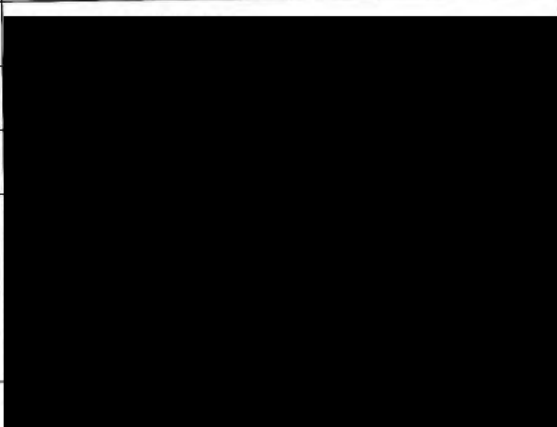


11.4 Abatement of the amount due


11.4.1 Schedule 3 – Part B Services (London Underground Premises)

The Suppliers Payment Application in respect of Schedule 3 Part B Services shall be adjusted in accordance with the following table in the event that the Supplier is assessed to have provided 'Poor' services as measured by one or more of the foregoing KPI's.

KPI	Description	Action or percentage reduction to the Reactive Maintenance Price One for the Period for each KPI measured as 'Poor'
KPI 1	Safety tours and inspections	Corrective action. Supplier to prepare Health and safety action plan.
KPI 2	Asset register	
KPI 3	Planned maintenance	
KPI 4	Technical	
KPI 5	Service points	
KPI 6	Deliverables under the Contract	

11.4.2 Schedule 3 – Part B Services London Underground Premises (JNP)

The Suppliers Payment Application in respect of Schedule 3 Part B Services shall be adjusted in accordance with the following table in the event that the Supplier is assessed to have provided 'Poor' services as measured by one or more of the foregoing KPI's

KPI	Description	Action or percentage reduction to the Reactive Maintenance Price Two for the Period for each KPI measured as 'Poor'
KPI 1	Safety tours and inspections	Corrective action. Supplier to prepare Health and safety action plan.
KPI 2	Asset register	
KPI 3	Planned maintenance	
KPI 4	Technical	

KPI	Description	Action or percentage reduction to the Reactive Maintenance Price Two for the Period for each KPI measured as 'Poor'
KPI 5	Service points	
KPI 6	Deliverables under the Contract	

11.4.3 Schedule 3 – Part D Services (Head Office Premises)

The Suppliers Payment Application in respect of Schedule 3 Part D services shall be adjusted in accordance with the following table in the event that the Supplier is assessed to have provided 'Poor' services as measured by one or more of the foregoing KPI's.

KPI	Description	Action or percentage reduction to the Reactive Maintenance Price Two for the Period for each KPI measured as 'Poor'
KPI 1	Asset register	
KPI 2	Planned maintenance	
KPI 3	Technical	
KPI 4	Reactive Maintenance Services	
KPI 5	Deliverables under the agreement	

11.4B All adjustments in this Schedule 11 are subject to the Abatement Cap as set out in Clause 11.3.

Any applicable discount to be made pursuant to Schedule 2 shall be applied to all sums referred to in this Schedule 11 prior to calculating the reductions in this paragraph 11.4.

11.5 Escalation Procedure

- 11.5.1 In the event of poor performance standards, including (but not limited to) failure to reach acceptable levels of performance as measured by the Key Performance Indicators set out in Section 11.2, the escalation procedure shall be triggered by the Company at its absolute discretion.
- 11.5.2 The purpose of the escalation procedure is to provide a structured framework within which the Parties can resolve failures to achieve timescales and deliverable targets. For the purposes of this procedure notified levels of poor performance will be termed “Non-Conformances”.
- 11.5.3 This procedure operates with four levels; the lowest level Non-Conformance being Level 1. Should Non-Conformances escalate to a higher level they shall receive an appropriate level of management intervention from the Company and the Supplier. Level 3 gives final review and an opportunity for remedial actions to resolve issues before the Non-Conformance reaches Level 4, which will entitle the Company to terminate in accordance with Clause 31 of the conditions of contract.
- 11.5.4 The following table summarises the escalation procedure. It is possible for a number of issues to be subject to the escalation procedure at any one time.

Table 4 – Summary of Escalation Procedure

TRIGGER	LEVEL	ACTION	BY	RESULT
Failure to rectify identified Non-Conformance issued as part of KPIs	LEVEL 1	Improvement plan with precise end date required. Ongoing review dates specified.	i) Company' Representative ii) Supplier's Representative	Satisfactory - Stop Unsatisfactory - Level 2
Level 1 re-occurrence Consistent failure to meet notified requirement Safety Condition infringements.	LEVEL 2	Improvement plan with precise end date required. Ongoing review dates specified.	i) Company's Head of Commercial ii) Supplier's Director - Asset Management	Satisfactory - Stop Unsatisfactory - Level 3
Level 2 re-occurrence	LEVEL 3	Final review. Final opportunity for remedial action. Precise end date required. Possible notice of termination or other remedy if appropriate.	i) Company's Director of Commercial ii) Supplier's Managing Director - Rail	Satisfactory - Stop Unsatisfactory - Level 4

TRIGGER	LEVEL	ACTION	BY	RESULT
Level 3 re-occurrence	LEVEL 4	Termination		

11.5.5 Issues shall be resolved locally on a day-to-day basis to the mutual satisfaction of all parties and shall not be raised to Level 1 without prior endeavours to resolve. At this stage of the process, the Supplier may be required to supply a root cause analysis and a recovery plan. Performance standards to be achieved and associated processes for measuring and recording Supplier's performance are detailed in Section 11.5 of this Appendix 11.

11.5.6 Level 1

11.5.6.1. The Level 1 Non-Conformance will be recorded by the Company and a notice submitted to the Supplier to be agreed. The Supplier shall in response (such response to be within 5 Working Days of service of the notice by the Company) prepare and submit to the Company a Level 1 Non-Conformance Report. Such report will contain:

- a) confirmation of the date(s) and details of the Level 1 Non-Conformance;
- b) the steps to be taken by the Supplier to ensure there is no repetition of such Level 1 Non-Conformance the "Level 1 Required Action"; and
- c) the time within such Level 1 Required Action is to be completed (which shall be a reasonable period and no longer than the "Level 1 Rectification Period".

11.5.6.2. The Supplier and the Company will use all reasonable endeavours to agree the Level 1 Rectification Period and the Level 1 Required Action; if no agreement is reached the Company shall determine the Rectification Period and Required Action. If the Level 1 Required Action is carried out within the Level 1 Rectification Period then the Non-Conformance will be classed as closed.

11.5.6.3. All Level 1 Non-Conformances will be reviewed every Period at a meeting attended by the Company's Representative and The Suppliers Representative (whether resolved or not) to ensure that reoccurrence is (where possible) eliminated.

11.5.7 Level 2

11.5.7.1. Paragraph 11.5.7.2 shall apply where:

- a) the Company determines, having regard to the gravity of the Non-Conformance, that a Non-Conformance should be treated as a Level 2 Non-Conformance; or
- b) the Supplier fails to notify the Company of the occurrence of a Level 1 Non-Conformance prior to the Company notifying the same to the Supplier (provided that the Company shall be entitled, having regard to the gravity of the Non-

Conformance, to treat this as a Level 3 Non-Conformance rather than a Level 2 Non-Conformance); or

- c) the Supplier fails to make available to the Company a Level 1 Non-Conformance Report within 5 Working Days of service by the Company of the notice referred to in Paragraph 11.4.6.1; or
- d) the Supplier fails to undertake the Level 1 Required Action within the Level 1 Rectification Period; or
- e) the Supplier fails to rectify the Level 1 Non-Conformance within the Level 1 Rectification Period; or
- f) a further Non-Conformance occurs after the Level 1 Rectification Period but within 1 month of the end of the Level 1 Rectification Period and that is a Non-Conformance in relation to the same KPI ("Same Type") as the Level 1 Non-Conformance; or
- g) a further Non-Conformance occurs during the Level 1 Rectification Period that is of the Same Type as the Level 1 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non Conformance; or
- h) failure to meet the requirements of Schedule 6, Contract Quality Environmental and Safety Conditions.

11.5.7.2. Where one or more of the circumstances described in Paragraph 11.5.7.1 applies, then this shall be a "Level 2 Non-Conformance" and the Company may submit a notice to the Supplier. The Supplier shall propose the steps to be taken by the Supplier to ensure there is no repetition of such Level 2 Non-Conformance (the "Level 2 Required Action") and the time within which such Level 2 Required Action is to be completed (which shall be a reasonable period and no longer than 5 Days (the "Level 2 Rectification Period"), and prepare and make available to the Company a report (the "Level 2 Non-Conformance Report"), which shall set out the following information:

- a) the date and details of the Level 2 Non-Conformance;
- b) the Level 2 Required Action; and
- c) the Level 2 Rectification Period.

11.5.7.3. The Supplier and the Company will use all reasonable endeavours to agree the Level 2 Rectification Period and the Level 2 Required Action; if no agreement is reached the Company shall determine the Rectification Period and Required Action.

11.5.7.4. If the Level 2 Required Action is taken within the agreed Level 2 Rectification Period then the Non-Conformance will be considered resolved. However, a record of the Non-Conformance will be made and Level 2 trends monitored.

11.5.7.5. All Level 2 Non-Conformances will be reviewed every Period at a meeting attended by the Company's Head of Commercial and the Suppliers Director - Asset Management (whether resolved or not) to ensure reoccurrence is (where possible) eliminated.

11.5.8 Level 3

11.5.8.1. Paragraph 11.5.8.2 shall apply where:

- a) the Company determines, having regard to the gravity of the Non-Conformance, that a Non-Conformance should be treated as a Level 3 Non-Conformance; or
- b) the Supplier fails to make available to the Company a Level 2 Non-Conformance Report within 5 Working Days of service by the Company of the notice referred to in Paragraph 11.5.7.2; or
- c) the Supplier fails to undertake the Level 2 Required Action within the Level 2 Rectification Period; or
- d) the Supplier fails to rectify the Level 2 Non-Conformance within the Level 2 Rectification Period; or
- e) a further Non-Conformance occurs after the Level 2 Rectification Period but within 1 month of the end of the Level 2 Rectification Period and which is of the Same Type as the Level 2 Non-Conformance; or
- f) a further Non-Conformance occurs during the Level 2 Rectification Period that is of the Same Type as the Level 2 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance.

11.5.8.2. Where one or more of the circumstances described in Paragraph 11.5.8.1 applies, then this shall be a "Level 3 Non-Conformance" and the Company shall inform the Supplier of the same by written notice.

11.5.8.3. The notice referred to in Paragraph 11.5.8.2 shall set out:

- a) the deadline by which it requires the Supplier to serve on the Company a report setting out the steps which the Supplier has taken, or will take, to ensure that no further Non-Conformances of this type shall arise (the "Level 3 Required Action") (a "Level 3 Non-Conformance Report"); and
- b) the period (being no greater than 2 months from the time of occurrence of the Level 3 Non-Conformance for the Supplier to put in place steps to ensure that no further Non-Conformances of the Same Type occur (the "Level 3 Rectification Period").

11.5.8.4. All Level 3 Non-Conformances will be reviewed every third Period at a meeting attended by the Company's Commercial Director and the Suppliers Managing Director - Rail.

11.5.9 Level 4

11.5.9.1. Paragraph 11.5.9.2 shall apply where:

- a) the Supplier fails to make available to the Company by the deadline notified under Paragraph 11.4.8.2 a Level 3 Non-Conformance Report; or
- b) the Supplier fails to undertake the Level 3 Required Action within the Level 3 Rectification Period; or
- c) the Supplier fails to rectify the Level 3 Non-Conformance within the Level 3 Rectification Period; or
- d) a further Non-Conformance occurs after the Level 3 Rectification Period but within 1 month of the end of the Level 3 Rectification Period and which is of the Same Type as the Level 3 Non-Conformance; or
- e) a further Non-Conformance occurs during the Level 3 Rectification Period that is of the Same Type as the Level 3 Non-Conformance and the Supplier has wilfully permitted the occurrence of such further Non-Conformance.

11.5.9.2. where one or more of the circumstances described in paragraph 11.5.9.1 applies, then this shall be a “Level 4 Non-Conformance” and the Company will be entitled to terminate the Contract in whole or in part in accordance with clause 31 of the Contract.

Schedule 12

Availability

12.1. Generally

- 12.1.1. The Supplier provides the Services by means that achieve the Serviced Items being Available throughout the periods stated in this Schedule 12, Part B, Table Four. The Supplier acknowledges that if the Serviced Items are not so Available as a result of an act or omission of the Supplier, its subcontractors or any agent or employee, the value of the Services to the Company is reduced.
- 12.1.2. The amount due to the Supplier under the Contract in respect of a Period shall be reduced by an amount calculated by multiplying the figure for LCH cost set out in Schedule 1 (Detailed Terms) by the amount that the Total Actual Disruption figure for that Period is in excess of the Availability Benchmark as also set out in Schedule 1 (Detailed Terms).
- 12.1.3. In the event that the Expiry Date, or earlier termination of the Contract, occurs part way through a Period, the Company's Representative shall adjust the Availability Benchmark in respect to that Period on a pro rata basis to reflect the duration over which the Services are provided in the final Period.

Schedule 12 Part A - Definitions

“Actual Disruption” means the number of lost customer hours, expressed in minutes to two decimal places, incurred due to a Disruption. Actual Disruption is calculated by applying the Disruption Period to the latest NACHs tables set out in Schedule 12, Part B, Table One and, where appropriate, adjusting the total by the weighting factors set out in Schedule 4, Part B, Table Two

“Available” means:

- (a) compliant with the Standards and the service levels listed or referred to in Schedule 3;
- (b) safe and fit for purpose at all times insofar as is reasonably practicable;
- (c) there are no foreseeable hazards to the use of the Facility concerned except insofar as a risk assessment has been carried out by the Supplier and any risk is expressly accepted by the Company; and
- (d) the Facility concerned is readily accessible and operable throughout the periods stipulated and agreed with the Company for each generic facility group.

“Disruption” means disruption of a type set out in Schedule 12, Part B, Table Three to a Serviced Item, to the extent that it results from the Supplier's performance, non-performance or part performance of the Contract or arises out of or in the course of or by reason of any act, negligence, breach of contract, breach of statutory duty, error, omission or default by the Supplier.

“Disruption Period” means the period of time, expressed in minutes to two decimal places, over which a Disruption of a type set out in Schedule 12, Part B, Table Three causes a Serviced Item not to be Available. A Disruption Period commences from the time the Supplier receives a Service Disruption Notice in respect of the Disruption and ends when the Fault Reporting Centre notifies the Supplier of the Service Disruption Closure Number in respect of the same Disruption.

“Facilities” means those assets that comprise the infrastructure required by LUL to operate the service to be provided to customers in relation to trains and stations and which are owned, controlled or otherwise held from time to time by the Company and **“Facility”** means an element of the infrastructure which comprises the Facilities.

“Fault Reporting Centre” means the fault reporting centre located on the Second Floor, 15 Westferry Circus, Canary Wharf, London E14 4HD, telephone number 0207 088 4471, facsimile number 0207 088 4481/4480 or such other centre as may be advised by the Company's Representative

“Service Disruption Closure Number” means a unique number allocated by the Fault Reporting Centre to each occurrence of Disruption, issued when the Company considers the said Disruption to have ceased.

“Service Disruption Notice” means a notice, issued by the Fault Reporting Centre detailing an occurrence of Disruption and allocating a Service Disruption Number to the said Disruption.

“Service Disruption Number” means a unique number allocated by the Fault Reporting Centre in respect to the occurrence of a Disruption.

“Serviced Items” means Facilities in respect of which the Supplier is responsible under the Contract for supplying Services.

Schedule 12 Part B - Disruption to Availability

Introduction

The NACHS system (Nominally Accumulated Customer Hours) enables the impact of incidents that occur on the network to be estimated in terms of increased passenger journey time. The impact of an incident will depend upon factors such as the type of incident, time it occurs, the duration and location. NACHS values can be assigned by comparing the incident details with set of look-up tables. The unit of passenger impact is the NAX where one NAX corresponds to an additional 100 hours of passenger perceived journey time

The extracts from the 2014 NACH's applicable to this Contract are as listed in Table One.

Table One

Ref	Title
1.1	NACH's per Hour - Full Station Closures - Unplanned
1.2	NACH's per Hour - Single Platform Closures - Unplanned
1.3	NACH's per Hour – Bakerloo Line Full Line Suspension - Unplanned
1.4	NACH's per Hour – Central Line Full Line Suspension – Unplanned
1.5	NACH's per Hour – Circle Line Full Line Suspension - Unplanned
1.6	NACH's per Hour – District Line Full Line Suspension - Unplanned
1.7	NACH's per Hour – Hammersmith and City Line Full Line Suspension - Unplanned
1.8	NACH's per Hour – Jubilee Line Full Line Suspension - Unplanned
1.9	NACH's per Hour – Metropolitan Line Full Line Suspension - Unplanned
1.10	NACH's per Hour – Northern Line Full Line Suspension - Unplanned
1.11	NACH's per Hour – Piccadilly Line Full Line Suspension - Unplanned
1.12	NACH's per Hour – Victoria Line Full Line Suspension - Unplanned
1.13	NACH's per Hour – Waterloo and City Line Full Line Suspension - Unplanned
1.14	NACH's per Hour – Escalator Closures - Unplanned
1.15	NACH's per Hour – Lift Closures - Unplanned
1.16	NACH's per Hour – Passenger Conveyor Closures - Unplanned
1.17	NACH's per Hour – Bakerloo Line Partial Line Suspension
1.18	NACH's per Hour – Central Line Partial Line Suspension – Unplanned
1.19	NACH's per Hour – Circle Line Partial Line Suspension - Unplanned

Ref	Title
1.20	NACH's per Hour – District Line Partial Line Suspension - Unplanned
1.21	NACH's per Hour – Metropolitan Line Partial Line Suspension - Unplanned
1.22	NACH's per Hour – Jubilee Line Partial Line Suspension - Unplanned
1.23	NACH's per Hour – Northern Line Partial Line Suspension - Unplanned
1.24	NACH's per Hour – Piccadilly Line Partial Line Suspension - Unplanned
1.25	NACH's per Hour – Victoria Line Partial Line Suspension - Unplanned
1.26	NACH's per Hour – Platform Closures - Unplanned
1.27	NACH's per Hour – Ticket Hall - Unplanned
1.28	NACH's per Hour – Bakerloo Line Train Delay - Unplanned
1.29	NACH's per Hour – Central Line Train Delay - Unplanned
1.30	NACH's per Hour – Circle Line Train Delay - Unplanned
1.31	NACH's per Hour – District Line Train Delay - Unplanned
1.32	NACH's per Hour – Jubilee Line Train Delay - Unplanned
1.33	NACH's per Hour – Metropolitan Line Train Delay - Unplanned
1.34	NACH's per Hour – Northern Line Train Delay - Unplanned
1.35	NACH's per Hour – Piccadilly Line Train Delay - Unplanned
1.36	NACH's per Hour – Victoria Line Train Delay - Unplanned
1.37	NACH's per Hour – Waterloo and City Line Train Delay - Unplanned

Table Two

Type of Station Closure	Weighting Factor
Full Station Closure	1
Partial Station Closure – non availability of a station entrance	0.1
Partial Station Closure – non availability of a ticket hall	0.2
Partial Station Closure – non availability of a routeway	0.15

Notes

- (i) A Full Station Closure cannot also be a Partial Station Closure.

- (ii) Where the failure to make Available a station entrance or routeway results in a ticket hall not being Available, the failure to make the station entrance or routeway Available shall not be included in the calculation of Actual Disruption.
- (iii) When the failure to make Available a station entrance results in a routeway not being Available, the failure to make the station entrance Available shall not be included in the calculation of Actual Disruption.

Table Three

Disruption Type	Definition
Train delays	Where a train stops for a period of time longer than scheduled at any specific location as a direct consequence of a fault.
Train withdrawals	Where all train passengers are instructed to vacate a train and the train is withdrawn from scheduled passenger service.
Train cancellations	Where a train does not enter scheduled passenger service from a stabling location, resulting in lost customer hours.
Depot late start-up	Where trains are unable to enter or leave scheduled passenger service from depots, siding and other stabling locations including platforms.
Platform closures	Where one or more platforms are not Available.
Full Station Closures	Where all station services are suspended, including entry, exit and interchange.
Partial Station Closures	Where one or more of the ticket halls, routeways or station entrances are not Available.

Table Four

Maintained Item	Hours to be Available
All Facilities	Traffic Hours as defined by the Access Procedure

Copies of the above NACH's tables listed in Table 1 are available from the Company's Representative on request.

Schedule 13

Obsolescence Management and Maintenance Renewal Services

13.1. Obsolescence Management

- 13.1.1. The Supplier is responsible for managing obsolescence of all the assets listed in Schedule 3.Part B – Appendix A and Schedule 3 Part C – Appendix B and any new, additional or replacement assets added in accordance with the terms of the Contract.
- 13.1.2. The Supplier shall submit an initial obsolescence report within 6 months of the Commencement Date and thereafter at a minimum frequency of once every 6 Periods, or within fourteen days of a request from the Company's Representative.
- 13.1.3. The Supplier shall determine from asset condition monitoring and his own observations, any foreseeable obsolescence problems with repairing, replacing or maintaining any asset or asset group (including the identification of assets which are predicted to become Beyond Economic Repair) and report such problems to the Company's Representative as soon as practicable. In all cases within the Period Report for the Period in which the problem was discovered.
- 13.1.4. The Supplier shall recommend to the Company's Representative solutions to rectify obsolescence problems identified with the assets during the condition monitoring process. These solutions shall include forward planning of spares requirements and advising on any potential effects on the Services.
- 13.1.5. Where any asset or group of assets is identified as at risk of obsolescence the parties shall follow the Maintenance Renewal Services process set out in Section 13.2.

13.2. Maintenance Renewal Services

- 13.2.1. To meet the performance of the Contract and to effectively manage obsolescence, Maintenance Renewal Services may be required from time to time. The Supplier provides Maintenance Renewal Services, subject to the written instruction by the Company, issued in accordance with Schedule 6 Variation Procedure.
- 13.2.2. Prior to undertaking any Maintenance Renewal Services, the Supplier shall notify the Company's Representative of the need to perform such Maintenance Renewal Services and the effects and/or consequences if the Company does not approve the performance of the Maintenance Renewal Services.
- 13.2.3. The Supplier shall expressly demonstrate why the Maintenance Renewal Services are required to manage asset obsolescence and shall provide any further information reasonably required by the Company's Representative (including details of the technical proposal,

specification, the programme and the proposed Maintenance Renewal Services Completion Date). Within 28 days of receiving this information, the Company shall notify the Supplier in writing whether or not it intends to instruct the Supplier as a Variation in accordance with Schedule 6 to proceed with the Maintenance Renewal Services. If the Company fails to instruct the Supplier to undertake the Maintenance Renewal Services, the Company and the Supplier shall review the associated impact on the Services in respect of performance, critical spares holding, repairs and planned preventative maintenance, fault rectification and the Contract Price and the Schedule 11 Supplier Performance shall be adjusted accordingly.

- 13.2.4. In the event that Company advises the Supplier that it does not agree with the Supplier's recommendations as set out in in accordance with clause 13.2.2 above and where there is a failure to agree on the consequential impact of such disagreement within a period of 28 days following the Company's response in accordance with clause 13.2.2, or where the Company fails to respond within the 28 day period, then either Party may refer the matter to Dispute Resolution in accordance with clause 45 (Dispute Resolution). The Supplier shall continue to be responsible for responding to faults and maintaining the relevant asset (for the avoidance of doubt, the Supplier performance regime in respect of the assets in dispute shall not apply in these circumstances) while the matter is being determined pursuant to the dispute resolution procedure set out in clause 45 (Dispute Resolution).
- 13.2.5. The Supplier shall complete the Maintenance Renewal Services by the Maintenance Renewal Services Completion Date. Immediately following completion of any Maintenance Renewal Services, the Supplier shall test all assets and systems within the scope of the instructed Maintenance Renewal Services to determine whether or not the services have been completed in accordance with the Specification. The acceptance testing procedures shall comprise such procedures, factors and criteria as the Company deems appropriate. Where any such procedure notified is deemed to be a variation it shall be dealt with in accordance with clause 9 (Variation).
- 13.2.6. The Supplier shall test all assets and systems within the scope of the instructed Maintenance Renewal Services in the presence of a representative of the Company. The Supplier shall provide a written report ("**Acceptance Testing Report**") to the Company without unreasonable delay following completion of the testing, which report shall identify compliance (or otherwise) with the Specification. The Supplier shall ensure that in carrying out testing it does not affect the functionality or operability of any other systems without the prior written consent of the Company.
- 13.2.7. As soon as reasonably practicable after completion of testing the Company shall issue a written acceptance certificate if the Company's Representative is satisfied that the Maintenance Renewal Service meets the Specification. The issuing of such certificate by Company shall mean that it has accepted the Maintenance Renewal Services specified in the certificate.

- 13.2.8. If the Company's Representative is not satisfied that the Maintenance Renewal Services meets the Specification, the Company's Representative shall notify the Supplier accordingly as soon as reasonably practicable, specifying any deficiencies ("**Defects Notice**") provided that, if the Company's Representative does not notify the Supplier within thirty (30) days of the completion of testing and receipt of the Acceptance Testing Report that he or she is not so satisfied, the Maintenance Renewal Services shall be deemed to have been accepted.
- 13.2.9. In the event the Company's Representative issues a Defects Notice, the Supplier shall be given a reasonable opportunity, as specified by the Company's Representative, following receipt of the Defects Notice to cure the defect (at the Supplier's own expense) and the tests will be re-performed. If following such re-performed tests the Specification is still not met, the Company is entitled (without prejudice to any other right or remedy) by notice in writing ("**Failure Notice**") to the Supplier to do any of the following:
- a) extend the period for acceptance testing to a date specified in the Failure Notice, in which case during that period the Supplier shall seek to cure the outstanding defects and the Maintenance Renewal Services shall be retested in accordance with this paragraph and the cost of any repeated rectification and retesting shall not be recoverable by the Supplier. At the end of such period this paragraph 13.2.8 shall reapply, to the intent that the Company may exercise its rights under this paragraph 13.2.8 on successive occasions in its discretion; or
 - b) instruct a third party to rectify the work performed by the Supplier so as to complete the Maintenance Renewal Services, in which case the Company shall be entitled to recover all reasonable costs of such third party from the Supplier; or
 - c) if the defects are of a material nature and not capable of being rectified by a third party, reject the Maintenance Renewal Services in which case:
 - (i) the Supplier shall at its own expense restore the Company to the position it was in prior to the Maintenance Renewal Services (including, without limitation, re-installing any asset removed in the course of the Maintenance Renewal Services) and immediately return to the Company any amounts paid by the Company to the Supplier relating to the Maintenance Renewal Services; and
 - (ii) the Company is discharged from payment of any further amounts to the Supplier in connection with such Maintenance Renewal Services; or
 - (iii) accept the Maintenance Renewal Services subject to the agreement of adjustment to the Contract Price to reflect the reduced value of the Maintenance Renewal Services or, failing agreement, as determined by dispute resolution in accordance with clause 45.

Schedule 14

Exit Obligations

14.1. Introduction

- 14.1.1. The provisions of this Schedule 14 (Exit Obligations) are without prejudice to the obligations of the Supplier to continue to provide the Services as required by the terms of the Contract and any services reasonably required to transition the Services to an incoming supplier with the minimum of disruption and so as to prevent or mitigate any inconvenience to the Company or disruption to its operations.
- 14.1.2. The requirement for the Supplier to provide cooperation pursuant to Section 14.2 (Exit Obligations) below, extends to any retender process for the Services carried out by the Company in relation to an incoming supplier or suppliers to enable it to access the Site and/or Company personnel, and specifically an obligation to provide, on reasonable notice, information for the purpose of a competition and managing the transition to an incoming supplier or suppliers.
- 14.1.3. Without prejudice to paragraph 14.1.1 and 14.1.2 of this Schedule 14, within 6 months of the Service Delivery Date and thereafter annually, on each anniversary of the Commencement Date until expiry of the Contract or earlier termination, the Supplier shall submit a draft Demobilisation Plan for review and approval by the Company. In addition to each such submission, at other intervals the Supplier shall update the draft Demobilisation Plan where requested by the Company (acting reasonably).

14.2. Exit Obligations

14.2.1. Retender Support

- 14.2.1.1. In order to support the seamless transition of the Services following the Expiry Date or earlier termination date, the Supplier will undertake the following actions in connection with the demobilisation, at its own cost, commencing no later than twelve (12) months before the Expiry Date or on the date of receipt of any earlier termination notice and shall provide the following information to the company:
- a. List of employees that the Supplier believes at that point in time may have a right to transfer under the Transfer Regulations, including:
 - i. Role of individual
 - ii. Regular place of work
 - iii. Length of continuous employment
 - iv. Weekly conditioned hours of employment and current shift pattern
 - v. Annual salary

- vi. Details of any regular overtime commitments
 - vii. Details of pensions
 - viii. Regular or recurring allowances
 - ix. Details of any outstanding claims arising from employment
- b. Fully up to date versions of the asset lists set out in Schedule 3 Specification Part B – Appendix A; Specification Part C – Appendix A and Specification Part D – Appendix B.
 - c. Fully up to date versions of the critical spares lists set out in Schedule 3 Specification Part B – Appendix B; Specification Part C – Appendix B and Specification Part D – Appendix C.
 - d. Fully up to date versions of the Schedule 4 Maintenance Plans
 - e. List of all current suppliers and subcontractors used in connection to the delivery of the Services
 - f. Details of all Intellectual Property Rights/escrow agreements relating to the delivery of the Services
 - g. Details of specialist training requirements to ensure continuation of maintenance

14.2.1.2. The Supplier shall prepare and submit for review by the Company's Representative, a detailed demobilisation plan for the Services containing the Supplier's proposals for the demobilisation aspects of the Services, (the "Demobilisation Plan") commencing no later than twelve (12) months before the Expiry Date or on the date of receipt of any earlier termination notice and thereafter update the Demobilisation Plan every 4 week period for review. The Demobilisation Plan is to include:

- a. Organisation chart of demobilisation team including responsible manager
- b. Updated critical spares list to be handed over to the Company
- c. List of documents to be handed over to the Company
- d. List of software to be handed over to the Company
- e. Critical handover dates and methodology of handover of physical assets, software and electronic documents
- f. Demobilisation meeting dates and essential attendees, meeting to be held second week of every four weekly period

- g. List of current and future project works that are to be carried out prior to the Expiry Date
- h. Any changes to the information provided in accordance of paragraph 14.2.1.1 above.
- i. Minutes and actions for demobilisation arising from demobilisation meetings

14.2.1.3. In the event of a failure by the Supplier to comply with any of the obligations set out in paragraphs 14.2.1.1 and 14.2.1.2 above, the Company shall reduce the amount due to the Supplier under clause 10 (Price and Payment) 5% in each Period in the 12 months prior to the Expiry Date until such time as the obligations have been met. For the avoidance of doubt, a 5% reduction shall be applied in the amount due in each Period and the Parties agree that it is not intended to reduce 5% of all amounts due in all Periods for 12 months prior to the Expiry Date in the first applicable Period. The Parties agree that such reduction shall not be a penalty and is fair and reasonable and represents a genuine pre-estimate of what the cost of performance to the Supplier would have been.

14.2.2. Other Pre-Expiry Support

14.2.2.1. The Supplier will continue up to the Expiry Date to maintain records, data, files, information and contract documentation relating to the Services in such form and manner as to enable the Supplier to effectively transfer them in full to the Company and/or to any third party nominated by the Company.

14.2.2.2. On receipt of an instruction from the Company, the Supplier shall return to the Company's Representative all free issue materials provided to the Supplier.

14.2.2.3. Without prejudice to the provisions of Clause 6 and 30 of the Contract, the Supplier shall hand over to the Company (upon request of the Company's Representative but in any event, at the Expiry Date or earlier termination date (as the case may be)) all passes or entry permits.

14.2.2.4. The Supplier shall ensure (at the Expiry Date or earlier termination date (as the case may be)) that:

- a. all equipment (whether of a temporary or permanent nature) used in the delivery of the Services is fully maintained, serviced with an up- to-date service and maintenance history which is entered on the Asset Management System. Company owned equipment which fails to meet these conditions shall be replaced with new by the Supplier at its own cost. In the event that the Supplier is in breach of this paragraph (14.2.2.4.a.), in respect of

Company owned equipment, the Company shall be entitled to purchase such equipment itself and recover the associated costs from the Supplier provided always that it has given 14 days prior notice to the Supplier;

- b. all assets and spares, critical and non-critical, are handed over to the incoming supplier and the Company and that relevant members of the Supplier Personnel are present at handover; and
- c. all areas which the Supplier has used for storage or operation have been left clean and tidy and all rubbish has been removed from the Site.

14.2.2.5 During demobilisation the Supplier shall promptly provide all reasonable co-operation and support resource in relation to any audit or check required by the Company and commissioned by the Company's Representative, including in each particular circumstance:

- a. granting or procuring the grant of reasonable access to any premises used in performance of the Contract, whether the Supplier's own premises or otherwise;
- b. making any contracts and other documents, records and information related to the provision of the Services available for inspection;
- c. granting copying facilities to the Company's auditor for the purposes of making copies of any or all the information, records and documents;
- d. complying with the Company's reasonable requests for access to senior personnel engaged in the Supplier's performance of the Contract; and
- e. granting access to the Site to staff of the incoming suppliers (with the approval of the Company) for the purpose of mobilisation and transitioning of the Services. This will include providing access to all plant, equipment, Company owned contract related records.

14.2.2.6. The Supplier is required to notify any subcontractors of the relevant demobilisation procedures set out in this Schedule 14 and/or the Demobilisation Plan.

14.1.2. Post Expiry Date Support:

14.2.3.1. The Supplier shall cooperate with and provide all reasonable assistance and information in connection with the Services and/or to facilitate the orderly transfer of responsibility for and conduct of the Services to the Company and any incoming supplier or suppliers in the transition of the Services before the Expiry Date or earlier termination date (as the case may be) and for a period of three months after such date, to ensure that the changeover to the

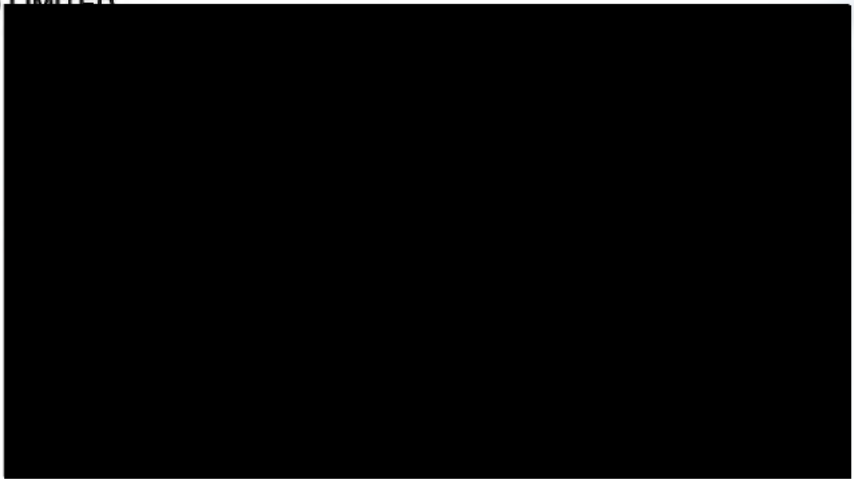
incoming supplier (or back to the Company) is effected with minimal disturbance and disruption. The Supplier's cooperation; reasonable assistance and information shall include (but not be limited to):

- a. Ad-hoc management telephone support where the historical information resides with the Suppliers retained staff not affected by the Transfer Regulations.
- b. The remedy of any deficiencies in the handover of physical assets, software and electronic documents.

EXECUTION PAGE

Executed as a deed by the parties and delivered on the date of this Contract

**THE COMMON SEAL of
LONDON UNDERGROUND LIMITED**
Was affixed to **THIS DEED**
in the presence of:



Authorised Signatory

Executed as **A DEED**
For and on behalf of
TELENT TECHNOLOGY SERVICES LIMITED

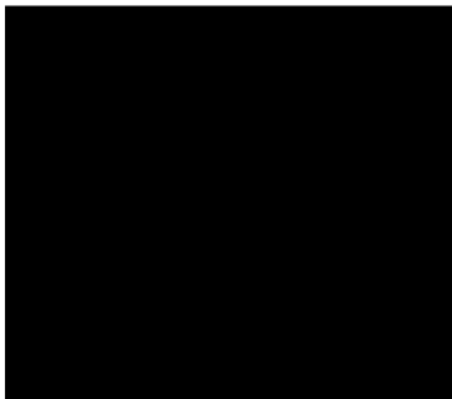


Director

(signature)

(print name)

in the presence of:



Witness

(signature)

Name of Witness

(print name)

Address of Witness

(print address)

Occupation of Witness


(print occupation)

LONDON UNDERGROUND LIMITED (1)
and
TELENT TECHNOLOGY SERVICES LIMITED (2)

CONTRACT
for the supply of
INSTALLATION AND MAINTENANCE SERVICES
TO COMMUNICATION ASSETS AND SYSTEMS

CONTRACT REFERENCE NUMBER: TfL-01016]

Volume Two

This is the Volume 2 referred to in the Agreements dated <u>17</u> July 2017	
London Underground Limited initial here:	
Telent Technology Services Limited initial here:	

Specification Part C – Appendix A - Asset List

Preamble

1. Volume 2, 3 and 4 detail the Asset List for the Jubilee, Northern, and Piccadilly Lines as 31st December 2014 (the 2014 Asset List)
2. This Volume 2 details the 2014 Asset List for the Jubilee Line
3. Volume 5 of the Agreement details the additions, deletions and amendments to the 2014 Asset list in the period between 31st December 2014 and the date of this Agreement.
4. Volumes 2, 3, 4 and 5 shall be read together to provide the Specification Part C Asset List current at the date of the Agreement.

