

# Order Schedule 5 (Pricing Details)

## 1. Definitions

1.1 In this Schedule, the following words shall have the following meanings and they shall supplement Joint Schedule 1 (Definitions):

|                                   |                                                                                                                                                  |
|-----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Adjustment Date”</b>          | has the meaning given to it in Paragraph 6.2.1;                                                                                                  |
| <b>“Consumer Price Index”</b>     | a price index used to track changes in prices over time;                                                                                         |
| <b>“CPI Cap”</b>                  | has the meaning given to it in Paragraph 6.2.2;                                                                                                  |
| <b>“Day Rates”</b>                | the Charge per day for any Supplier Staff as set out on worksheet “1. Rate Card” in Appendix 1 of this Schedule;                                 |
| <b>“Delay Payments”</b>           | an amount(s) payable by the Supplier to the Buyer in the event of a delay in Achieving the MVP Deployed Milestone;                               |
| <b>“Fixed Price”</b>              | the pricing mechanism set out in Annex 1 Paragraph 2;                                                                                            |
| <b>“Gain-Share Supplement”</b>    | has the meaning given to it in Paragraph 5.1.4;                                                                                                  |
| <b>“Milestone Payment”</b>        | a payment identified in Order Schedule 5 (Pricing Details) to be made following the issue of a Satisfaction Certificate;                         |
| <b>“Milestone Retention”</b>      | a proportion of the Charges which is withheld by the Buyer until completion of the Implementation Phase;                                         |
| <b>“Satisfaction Certificate”</b> | has the meaning given to it in Order Schedule 13 (Implementation Plan and Testing);                                                              |
| <b>“Savings”</b>                  | has the meaning given to it in Paragraph 5.1.4;                                                                                                  |
| <b>“Service Charges”</b>          | the periodic payments made in accordance with Order Schedule 5 (Pricing Details) in respect of the recurring supply of the Operational Services; |
| <b>“Service Credits”</b>          | has the meaning given to it in Order Schedule 14 Service Levels;                                                                                 |
| <b>“T&amp;M Cap”</b>              | has the meaning given to it in Annex 1 Paragraph 1.1.4;                                                                                          |
| <b>“Time and Materials”</b>       | the pricing mechanism set out in Annex 1 Paragraph 1;                                                                                            |

## 2. How Charges are calculated

2.1 The Charges:

2.1.1 shall be calculated in accordance with the terms of this Schedule; and

2.1.2 cannot be increased except as specifically permitted by this Schedule.

- 2.2 Any variation to the Charges payable under a Contract must be agreed between the Supplier and the Buyer in accordance with the Variation Procedure and implemented using the procedure set out in this Schedule.

### **3. The pricing mechanisms**

- 3.1 The pricing mechanisms and prices set out in Annex 1 shall be available for use in calculation of Charges in the Contract.
- 3.2 Where a Milestone Payment is to be calculated using the Fixed Price pricing mechanism, on the Achievement of a Milestone the Supplier shall be entitled to invoice the Buyer for the Milestone Payment associated with that Milestone less the applicable Milestone Retention (pursuant to Paragraph 3.4) and less any applicable Delay Payments.
- 3.3 Where a Milestone Payment is to be calculated using the Time and Materials pricing mechanism, and subject to the provisions of Paragraph 1.1.4 of Annex 1 in relation to exceeding the cap, the Supplier shall be entitled to invoice the Buyer on a monthly basis in arrears for the Day Rates multiplied by the number of Work Days that have been expended by the Supplier Staff in Achieving the relevant Milestone.
- 3.4 Where rows within Appendix 1 to this Schedule indicate that Milestone Retentions apply to a Milestone Payment, on the Achievement of a Milestone the Supplier shall be entitled to invoice the Buyer for the Milestone Payment associated with that Milestone less five-percent (5%) of the Charges for that Milestone, prior to deduction from the Milestone Payment of any Delay Payment. Following Achievement of the ELS Complete Milestone, any Milestone Retentions from any Milestones preceding the ELS Complete Milestone will be paid to the Supplier.
- 3.5 Each invoice relating to a Milestone Payment which is calculated using the Fixed Price pricing mechanism shall be supported by a Satisfaction Certificate.
- 3.6 Each invoice relating to a Milestone Payment which is calculated using the Time and Materials pricing mechanism shall be supported by Supporting Documentation.
- 3.7 Where a Service Charge is to be calculated using the Fixed Price pricing mechanism, the Service Charge shall commence on the Achievement of the MVP Deployed Milestone. Service Charges shall be invoiced by the Supplier for each Service Period in arrears.
- 3.8 If a Service Charge commences on a day other than the first day of a month; and/or ends on a day other than the last day of a month, the Service Charge for the relevant Service Period shall be pro-rated based on the proportion which the number of days in the month for which the Service is provided bears to the total number of days in that month.
- 3.9 Any Service Credits that accrue during a Service Period shall be deducted from the Service Charges payable for the next following Service Period. Any Service Credits that are reversed in accordance with Order Schedule 14 (Service Levels) shall be added to the Service Charges payable for the next following Service Period.
- 3.10 An invoice for a Service Charge shall not be payable by the Buyer unless all adjustments (including Service Credits and any Service Credits that are reversed) relating to the Service Charges for the immediately preceding Service Period have been agreed.
- 3.11 Where the Supplier implements a Variation in accordance with Paragraph 5.1.4, the relevant Gain-Share Supplement shall be invoiced by the Supplier in arrears on the next invoicing date following completion of the relevant Service Period.

#### 4. Are costs and expenses included in the Charges

- 4.1 Except as expressly set out in the Order Form, the Charges shall include all costs and expenses relating to the provision of Deliverables. No further amounts shall be payable in respect of matters such as:
  - 4.1.1 incidental expenses such as travel, subsistence and lodging, document or report reproduction, shipping, desktop or office equipment costs, network or data interchange costs or other telecommunications charges; or
  - 4.1.2 costs incurred prior to the commencement of the Contract.

#### 5. Other events that allow the Supplier to change the Charges

- 5.1 The Charges can also be varied (and Annex 1 will be updated accordingly) due to:
  - 5.1.1 a Specific Change in Law in accordance with Clauses 28.6 to 28.8;
  - 5.1.2 a request from the Supplier, which it can make at any time, to decrease the Charges;
  - 5.1.3 indexation, where Annex 1 states that a particular Charge or any component is "subject to indexation", in which event Paragraph 6 below shall apply; and
  - 5.1.4 the implementation of a Variation during the Operational Phase which generates savings for the Buyer through a reduction of the Service Charges (the "**Savings**"), with 50% of such Savings to be paid by the Buyer to the Supplier ("**Gain-Share Supplement**"). The Gain-Share Supplement will be capped at 200% of the amount that the Buyer has paid the Supplier in accordance with this Contract for the Variation that generates the Savings.

#### 6. When the Charges are linked to inflation

- 6.1 Any amounts or sums in this Contract which are expressed to be "subject to indexation" shall be adjusted in accordance with the provisions of this Paragraph 6 to reflect the effects of inflation.
- 6.2 Where indexation applies, the relevant adjustment shall be:
  - 6.2.1 applied on the first of April 2027 and on the first day of April in each subsequent year (each such date an "**Adjustment Date**"); and
  - 6.2.2 determined by multiplying the relevant amount or sum by the percentage increase or changes in the Consumer Price Index published for the 12 months ended on the 31 January immediately preceding the relevant Adjustment Date, assuming the percentage increase in the Consumer Price Index is no more than two percent (2%) (the "**CPI Cap**").
- 6.3 Where the percentage increase in the Consumer Price Index exceeds an amount equal to the CPI Cap, the Supplier may propose to adjust any amounts or sums in this Contract which are expressed to be "subject to indexation" in accordance with the provisions of this Paragraph 6. Any increases shall be justified through open book cost breakdowns and be based on the Supplier's actual increases in cost. The Supplier shall promptly provide to the Buyer any documentation that the Buyer reasonably requires to assess the Supplier's proposed adjustments to any amounts or sums.
- 6.4 Where indexation applies and has been determined by mutual agreement between the Parties (both acting reasonably) in accordance with this Paragraph 6, the relevant adjustment shall be applied in accordance with Paragraph 6.2.

- 6.5 If the Parties do not agree on the adjustments either Party may refer the matter to be determined by an expert in accordance with the Dispute Resolution Procedure.
- 6.6 Except as set out in this Paragraph 6, neither the Charges nor any other costs, expenses, fees or charges shall be adjusted to take account of any inflation, change to exchange rate, change to interest rate or any other factor or element which might otherwise increase the cost to the Supplier or Subcontractors of the performance of their obligations.

**7. When you will be reimbursed for travel and subsistence**

- 7.1 Expenses shall only be recoverable where:
  - 7.1.1 the Time and Materials pricing mechanism is used; and
  - 7.1.2 the Order Form states that recovery is permitted; and
  - 7.1.3 they are Reimbursable Expenses and are supported by Supporting Documentation.
- 7.2 The Buyer shall provide a copy of their current expenses policy to the Supplier upon request.

## Annex 1: Rates and Prices<sup>1</sup>

### 1. Time and Materials

- 1.1 Where a Milestone Payment is to be calculated using the Time and Materials pricing mechanism:
  - 1.1.1 the Supplier (and its Subcontractor) shall not be entitled to include any uplift for risks or contingencies within its day rates;
  - 1.1.2 the Day Rates in Appendix 1 to this Schedule within worksheet "1. Rate Card" shall be used to calculate the relevant Charges, provided that the Supplier (or its Subcontractor) shall only be entitled to be paid Charges that have been properly and reasonably incurred, taking into account the Supplier's obligation to deliver the Services in a proportionate and efficient manner;
  - 1.1.3 the Supplier shall keep records of hours properly worked by Supplier Staff (in the form of timesheets) and expenses incurred and submit a summary of the relevant records with each invoice. If the Buyer requests copies of such records, the Supplier shall make them available to the Buyer within 10 Working Days of the Buyer's request; and
  - 1.1.4 and the Milestone Payment is capped (each a "**T&M Cap**"), the Supplier shall not be paid any Charges to the extent that they would otherwise exceed the cap, unless an increase in the T&M Cap has been agreed in accordance with the Variation Procedure. Where a T&M Cap exists, the Supplier shall monitor the amount of each Charge incurred in relation to the relevant T&M Cap and notify the Buyer in the event of any risk that the cap may be exceeded.
- 1.2 The rates in Appendix 1 to this Schedule within worksheet "1. Rate Card" **shall** be subject to indexation.

### 2. Fixed Prices

- 2.1 Where a Milestone Payment or Service Charge is to be calculated using the Fixed Price pricing mechanism, the relevant Charge shall be the amount set out in Appendix 1 to this Schedule within worksheet "2. Prices".
- 2.2 The rates in Appendix 1 to this Schedule within worksheet "2. Prices" rows 2 to 16 **shall not** be subject to variation by way of indexation.
- 2.3 The rates in Appendix 1 to this Schedule within worksheet "2. Prices" rows 17 to 130 **shall** be subject to indexation.

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<sup>1</sup> Appendix 2 to this Schedule includes further details and a breakdown of the Supplier's pricing schedule included at Appendix 1.