plan shall be prepared on a basis consistent with the principles set out in this Schedule and shall reflect any changes in the Services that have occurred since the Exit Plan was last agreed.
- 4.7 If the Contractor fails to submit an Exit Plan for the Authority's approval pursuant to Paragraph 4.6, the Contractor shall pay an Exit Plan Delay Payment to the Authority.
- 4.8 The Exit Plan Delay Payment shall accrue:
- (d) at a daily rate of an amount equal to ten percent (10%) of the Service Fee Periodic Payment for each Working Day's delay (exclusive of VAT);
  - (e) from (but excluding) the date the Authority served the Termination Notice or the date six (6) months prior to the expiry of this Contract, as applicable, to (and including) the date on which the Contractor submits the Exit Plan under Paragraph 4.6 to the Authority for the Authority's approval; and
  - (f) on a daily basis, with any part day counting as a day.
- 4.9 The Parties will meet and 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 Exit Plan within twenty (20) Working Days following its delivery to the Authority, then such Dispute shall be resolved in accordance with the Dispute Resolution Procedure. Until the agreement of the final form of the Exit Plan, the Contractor shall provide the Termination Services in accordance with the principles set out in this Schedule and the last approved version of the Exit Plan (insofar as relevant).

## **5 TERMINATION SERVICES**

### **Notification of Requirements for Termination Services**

- 5.1 The Contractor shall provide the Termination Services at any time during the Contract Period on receipt of written notice from the Authority (a "**Termination Assistance Notice**"), such notice to be given as soon as reasonably practicable (but in any event, not later than one (1) month) following the service by either Party of a Termination Notice. The Termination Assistance Notice shall specify:
- (a) the date from which Termination Services are required;
  - (b) the nature of the Termination Services required; and
  - (c) the period during which it is anticipated that Termination Services will be required, which shall continue no longer than twenty-four (24) months after the date that the Contractor ceases to provide the Services.

- 5.2 The Authority shall have an option to extend the period of assistance beyond the period specified in the Termination Assistance Notice provided that such extension shall not extend for more than six (6) months after the date the Contractor ceases to provide the Services or, if applicable, beyond the end of the Termination Assistance Period and provided that it shall notify the Contractor to such effect no later than twenty (20) Working Days prior to the date on which the provision of Termination Services is otherwise due to expire. The Authority shall have the right to terminate its requirement for Termination Services by serving not less than twenty (20) Working Days' written notice upon the Contractor to such effect.

#### **Termination Assistance Period**

- 5.3 Throughout the Termination Assistance Period, or such shorter period as the Authority may require, the Contractor shall:
- (a) provide the Termination Services;
  - (b) in addition to providing the Termination Services, provide to the Authority any reasonable assistance 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 to the Authority and/or its Replacement Contractor;
  - (c) use all reasonable endeavours to reallocate resources to provide such assistance as is referred to in Paragraph 5.3(b) without additional costs to the Authority;
  - (d) provide the Termination Services at no detriment to the Authority Requirements, save to the extent that the Parties agree otherwise in accordance with Paragraph 5.5;
  - (e) at the Authority's request and on reasonable notice, deliver up-to-date Registers to the Authority; and
  - (f) conduct itself during the Termination Assistance Period in a way that does not result in the Authority suffering reputational damage that would affect the level of trust the public places in the Authority.
- 5.4 Without prejudice to the Contractor's obligations under Paragraph 5.3(c), if it is not possible for the Contractor to reallocate resources to provide such assistance as is referred to in Paragraph 5.3(b) without additional costs to the Authority, any additional costs incurred by the Contractor in providing such reasonable assistance which is not already in the scope of the Termination Services or the Exit Plan shall be subject to the Change Control Procedure.
- 5.5 If the Contractor demonstrates to the Authority's reasonable satisfaction that transition of the Services and provision of the Termination Services during the Termination Assistance Period will have a material, unavoidable adverse effect on the Contractor's ability to meet the Authority Requirements, the Parties shall vary the Authority Requirements to take account of such adverse effect.

#### **Obligations on Termination or Expiry**

- 5.6 The Contractor acknowledges that on termination (for any reason) or expiry of the Contract or on change or variation of the Contract pursuant to F3 (Changes to the Contract) which constitutes a cessation of all (or part) of the Services, the continuity of the Services is of paramount importance. Accordingly the Contractor acknowledges that the Authority may, amongst other reasonable actions, suspend referral of Participants to the Services within the stated notice period given to

terminate the Contract or, in the case of Variation of the Contract pursuant to F3 which constitutes a cessation of all (or part) of the Services, upon the Authority confirming in writing that it wishes to proceed with the Variation pursuant to clause F3. In relation to any Participants referred to the Contractor prior to the stated notice period or the effective date of the Variation whose participation in the relevant part of the Services has not completed on or prior to the date of termination or expiry, the Contractor will comply with its obligations pursuant to paragraph 5.7.

- 5.7 Both before and for a reasonable time after termination or expiry of the Contract the Contractor shall promptly provide assistance at no extra cost to the Authority save that in the event of termination by the Authority pursuant to clause H1.1(a), H1.1(d) or a change or variation of the Contract pursuant to F3 (Changes to the Contract) which constitutes a cessation of all (or part) of the Services, such reasonable costs shall, subject to the Approval of any such costs, be for the account of the Authority; for the avoidance of doubt, such Approval shall not be unreasonably withheld or delayed. The Contractor shall do its utmost to minimise disruption caused to Participants and assist with the implementation of any contingency plan proposed by the Authority to deal with the effects of such termination or expiry in so far as it is practicable to do so. At the option of the Authority, the Contractor may, pursuant to this paragraph 5.7, be required:
- (a) to continue to deliver or procure the supply of the Services until Participants have completed their participation on the Services in accordance with the Specification, including, for the avoidance of doubt, any in work support, and where relevant the Authority shall continue to pay the Fees in accordance with the Contract; or
  - (b) to transfer the Contractor's obligations in respect of Participants whose participation on the Services has not been or will not be completed in accordance with the Specification to an alternative contractor designated by the Contracting Authority.
- 5.8 The Contractor shall comply with all of its obligations contained in the Exit Plan and shall comply with such timetable as the Authority may reasonably require, for the purpose of ensuring an orderly transfer of responsibility for supply of the Services (or their equivalent) or remaining Services (or their equivalent) upon the expiry or other termination of the Contract or the variation of the Contract pursuant to clause F3 which constitutes a cessation of all (or part) of the Services. The Contractor shall ensure that the Staff and its Sub-contractors are under a similar obligation.
- 5.9 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Contractor's performance of the Services and the Termination Services and its compliance with the other provisions of this Schedule), the Contractor shall:
- (a) cease to use the Authority Data except insofar as it reasonably needs to use the Authority Data in order to comply with its continuing obligations under Clause E14 (Records Relating to the Provision of the Services);
  - (b) provide the Authority and/or the Replacement Contractor with a complete and uncorrupted version of the Authority Data in electronic form (or such other format as reasonably required by the Authority);
  - (c) return to the Authority such of the following as is in the Contractor's possession or control:
    - (i) all copies of the Authority Software and any other software licensed by the Authority to the Contractor under this Contract;

- (ii) all Property (including materials, documents, information and access keys) provided to the Contractor by the Authority. Such property shall be handed back in good working order (allowance shall be made for reasonable wear and tear); and
    - (iii) any items that have been on-charged to the Authority, such as consumables;
  - (d) vacate any Authority Premises;
  - (e) provide access during normal working hours to the Authority and/or the Replacement Contractor for up to twelve (12) months after expiry or termination to:
    - (i) such information relating to the Services as remains in the possession or control of the Contractor; and
    - (ii) such members of the Staff as have been involved in the design, development and provision of the Services and who are still employed by the Contractor, provided that the Authority and/or the Replacement Contractor shall pay the reasonable costs of the Contractor actually incurred in responding to requests for access under this Paragraph 5.9(e)(ii).
- 5.10 If the Contractor fails to comply with paragraph 5.9, the Authority may recover possession thereof and the Contractor grants a licence to the Authority or its appointed agents to enter (for the purposes of such recovery) any premises of the Contractor or its permitted suppliers or Sub-contractors where any such items may be held.
- 5.11 Upon termination or expiry (as the case may be) or at the end of the Termination Assistance Period (or earlier if this does not adversely affect the Contractor's performance of the Services and the Termination Services and its compliance with the other provisions of this Schedule), each Party shall return to the other Party (or if requested, destroy or delete) all Confidential Information of the other Party and shall certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services, especially without limitation the Contractor's obligations under Clause E14 (Records Relating to the Provision of the Services), or Termination Services or for statutory compliance purposes.
- 5.12 Except where this Contract provides otherwise, all licences, leases and authorisations granted by the Authority to the Contractor in relation to the Services shall be terminated with effect from the end of the later of the Termination Assistance Period the termination or expiry (as the case may be) of this Contract.
- 5.13 On the expiry or termination of the Contract for any reason (or in advance if stated as such), the Contractor shall:
  - (a) assist and co-operate with the Authority to ensure an orderly transition of the provision of the Services to the Replacement Contractor and/or the completion of any work in progress in accordance with the provisions of this Schedule;
  - (b) no later than either:
    - (i) six (6) Month(s) in advance of expiry; or

(ii) upon notice of termination of this Contract,

without prejudice to its other obligations under the Contract, promptly provide all information concerning the supply of the Services which may reasonably be requested by the Authority for the purposes of adequately understanding the manner in which the Services have been supplied or for the purpose of allowing the Authority or the Replacement Contractor to conduct due diligence in accordance with the provisions of this Schedule 10;

- (a) if requested by the Authority, use all reasonable endeavours to promptly procure the transfer of any licences, or the granting of an appropriate licence or sub-licence, to the Authority or the Replacement Contractor of any third party Intellectual Property Rights that are necessary for the continued supply of the Services following termination or expiry of the Contract. Where the owner of the third party Intellectual Property Rights requires payment in consideration for transferring or granting such licence or sub-licence (the "Transfer Fee") the Contractor shall first notify the Authority. If the Authority informs the Contractor that the transfer/granting of a licence should proceed, the Authority shall (unless the end of the Contract Period arises due to the Contractor's Default) be responsible for paying the Transfer Fee. For the avoidance of doubt, the Authority shall have no liability for any Transfer Fee that the Contractor has incurred without obtaining Approval; and
- (d) repay to the Authority the Fees (or any part(s) thereof) the Contractor has been paid in advance in respect of Services not provided by the Contractor as at the date of expiry or termination.

5.14 Where the Authority has issued a Termination Notice to the Contractor pursuant to Clause H1.1 (b), the Contractor shall provide all assistance under Paragraphs 5.13(a) and (b) free of charge. Otherwise, the Authority shall pay the Contractor's reasonable costs of providing the assistance and the Contractor shall take all reasonable steps to mitigate such costs.

5.15 When complying with its obligations under this Schedule, the Contractor shall do so in a manner which is compliant with its obligations to comply with the ESF Requirements.

## **6 SUB-CONTRACTS**

6.1 Following notice of termination of this Contract and during the Termination Assistance Period, the Contractor shall not, without the Authority's prior written consent, terminate, enter into or vary any Sub-contract except to the extent that such change does not or will not affect the provision of Services or the Fees.

6.2 Within twenty (20) Working Days of receipt of the up-to-date Registers provided by the Contractor pursuant to Paragraph 5.3(e), the Authority shall provide written notice to the Contractor setting out which, if any, of Transferable Contracts the Authority requires to be assigned or novated to the Authority and/or the Replacement Contractor (the "**Transferring Contracts**"), in order for the Authority and/or its Replacement Contractor to provide the Services from the expiry of the Termination Assistance Period. Where requested by the Authority and/or its Replacement Contractor, the Contractor shall provide all reasonable assistance to the Authority and/or its Replacement Contractor to enable it to determine which Transferable Contracts the Authority and/or its Replacement Contractor requires to provide the Services or Replacement Services.

6.3 The Contractor shall as soon as reasonably practicable assign or procure the novation to the Authority and/or the Replacement Contractor of the Transferring

Contracts. The Contractor shall execute such documents and provide such other assistance as the Authority reasonably requires to effect this novation or assignment.

6.4 The Authority shall:

- (a) accept assignments from the Contractor or join with the Contractor in procuring a novation of each Transferring Contract; and
- (b) once a Transferring Contract is novated or assigned to the Authority and/or the Replacement Contractor, carry out, perform and discharge all the obligations and liabilities created by or arising under that Transferring Contract and exercise its rights arising under that Transferring Contract, or as applicable, procure that the Replacement Contractor does the same.

6.5 The Contractor shall hold any Transferring Contracts on trust for the Authority until such time as the transfer of the relevant Transferring Contract to the Authority and/or the Replacement Contractor has been effected.

6.6 The Contractor shall within three (3) Working Days of demand, indemnify fully, keep the Authority (and/or the Replacement Contractor, as applicable) indemnified and hold harmless the Authority (and/or the Replacement Contractor, as applicable) at all times from and against all claims, proceedings, actions, damages, costs and expenses (including, but not limited to, legal costs and disbursements), losses, amounts, sums, outgoings of any description and any other liabilities caused to the Authority (and/or the Replacement Contractor, as applicable) whether directly or indirectly in whole or in part by reason of any claims made by a counterparty to a Transferring Contract which is assigned or novated to the Authority (and/or Replacement Contractor) pursuant to Paragraph 6.3 in relation to any matters arising prior to the date of assignment or novation of such Sub-contract.

6.7 All outgoings and expenses (including any remuneration due) and all periodical payments receivable in respect of the Transferring Contracts shall be apportioned between the Authority and the Contractor and/or the Replacement Contractor and the Contractor (as applicable) as follows:

- (a) the amounts shall be annualised and divided by three-hundred and sixty-five (365) to reach a daily rate;
- (b) the Authority shall be responsible for (or shall procure that the Replacement Contractor shall be responsible for) or entitled to (as the case may be) that part of the value of the invoice pro rata to the number of complete days following the transfer, multiplied by the daily rate; and
- (c) the Contractor shall be responsible for or entitled to (as the case may be) the rest of the invoice.

6.8 Each Party shall pay (and/or the Authority shall procure that the Replacement Contractor shall pay) any monies due under Paragraph 6.7 as soon as reasonably practicable.

## **7 STAFF**

7.1 The Authority and Contractor agree and acknowledge that in the event of the Contractor ceasing to provide the Services or part of them for any reason, Schedule 19 (Employee Provisions and TUPE) shall apply.

- 7.2 The Contractor shall not and shall procure that any relevant Sub-contractor shall not take any step (expressly or implicitly or directly or indirectly by itself or through any other person) without the prior written consent of the Authority to dissuade or discourage any employees engaged in the provision of the Services from transferring their employment to the Authority and/or the Replacement Contractor and/or a Replacement Sub-contractor.
- 7.3 During the Termination Assistance Period, the Contractor shall and shall procure that any relevant Sub-contractor shall:
- (a) give the Authority and/or the Replacement Contractor and/or a Replacement Sub-contractor reasonable access to the Contractor's personnel and/or their consultation representatives to present the case for transferring their employment to the Authority and/or the Replacement Contractor and/or a Replacement Sub-contractor; and
  - (b) co-operate with the Authority and/or a Replacement Contractor and/or a Replacement Sub-contractor to ensure an effective consultation process and smooth transfer in respect of Transferring Contractor Employees in line with good employee relations and the effective continuity of the Services.
- 7.4 The Contractor shall immediately notify the Authority or, at the direction of the Authority, the Replacement Contractor of any period of notice given by the Contractor or received from any person referred to in the Staffing Information, regardless of when such notice takes effect.
- 7.5 The Contractor shall not and shall procure that any relevant Sub-contractor shall not for a period of twelve (12) months from the date of transfer reemploy or re-engage or entice any employees, Contractors or Sub-contractors whose employment or engagement is transferred to the Authority and/or the Replacement Contractor and/or a Replacement Sub-contractor, except that this paragraph shall not apply where the employee, Contractor or Sub-contractor applies in response to a public advertisement of a vacancy or where such an offer is made pursuant to an express right to make such an offer under Schedule 19 (Employee Provisions and TUPE).

## **8 FEES**

- 8.1 During the Termination Assistance Period (or for such shorter period as the Authority may require the Contractor to provide the Termination Services), the Authority shall pay the Fees to the Contractor in respect of the Termination Services in accordance with the rates set out in the Exit Plan (but shall not be required to pay costs in excess of the estimate set out in the Exit Plan). If the scope or timing of the Termination Services is changed and this results in a change to the costs of such Termination Services, the estimate may be varied in accordance with the Change Control Procedure.
- 8.2 For the purpose of calculating the costs of providing the Termination Services for inclusion in the Exit Plan or, if no Exit Plan has been agreed, the costs of providing Termination Services shall be determined in accordance with the Change Control Procedure.
- 8.3 Except as otherwise expressly specified in this Contract, the Contractor shall not make any charges for the Services provided by the Contractor pursuant to, and the Authority shall not be obliged to pay for costs incurred by the Contractor in relation to its compliance with, this Schedule including the preparation and implementation of the Exit Plan and any activities mutually agreed between the Parties to carry on after the expiry of the Termination Assistance Period.



