

SCHEDULE 4: CONTRACT PRICE

PART 1 - PRICING PREAMBLES

1. PRICING INTRODUCTION

1.1 This Part 1 (*Pricing Preambles*) provides further details with respect to the Contract Price.

2. PRICING CONCEPT

2.1 The Contract Price is a fixed sum, for the duration of the Agreement, adjusted in accordance with the contractual Variation procedure. The VAT treatment of the Replacement Systems, Goods and Services pursuant to this Agreement shall be as set out in Clause 21 of this Agreement.

2.2 The Contract Price shall be inclusive of all costs and charges whatsoever and shall be deemed to include all costs, overheads, profit, risk allowances and the like required for the Manufacturer's performance of this Agreement.

3. PRICING APPROACH

3.1 The Contract Price shall be in Euros (€) and shall include all applicable taxes including any import/export taxes and all other statutory costs and the like but excluding VAT (which shall be dealt with pursuant to Clause 21 of this Agreement).

3.2 The rates and prices for all items and activities required for the Manufacturer's performance of this Agreement are deemed to be fully inclusive, and shall include (without limitation) the costs set out in paragraphs 3.2.1 to 3.2.5 below.

3.2.1 Preliminaries

The following preliminaries are included:

- (A) head office, branch office and Manufacturer's Works support - All head office, branch office and Manufacturer's Works costs directly related to this Agreement including supervisory, liaison, engineering, planning, quality assurance and administrative staff costs (and includes all associated overheads, communications and data costs, stationery costs, printing costs and postage costs not included in the percentage addition for overheads and profit;
- (B) all costs of temporary accommodation and sanitary facilities necessary for site staff and all associated costs (including heating, lighting, furniture, first aid, associated consumables and all other safety, health and welfare facilities) except where explicitly stated otherwise in paragraphs 5.2 and 6.1 of Schedule 3A of this Agreement;
- (C) site communications costs, including all costs in connection with the provision of telephones and portable telephones including installation costs, rental and calls, costs of usage of public telephones and other communication equipment and consumables required to enable the Manufacturer to perform its obligations under this Agreement;

- (D) training requirements, including course and examination fees, all costs of staff attending medical examinations and training courses to enable the Manufacturer to perform its obligations under this Agreement, and all costs of Manufacturer-run costs and licensing of staff; and
- (E) all costs of complying with the insurance requirements as set out in Schedule 9 (*Insurance*) of this Agreement.

3.2.2 Mobilisation

The mobilisation costs shall include staff costs, costs of training, recruitment, establishment of facilities, purchase of equipment, establishment of process and procedures and all other items necessary for the successful commencement of the performance of the Agreement. All costs in connection with mobilisation, set-up and the like and management thereof are deemed to be included.

3.2.3 Overheads and Profit

For the avoidance of doubt, overheads shall be deemed to include (without limitation) corporate overhead contribution, profit recovery, headquarters staff costs, Manufacturer offices, yards, depots and other buildings and associated plant, Manufacturer's equipment and vehicles, rents, rates, insurances, running, maintenance and replacement costs for the above, general and administrative head and branch office staff salaries and wages, emoluments, expenses and allowances and all other costs of employment, including costs of and allowance for motor cars, subsistence, hotels, accommodation and the like, travel and associated expenses for directors and general and administrative head and branch office staff, legal and accountancy fees and costs, any financing costs and depreciation associated with all of the above, other non-job related costs and other indirect costs incurred by the Manufacturer in performing its obligations under this Agreement.

3.2.4 Attendance and Reporting

The Contract Price is deemed to be fully inclusive of the costs that the Manufacturer incurs in recording and providing information in accordance with this Agreement, including as requested by the Purchaser Representative. The Contract Price is also deemed to include the costs of the Manufacturer's personnel attending any meetings.

3.2.5 Administration of Change

The Contract Price is deemed to be fully inclusive of the costs that the Manufacturer incurs in recording and providing information in accordance with any Variation Quote, or in the costing or administering of the Variation Procedure.

PART 2 - PAYMENT**1. CONTRACT PRICE**

- 1.1 The Manufacturer will be entitled to submit a payment application in respect of a Milestone upon completion of all of the stated criteria, as set out in Part 4 (*Payment Milestones*) for each relevant Milestone.

2. VARIATIONS

- 2.1 Where a Variation varies the Contract Price, the Variation will be paid by varying the amount due at the relevant Milestone to which the Variation relates. Where the Variation relates to two or more Milestones, the value of the Variation will be divided between those Milestones, based on allocating the value of the Variation between the Milestones in proportion to the value of the Variation related to each Milestone.
- 2.2 Where a Variation varies the Contract Price and the Milestone to which the Variation relates has been paid, payment will be made by varying the amount due in respect of the subsequent Milestone.
- 2.3 Otherwise Variations will be paid once the instructed Variation has been fully completed, unless it is set out in the Variation that payment may be applied for on an interim basis.
- 2.4 Where a Variation does not relate to a Milestone, the Manufacturer will be entitled to apply for payment in respect of Variations at intervals of not less than a month. The Manufacturer may apply for payment of one or more Variations at the same time.

PART 3 - CONTRACT PRICE BREAKDOWN

MSA Contract Price Breakdown	
Section	EUR
Total Manufacture Supply	€ 19,941,737.00

PART 4 - PAYMENT MILESTONES

The Payment Milestones for the Fixed Price Element of the Contract Price are:

#	Payment Milestones	Train	Payment proportion (%)	Milestone amount (EUR)	Evidence supporting milestone attainment
1	Systems Design Review Approval	-	1.00%	199,417.37	Purchaser approval of Systems Design Review in accordance with the Agreement including Section 5.2 of the Specification
2	Preliminary Design Review Approval	-	1.00%	199,417.37	Purchaser approval of Preliminary Design Review in accordance with the Agreement including Section 5.3 of the Specification
3	Intermediate Design Review Approval	-	1.00%	199,417.37	Purchaser approval of Intermediate Design Review in accordance with the Agreement including Section 5.4 of the Specification
4	Critical Design Review Approval	-	1.00%	199,417.37	Purchaser approval of Critical Design Review in accordance with the Agreement including Section 5.5 of the Specification
5	Systems Test Readiness Approval	-	2.50%	498,543.43	Purchaser approval of Systems Test Readiness in accordance with the Agreement including Section 5.6 of the Specification
6	Unit Test Readiness Review Approval	-	2.50%	498,543.43	Purchaser approval of Unit Test Readiness Review in accordance with the Agreement including Section 5.7 of the Specification
7	Train Test Readiness Review Approval	-	3.00%	598,252.11	Purchaser approval of Train Test Readiness Review in accordance with the Agreement including Section 5.8 of the Specification
8	Design Approval (Production Readiness Review)	-	4.00%	797,669.48	Purchaser approval of Design Approval (Production Readiness Review) in accordance with the Agreement including Section 5.9 of the Specification
9	Delivery into Storage	2	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
10	Pre-Installation Inspection & Systems Test	2	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests

	Approval				certificate evidencing that such Tests have been passed, in accordance with the Agreement
11	DC Acceptance for Service	2	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
12	Acceptance for Service	2	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
13	Delivery into Storage	3	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
14	Pre-Installation Inspection & Systems Test Approval	3	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
15	DC Acceptance for Service	3	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
16	Acceptance for Service	3	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
17	Delivery into Storage	4	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
18	Pre-Installation Inspection & Systems Test Approval	4	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
19	DC Acceptance for Service	4	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
20	Acceptance for Service	4	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the

					Agreement
21	Delivery into Storage	5	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
22	Pre-Installation Inspection & Systems Test Approval	5	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
23	DC Acceptance for Service	5	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
24	Acceptance for Service	5	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
25	Delivery into Storage	6	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
26	Pre-Installation Inspection & Systems Test Approval	6	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
27	DC Acceptance for Service	6	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
28	Acceptance for Service	6	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
29	Delivery into Storage	7	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
30	Pre-Installation Inspection & Systems Test Approval	7	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement

31	DC Acceptance for Service	7	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
32	Acceptance for Service	7	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
33	Delivery into Storage	8	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
34	Pre-Installation Inspection & Systems Test Approval	8	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
35	DC Acceptance for Service	8	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
36	Acceptance for Service	8	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
37	Delivery into Storage	9	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
38	Pre-Installation Inspection & Systems Test Approval	9	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
39	DC Acceptance for Service	9	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
40	Acceptance for Service	9	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
41	Delivery into Storage	10	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with

					the Agreement including Clause 12.2A (<i>Storage</i>)
42	Pre-Installation Inspection & Systems Test Approval	10	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
43	DC Acceptance for Service	10	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
44	Acceptance for Service	10	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
45	Delivery into Storage	11	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
46	Pre-Installation Inspection & Systems Test Approval	11	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
47	DC Acceptance for Service	11	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
48	Acceptance for Service	11	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
49	Delivery into Storage	12	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
50	Pre-Installation Inspection & Systems Test Approval	12	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
51	DC Acceptance for Service	12	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with

					the Agreement
52	Acceptance for Service	12	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
53	Delivery into Storage	13	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
54	Pre-Installation Inspection & Systems Test Approval	13	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
55	DC Acceptance for Service	13	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
56	Acceptance for Service	13	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
57	Delivery into Storage	14	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
58	Pre-Installation Inspection & Systems Test Approval	14	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
59	DC Acceptance for Service	14	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
60	Acceptance for Service	14	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
61	Delivery into Storage	15	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
62	Pre-Installation Inspection &	15	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation

	Systems Test Approval				Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
63	DC Acceptance for Service	15	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
64	Acceptance for Service	15	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
65	Delivery into Storage	16	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
66	Pre-Installation Inspection & Systems Test Approval	16	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
67	DC Acceptance for Service	16	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
68	Acceptance for Service	16	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in accordance with the Agreement
69	Delivery into Storage	17	0.30%	59,825.21	Delivery by the Manufacturer of Replacement Systems into Storage in accordance with the Agreement including Clause 12.2A (<i>Storage</i>)
70	Pre-Installation Inspection & Systems Test Approval	17	0.30%	59,825.21	Issue by the Purchaser of a valid, signed Pre-installation Inspection and System Tests certificate evidencing that such Tests have been passed, in accordance with the Agreement
71	DC Acceptance for Service	17	0.15%	29,912.61	The Purchaser issues a valid, counter-signed DC Acceptance for Service Certificate in accordance with the Agreement
72	Acceptance for Service	17	0.15%	29,912.61	The Purchaser issues a valid, counter-signed Acceptance for Service Certificate in