Ministry of Defence

Contract Number: 701478374

PROJECT SOCIETAS

SCHEDULE 7.6

EXIT MANAGEMENT

Exit Management

1 OBLIGATIONS DURING THE TERM TO FACILITATE EXIT

1.1 Further to DEFCON 625 (Co-operation on expiry of Contract) and the exit requirements at Condition 29 of the Terms and Conditions, during the Term, the Contractor shall:

1.1.1 agree the format of the Register(s) with the Authority that the Contractor shall create and maintain as part of the process of agreeing the Appendix 1 to Schedule 7.6: Exit Plan to enable the smooth transition of the Contractor Deliverables with the minimum of disruption.

1.1.2 The Register(s) shall include:

(i) details of all Subcontracts and other relevant agreements (including relevant software licences, maintenance and support agreements and equipment rental and lease agreements) required for the performance of the Contractor Deliverables.

(ii) operating procedures through which the Contractor provides the Contractor Deliverables, which shall contain sufficient detail to permit the Authority and/or New Provider to understand how the Contractor provides the Contractor Deliverables and to enable the smooth transition of the Contractor Deliverables with the minimum of disruption.

1.1.3 at all times keep the Register(s) up to date, in particular in the event that Subcontracts or other relevant agreements are added to or removed from the Contractor Deliverables.

1.2 The Contractor's Exit Manager (as notified to the Authority under Condition 29.3 of the Terms and Conditions) shall be responsible for ensuring that the Contractor and its employees, agents and Subcontractors 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 Contractor’s Exit Manager and the Authority's nominated exit point of contact will liaise with one another in relation to all issues relevant to the termination or expiry of this Contract and all matters connected with this Schedule and each Party's compliance with it.

2 OBLIGATIONS TO ASSIST ON RE-TENDERING OF CONTRACTOR DELIVERABLES

2.1 The Termination Assistance Period shall commence following issue of a Termination Assistance Notice by the Authority at any point during the Term. On receipt of such notice, the Contractor shall provide to the Authority and/or its potential New Provider(s) (subject to the potential New Provider(s) 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 undertaking due diligence:

2.1.1 details of the Service(s);

2.1.2 a copy of the Registers, updated by the Contractor up to the date of delivery of such Registers;

2.1.3 an inventory of Authority Data in the Contractor's possession or control;

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

2.1.5 a list of on-going and/or threatened disputes in relation to the provision of the Contractor Deliverables;

2.1.6 to the extent permitted by applicable Law, all information relating to Transferring Contractor Employees in accordance with Schedule 8 (Staff Matters: Transfer Regulations) required to be provided by the Contractor under this Contract; and

2.1.7 such other material and information as the Authority shall reasonably require,

(together, the "**Exit Information**").

2.2 Further to conditions 8.2 to 8.6 (Novation) within the Terms and Conditions and Schedule 8 (Staff Matters: Transfer Regulations), where requested by the Authority and/or its New Provider, the Contractor shall provide all reasonable assistance to the Authority and/or its New Provider to enable it to determine if there are Transferring Contracts with the Authority and/or its New Provider requires to provide the Contractor Deliverables.

2.3 The Contractor shall:

2.3.1 notify the Authority within five (5) Business Days of any material change to the Exit Information which may adversely impact upon the potential transfer and/or continuance of any Contractor Deliverables and shall consult with the Authority regarding such proposed material changes; and

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

2.4 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. In the event of the above, the Authority shall raise an Over & Above task in accordance with Schedule 7.3 (Over and Above Tasking) to enable the Contractor to submit a costed proposal.

2.5 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:

2.5.1 prepare an informed offer for those Contractor Deliverables; and

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

3 OBLIGATION TO ENTER INTO AN ETHICAL WALL AGREEMENT ON RE-TENDERING OF SERVICES

3.1 The Authority may require the Contractor to enter into an Ethical Wall Agreement at any point during a re-tendering or contemplated re-tendering of the Contractor Deliverables or any part of the Contractor Deliverables.

3.2 If required to enter into an Ethical Wall Agreement, the Contractor will return a signed copy of the Ethical Wall Agreement within 10 (ten) Business Days of receipt. The Contractor's costs of entering into the Ethical Wall Agreement will be borne solely by the Contractor.

4 EXIT PLAN

4.1 The winning tenderer's outline Exit Plan shall be incorporated into Appendix 1 to this Schedule 7.6 on award of the Contract. The Contractor shall, within three (3) months after the Service Commencement Date, deliver to the Authority an updated Appendix 1 to Schedule 7.6 Exit Plan which:

4.1.1 sets out the Contractor's proposed methodology for achieving an orderly transition of the relevant Contractor Deliverables from the Contractor to the Authority and/or its New Provider on the Partial termination, expiry or termination of this Contract; and

4.1.2 complies with the requirements set out in Condition 4.4 of this Schedule 7.6.

4.2 Following receipt of the updated Exit Plan provided by the Contractor in accordance with Condition 4.1 above, the Authority shall review and comment on the Exit Plan as soon as reasonably practicable, and notify the Contractor in writing that it approves or rejects the Exit Plan no later than twenty (20) Business Days after the date on which the Exit Plan is first delivered to the Authority.

4.3 If the Authority rejects the Exit Plan, the Contractor must then revise the Exit Plan (taking reasonable account of the Authority's comments) and must re-submit a revised Exit Plan to the Authority for the Authority's approval, within twenty (20) Business Days of the date of the Authority's notice of rejection. The provisions of Condition 4.2 and 4.3 of this Schedule 7.6 shall apply again to any resubmitted Exit Plan. Any re-work of Exit Plans shall be at the Contractor's expense.

4.4 The Exit Plan shall set out, as a minimum:

4.4.1 how the Exit Information is obtained;

4.4.2 a mechanism for dealing with partial termination on the assumption that the Contractor will continue to provide the remaining Contractor Deliverables under this Contract;

4.4.3 the management structure to be employed during both transfer and cessation of the Contractor Deliverables;

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

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

4.4.6 how the Contractor Deliverables will transfer to the New Provider and/or the Authority, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the Authority's technology components from any technology components operated by the Contractor or its Subcontractors (where applicable);

4.4.7 the scope of the Termination Services that may be required for the benefit of the Authority (including such of the services set out in Annex 1 to this Schedule 7.6 (Scope of the Termination Services) as are applicable);

4.4.8 a timetable and critical issues for providing the Termination Services;

4.4.9 any charges that would be payable for the provision of the Termination Services (calculated in accordance with the methodology that would apply if such services were being treated as a Contract Change in accordance with Schedule 7.2), together with a capped estimate of such charges;

4.4.10 how the Termination Services would be provided (if required) during the Termination Assistance Period;

4.4.11 procedures to deal with requests made by the Authority and/or a New Provider for staffing information pursuant to Schedule 8 (Staff Matters: Transfer Regulations); and

4.4.12 how each of the issues set out in this Schedule will be addressed to facilitate the transition of the Contractor Deliverables from the Contractor to the New Provider and/or the Authority with the aim of ensuring that there is no disruption to or degradation of the Contractor Deliverables during the Termination Assistance Period.

4.5 The Parties acknowledge that the migration of the Contractor Deliverables from the Contractor to the Authority and/or its New Provider may be phased, such that certain of the Contractor Deliverables are handed over before others.

4.6 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) and if requested by the Authority following the occurrence of a Financial Distress Event (as set out in Condition 20.3 of the Terms and Conditions of Contract), within fourteen (14) Business Days of such request, to reflect any changes in the Contractor Deliverables that have occurred since the Exit Plan was last agreed. Following such update, the provisions of Conditions 4.2 and 4.3 of this Schedule 7.6 shall apply again to any resubmitted Exit Plan.

Finalisation of the Exit Plan

4.7 Within twenty (20) Business Days following an Authority notice of Contract termination or six (6) months prior to the expiry of this Contract, the Contractor shall 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 Contractor Deliverables that have occurred since the Exit Plan was last agreed.

4.8 The provisions of Condition 4.2 and 4.3 of this Schedule 7.6 shall apply again to the finalised Exit Plan. 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).

Termination Obligations

4.9 The Contractor shall comply with all of its obligations contained in the Exit Plan in respect of any partial termination or termination.

4.10 Upon termination or expiry, the Contractor shall:

4.10.1 cease to use the Authority Data;

4.10.2 provide the Authority and/or the New Provider with a complete and uncorrupted version of the Authority Data in electronic form (or such other format as reasonably required by the Authority);

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

4.10.4 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 materials created by the Contractor under this Contract in which the IPRs are owned by the Authority; and

(iii) any parts of the IT environment and any other equipment which belongs to the Authority;

4.10.5 vacate any Authority premises unless access is required to continue to deliver the Contractor Deliverables;

4.10.6 provide access during normal working hours to the Authority and/or the New Provider for up to twelve (12) months after any partial termination, expiry or termination of this Contract to:

(i) such information relating to the Contractor Deliverables as remains in the possession or control of the Contractor; and

(ii) such members of the contractor personnel as have been involved in the design, development and provision of the Contractor Deliverables and who are still employed by the Contractor, provided that the Authority and/or the New Provider shall pay the reasonable costs of the Contractor actually incurred in responding to requests for access under this Condition 4.10.6(ii).

4.11 Except where this Contract provides otherwise, all licences, leases and authorisations granted by the Authority to the Contractor in relation to the terminated Contractor Deliverables shall be terminated with effect from the end of the Termination Assistance Period.

5 SUBCONTRACTS AND SOFTWARE

5.1 Following notice of termination or partial termination of this Contract and during the Termination Assistance Period, the Contractor shall not, in respect of the terminated Contractor Deliverables, without the Authority's prior written consent:

5.1.1 terminate, enter into or vary any Subcontract except to the extent that such change does not or will not affect the provision of Contractor Deliverables or the prices;

5.1.2 terminate, enter into or vary any licence for software in connection with the Contractor Deliverables.

6 CONTRACTOR PERSONNEL

6.1 The Authority and Contractor agree and acknowledge that in the event of the Contractor ceasing to provide the Contractor Deliverables or part of them for any reason, Schedule 8 (Staff Matters: Transfer Regulations) shall apply.

6.2 The Contractor shall not take any step (expressly or implicitly or directly or indirectly by itself or through any other person) to dissuade or discourage any employees engaged in the provision of the Contractor Deliverables from transferring their employment to the Authority and/or the New Provider.

6.3 During the Termination Assistance Period, the Contractor shall give the Authority and/or the New Provider reasonable access to the Contractor's personnel to present the case for transferring their employment to the Authority and/or the New Provider.

6.4 The Contractor shall immediately notify the Authority or, at the direction of the Authority, the New Provider 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.

6.5 The Contractor shall not for a period of twelve (12) months from the date of transfer re-employ or re-engage or entice any employees, Contractors or Subcontractors whose employment or engagement is transferred to the Authority and/or the New Provider, except that this Condition shall not apply where the employee, Contractor or Subcontractor applies in response to a public advertisement of a vacancy.

Annex 1: Scope of the Termination Services

1.1 The Termination Services to be provided by the Contractor shall include such of the following services as the Authority may specify in the Termination Assistance Notice:

(a) notifying the Subcontractors of procedures to be followed during the Termination Assistance Period and providing management to ensure these procedures are followed;

(b) 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 the New Provider after the end of the Termination Assistance Period;

(c) delivering to the Authority the existing problem tracking/resolution documentation and status reports all relating to the twelve (12) month period immediately prior to the commencement of the Termination Services;

(d) providing details of work volumes and staffing requirements over the twelve (12) month period immediately prior to the commencement of the Termination Services;

(e) with respect to work in progress as at the end of the Termination Assistance Period, documenting the current status and stabilising for continuity during transition;

(f) providing assistance and expertise as necessary to examine all governance and reports in place for the provision of the Contractor Deliverables and re-writing and implementing these during and for a period of twelve (12) months after the Termination Assistance Period;

(g) providing assistance and expertise as necessary to examine all relevant roles and responsibilities in place for the provision of the Contractor Deliverables and re-writing and implementing these such that they are appropriate for the continuation of the Contractor Deliverables after the Termination Assistance Period;

(h) agreeing with the Authority and/or the New Provider a plan for the migration of the Authority Data to the Authority and/or the New Provider, and providing assistance and expertise as necessary to support the Authority and/or the New Provider to develop the migration plan for business operations and Authority Data to the New Provider, which may include migration approach, testing of plans, contingency options, and handling of historic or archived Authority Data;

(i) provide all necessary support, equipment, tools, and software such as data migration services in order to enable and support the execution of the migration plan by the Authority and/or New Provider;

(j) making available to the Authority and/or the New Provider expertise to analyse training requirements and provide all necessary training for the use of tools by such staff as are nominated by the Authority (acting reasonably) at the time of termination or expiry;

(k) agreeing with the Authority a handover plan for all of the Contractor's responsibilities as set out in Schedule 2.3 (Security Management);

(l) assisting in the execution of a parallel operation until the effective date of expiry or termination of this Contract;

(m) providing an information pack listing and describing the Contractor Deliverables for use by the Authority in the procurement of the replacement Contractor Deliverables;

(n) answering all reasonable questions from the Authority and/or the New Provider regarding the Contractor Deliverables;

(o) providing access to the Authority and/or the New Provider during the Termination Assistance Period and for a period not exceeding six (6) months afterwards for the purpose of the smooth transfer of the Contractor Deliverables to the Authority and/or the New Provider:

(i) to information and documentation relating to the transferring Contractor Deliverables that is in the possession or control of the Contractor or its Subcontractors (and the Contractor agrees and shall procure that its Subcontractors do not destroy or dispose of that information within this period) including the right to take reasonable copies of that material; and

(ii) following reasonable notice and during the Contractor's normal business hours, to members of the contractor personnel who have been involved in the provision or management of the Contractor Deliverables and who are still employed or engaged by the Contractor or its Subcontractors; and

(p) knowledge transfer services, including:

(i) transferring all training material and providing appropriate training to those Authority and/or New Provider staff responsible for internal training in connection with the provision of the Contractor Deliverables;

(ii) providing for transfer to the Authority and/or the New Provider of all knowledge reasonably required for the provision of the Contractor Deliverables which may, as appropriate, include information, records and documents; and

(iii) providing the Contractor and/or the New Provider with access to such members of the Contractor's or its Subcontractors' personnel as have been involved in the design, development, provision or management of the Contractor Deliverables and who are still employed or engaged by the Contractor or its Subcontractors.

1.2 The Contractor shall:

(a) co-operate fully in the execution of the handover plan agreed pursuant to Condition 1.1(k) of this Schedule 7.6, providing skills and expertise of a suitable standard; and

(b) fully co-operate in the execution of the Authority Data migration plan agreed pursuant to Conditions 1.1(h) of this Schedule 7.6, providing skills and expertise of a reasonably acceptable standard.

1.3 To facilitate the transfer of knowledge from the Contractor to the Authority and/or its New Provider, the Contractor shall provide a detailed explanation of the procedures and operations used to provide the Contractor Deliverables, the change management process and other standards and procedures to the operations personnel of the Authority and/or the New Provider.

1.4 The information which the Contractor shall provide to the Authority and/or the New Provider pursuant to Condition 1.1(p) of this Schedule 7.6 shall include:

(a) copies of up-to-date procedures and operations manuals;

(b) agreements with third party Contractors of goods and services which are to be transferred to the Authority and/or the New Provider;

(c) key support contact details for third party contractor personnel under contracts which are to be assigned or novated to the Authority pursuant to this Schedule;

(d) information regarding any unresolved faults in progress at the commencement of the Termination Assistance Period as well as those expected to be in progress at the end of the Termination Assistance Period; and

(e) details of physical and logical security processes and tools which will be available to the Authority.

1.5 During the Termination Assistance Period the Contractor shall grant any agent or personnel (including employees, consultants and contractors) of the New Provider and/or the Authority access, during business hours and upon reasonable prior written notice, to any sites for the purpose of effecting a prompt knowledge transfer provided that:

(a) any such agent or personnel (including employees, consultants and contractors) having access to any sites pursuant to this Condition 1.5 of Annex 1 to Schedule 7.6 shall:

(i) sign a confidentiality undertaking in favour of the Contractor (in such form as the Contractor shall reasonably require); and

(ii) during each period of access comply with the security, systems and facilities operating procedures of the Contractor relevant to such site and that the Authority deems reasonable;

(b) the Authority and/or the New Provider shall pay the reasonable, proven and proper costs of the Contractor incurred in facilitating such access.

Appendix 1 to Schedule 7.6: Exit Plan

Placeholder for Contractor's Exit Plan

The successful Tenderer's Exit Plan in response to 13.1 Exit arrangements at Contract End in Appendix 3 to DEFFORM 47 Annex C (Requirements of Response) will be inserted here on Contract Award