

SCHEDULE F**CONFLICT OF INTEREST (COI) COMPLIANCE REGIME****1. CONFLICTS OF INTEREST**

- 1.1 The Supplier acknowledges and agrees that its performance of the Services pursuant to this Agreement could result in either or both:
- 1.1.1 the Supplier holding Commercially Confidential Information that could give rise to the Supplier, or any of its COI Associates, (whether alone, in a consortium, or otherwise) receiving, or potentially receiving an unfair advantage in relation to the tendering process for any Authority Contract in relation to which Engaged Personnel are directly or indirectly involved; or
 - 1.1.2 a potential or actual conflict of interest arising due to: (i) the Supplier's provision of the Services pursuant to this Agreement; and (ii) its, or any of its COI Associates', involvement (whether alone, in a consortium, directly or indirectly or otherwise) in any Authority Contract (any such Authority Contract, where an unfair advantage or potential unfair advantage or potential or actual conflict of interest arises, being a "Conflicting Project").
- 1.2 The Supplier warrants, as at the date hereof, that the processes set out in Paragraph 2 (General Restrictions Applying to Engaged Personnel) and Paragraph 3 (Information Barrier) (the "COI Management Process") are sufficient such that the Supplier, and its COI Associates, will not receive an unfair advantage in relation to any Conflicting Project and otherwise are sufficient to manage any potential or actual conflict of interest that it or any of its COI Associates may have.
- 1.3 The Supplier warrants, as at the date hereof, that all material details of any potential or actual unfair advantage or potential or actual conflict of interest that it has in relation to any Conflicting Project, as at the date hereof, are disclosed in Appendix 1 (Disclosed Projects).
- 1.4 The obligations in relation to the COI Management Process shall apply, inter alia, to all Conflicting Projects set out in Appendix 1 (Disclosed Projects) and the Supplier also acknowledges that, from time to time (and without prejudice to Paragraph 1.12), the Authority may impose additional requirements in relation to such Conflicting Projects and any new Conflicting Projects in accordance with the provisions of this Paragraph 1.
- 1.5 Without prejudice to Clause 23 (Conflicts of Interest) the Supplier undertakes to:
- 1.5.1 continually monitor its business, and the business of its COI Associates, throughout the Term in order to determine whether Commercially Confidential Information passing between the Authority and the Supplier, any Supplier Related Parties or any COI Associate during the Term is material, or may be material, to a Conflicting Project;

- 1.5.2 notify the Authority in writing of any change in circumstances or information not previously disclosed to the Authority which leads to a Conflicting Project coming into, or potentially coming into, existence (or which is material in relation to any Conflicting Project that already exists), including where any Engaged Personnel or former Engaged Personnel who then becomes involved in a Conflicting Project, as soon as it becomes aware of such change or information, whether through the monitoring process set out in Paragraph 1.5.1 or otherwise; and
- 1.5.3 within ten (10) Business Days (unless otherwise agreed by the Parties) of the date on which the Authority receives written notification from the Supplier under Paragraph 1.5.1, provide the Authority with a written report setting out:
- (A) full details of the Conflicting Project, and the change in circumstances or information not previously disclosed to the Authority which has led to such Conflicting Project coming into, or potentially coming into, existence (or which is material in relation to any Conflicting Project that already exists); and
 - (B) whether, in the opinion of the Supplier (acting reasonably), the COI Management Process remains sufficient such that the Supplier, and its COI Associates, will not receive an unfair advantage in relation to such Conflicting Project and otherwise remain sufficient to manage any potential or actual conflict of interest that it or any COI Associate may have.
- 1.6 Where the Supplier considers that the COI Management Process is sufficient to avoid any unfair advantage in relation to any Conflicting Project and to manage any potential or actual conflict of interest, within ten (10) Business Days (unless otherwise agreed by the Parties) of the date on which the Authority receives the written report from the Supplier in accordance with Paragraph 1.5.3, the Authority shall provide the Supplier with a written notice stating that it considers (acting in its absolute discretion) that:
- 1.6.1 the COI Management Process (in its current form) is such that the Supplier, and its COI Associates, will not receive an unfair advantage in relation to such Conflicting Project and otherwise remains sufficient to manage any potential or actual conflict of interest;
 - 1.6.2 the COI Management Process (in its current form) is not able to remove an unfair advantage received by the Supplier, or any of its COI Associates, in relation to such Conflicting Project or otherwise is not sufficient to manage any potential or actual conflict of interest but that the COI Management Process may be able to do so in an amended form; or
 - 1.6.3 the COI Management Process (whether in its current form or in an amended form) is not able to remove an unfair advantage received by the Supplier, or any of its COI Associates, in relation to such Conflicting Project or otherwise is not sufficient to manage any potential or actual conflict of interest.

- 1.7 If at any time the Authority otherwise becomes aware of any change in circumstances or information not previously disclosed by the Supplier that the Authority determines in its sole discretion should be or (if known by the Supplier) should have been notified to the Authority in accordance with Paragraph 1.5.1, the Authority may provide the Supplier with a written notice in accordance with Paragraphs 1.6.1, 1.6.2 or 1.6.3 above.
- 1.8 Where the Conflicting Project relates to a bid for or the entry into a new Authority Contract, this Paragraph 1.5 shall apply.
- 1.8.1 Where:
- (A) the Supplier or COI Associate has expressed an interest in an Authority Contract;
 - (B) it is, in the Authority's sole opinion, of benefit to the Authority that the Supplier or COI Associate should bid for or enter into that Authority Contract; and
 - (C) the Authority considers that any conflict of interest arising from the Supplier or COI Associate bidding for or entering into that Authority Contract is not material or can be managed,
 - (D) the Authority may, in its sole discretion, permit the Supplier or COI Associate to continue to bid for or enter into that Authority Contract.
- 1.8.2 In the event that the Authority does permit the Supplier or COI Associate to bid for or enter into an Authority Contract, the Authority may require the Supplier and any relevant COI Associate to enter into a Compliance Agreement prior to the commencement of any competitive tendering or the award of any contract, and in the event of any failure by the Supplier or a COI Associate to comply with any such Compliance Agreement or requirement then the Authority may (without limitation to any remedies which may be available under the Compliance Agreement or otherwise) exercise any of the rights set out in Paragraph 4.1.
- 1.9 In the event that an entity that is already a party to (or is competing for or proposing to enter into) any Authority Contract becomes a COI Associate, the Authority may require the Supplier and the relevant COI Associate to enter into a Compliance Agreement as soon as is practical, and in the event of any failure by the Supplier or the relevant COI Associate to comply with any such Compliance Agreement or requirement the Authority may (without limitation to any remedies which may be available under the Compliance Agreement or otherwise) enforce its rights under Paragraph 4.1.
- 1.10 Where:
- 1.10.1 the Supplier does not provide confirmation in accordance with Paragraph 1.1.1(B) that the COI Management Process remains sufficient such that the Supplier, and its COI Associates, will not receive an unfair advantage in relation to such Conflicting Project and otherwise remains sufficient to manage any potential or actual conflict of interest that it or any of its COI Associates may have; or

1.10.2 the Authority gives notice in accordance with Paragraph 1.6.2 that it considers that the COI Management Process (in its current form) is not able to remove an unfair advantage received by the Supplier, or any of its COI Associates, in relation to such Conflicting Project or otherwise is not sufficient to manage any potential or actual conflict of interest,

then the Supplier or the Authority may, by written notice to the other Party, propose a meeting between the Parties within five (5) Business Days (unless otherwise agreed by the Parties) of the date of such notice to discuss what changes could be made to the COI Management Process to satisfy the Authority (acting in its sole discretion) that the Supplier, and its COI Associates, will not receive an unfair advantage in relation to such Conflicting Project and that the COI Management Process will otherwise be sufficient to manage any potential or actual conflict of interest.

1.11 The Supplier shall (and shall ensure that its COI Associates shall) comply with any agreed amended COI Management Process.

1.12 Where:

1.12.1 in accordance with Paragraph 1.6.3, the Authority considers that the COI Management Process (whether in its current form or in an amended form) is not able to remove or manage an unfair advantage received by the Supplier, or any of its COI Associates, in relation to such Conflicting Project or otherwise is not sufficient to manage any potential or actual conflict of interest; or

1.12.2 the Supplier will not or cannot agree the changes to the COI Management Process required by the Authority in accordance with Paragraph 1.10 so as to remove or manage any unfair advantage received by the Supplier, or any of its COI Associates, in relation to such Conflicting Project or otherwise ensure that the COI Management Process will be sufficient to manage any potential or actual conflict of interest, then (without prejudice to any other remedies available pursuant to this Agreement or at law), the Authority shall be entitled, by notice in writing to the Supplier, to:

1.12.3 require that the Supplier does any one or more of the following:

- (A) remove and replace any of the Engaged Personnel in accordance with Paragraph 2.3 of **Error! Reference source not found.** (Management of Engaged Personnel);
- (B) not tender or re-tender, and procure that its COI Associates shall not tender or re-tender, for that Conflicting Project; and
- (C) (where relevant) as soon as reasonably possible (and in any event within ten (10) Business Days (unless otherwise agreed by the Parties) of the date of the written notice):
 - (1) withdraw from tendering or re-tendering for that Conflicting Project or procure that its COI Associates shall withdraw from tendering or re-tendering for that Conflicting Project; or

- (2) terminate or withdraw from the relevant DE&S Contract or procure that its COI Associates shall terminate or withdraw from the relevant DE&S Contract; or

1.12.4 if the Supplier fails to comply with the Authority's requirements under Paragraph 1.12.3, the Authority will terminate this Agreement with immediate effect.

- 1.13 The Authority's decision as to whether or not to require any remedy or remedies under Paragraph 1.12 shall be taken at the Authority's sole discretion. No compensation shall be payable by the Authority to the Supplier or any of its COI Associates as a consequence of any remedy or remedies that the Authority may require under Paragraph 1.12 (save that the Authority shall make payment for any service correctly rendered under an Authority Contract up to the date on which a notice was given under Paragraph 1.1(2)(2).
- 1.14 The remedy or remedies under Paragraph 1.12 shall only apply to Conflicting Projects set out in (Disclosed Projects) if and to the extent that there is a change in circumstances or information not previously disclosed to the Authority that is (or, if known by the Supplier, should be or have been) notified to the Authority in accordance with Paragraph 1.5.1.

2. GENERAL RESTRICTIONS APPLYING TO ENGAGED PERSONNEL

- 2.1 The Supplier shall ensure that all Engaged Personnel use Authority Commercially Sensitive Information solely for the performance of the Services and in accordance with the terms set out in this Agreement. In particular, the Supplier shall ensure that the Engaged Personnel do not disclose, or allow access to any Authority Commercially Sensitive Information, not in the public domain, to any person who is not Engaged Personnel except to the extent required by this Agreement or Applicable Law.
- 2.2 The Supplier shall ensure that the Engaged Personnel do not receive any information not in the public domain from any of the COI Associates (or any officer, employee, representative, agent or adviser of the COI Associates) who are or have been involved in the performance of an existing contract, or in tendering for a new contract, relating to any Conflicting Project (all such persons being "Conflicted Persons"), except to the extent required for the performance of the Supplier's obligations under the COI Management Process.
- 2.3 The Supplier shall ensure that the following restrictions are fully implemented and applied to the Engaged Personnel:
 - 2.3.1 none of the Engaged Personnel shall be involved during the term of their engagement under this Agreement in the performance of an existing contract, or in tendering for a new contract, relating to any Conflicting Project;

- 2.3.2 none of the Engaged Personnel shall be involved in the performance of an existing contract, or in tendering for a new contract, relating to any Conflicting Project for the period applicable to their level or role as set out in Paragraph 1 (Applicable Post Engagement Duration) of 0 (Business Appointments) to this 0 (COI Compliance Regime) from their ceasing to be engaged under this Agreement, unless agreed otherwise by the Authority in its sole discretion. The Authority may take into account the factors set out in Paragraph 2 (Factors impacting Business Appointments) of 0 (Business Appointments) to this 0 (COI Compliance Regime) in considering whether to permit a shorter period to that set out in Paragraph 1 (Applicable Post Engagement Duration) of 0 (Business Appointments) to this 0 (COI Compliance Regime);
- 2.3.3 Each Engaged Personnel (and any other person to whom disclosure of Authority Commercially Sensitive Information is made by or on behalf of the Supplier or any of the Supplier Related Parties or any COI Associate) is aware of and observes the obligations of the Supplier under this Agreement (including the COI Management Process) and is subject to enforceable undertakings in favour of the Supplier under which he or she can be required to comply with such obligations.
- 2.4 The Supplier shall:
- 2.4.1 procure that all Engaged Personnel comply with obligations in substantially the form set out in Paragraph **Error! Reference source not found.** of **Error! Reference source not found.** (Letter of Placement) to **Error! Reference source not found.** (Management of Engaged Personnel), whether or not they have entered into a Letter of Placement;
- 2.4.2 where any Engaged Personnel identifies to the Supplier (directly or through that person's employer) that he or she considers that his or her work for the Authority could give rise to an actual or potential conflict of interest between his or her duties for the Authority and for the Supplier (directly or through that person's employer) or any company in which he or she holds any office or employment, the Supplier shall immediately bring this to the attention of the Authority and instruct the person to withdraw from any further discussion or work relating to the project at issue or this Agreement until the Authority has made a determination under Paragraph 2.5; and
- 2.4.3 where any Engaged Personnel identifies to the Supplier (directly or through that person's employer) that he or she considers that his or her private investment raises a question of a possible conflict with his or her engagement in relation to the Services, the Supplier will immediately bring this to the attention of the Authority and Paragraph 2.6 shall apply.
- 2.5 Where the Supplier gives notice to the Authority under Paragraph 2.4.2, the Authority shall be entitled, having regard to the COI Management Process and the Supplier's obligations under this Agreement, to require the Supplier to remove or replace such Engaged Personnel from either or both of the Conflicting Project and this Agreement with immediate effect.

- 2.6 Where the Supplier gives notice to the Authority under Paragraph 2.4.3, the Authority shall, having regard to the COI Management Process and the Supplier's obligations under this Agreement, be entitled to request that the Supplier requests that such Engaged Personnel does not deal with the relevant private investment or the Authority shall be entitled to require the Supplier to remove or replace such Engaged Personnel from this Agreement in accordance with Paragraph **Error! Reference source not found.** of **Error! Reference source not found.** (Management of Engaged Personnel).
- 2.7 Where there is a change in the role of any Engaged Personnel and such change causes a personal conflict of interest to arise, the Supplier shall procure that such Engaged Personnel promptly notifies the Supplier (directly or through that person's employer) and the Supplier shall promptly notify the Authority of such change and provide details of the personal conflict of interest. The Authority shall, having regard to the COI Management Process and the Supplier's obligations under this Agreement, be entitled to require the Supplier to remove or replace such Engaged Personnel from either or both of the Conflicting Project and this Agreement with immediate effect.

3. INFORMATION BARRIER

- 3.1 The Supplier shall ensure, in accordance with this Paragraph 3 (Information Barrier), that the Engaged Personnel are separated from, and that an effective information barrier is put in place with all Supplier Related Parties who are not Engaged Personnel.
- 3.2 The Supplier shall ensure that the Engaged Personnel take all decisions in connection with the Services completely independently from Conflicted Persons.
- 3.3 Nothing in this 0 (COI Compliance Regime) shall prevent the Supplier from following its corporate governance arrangements required to review and approve its involvement in any aspect of the Services, provided that such arrangements do not require disclosure of Commercially Confidential Information (or any information in relation to a Conflicting Project) to any person that would give rise to an unfair advantage to the Supplier or any of its COI Associates in relation to any Conflicting Project and do not otherwise give rise to any potential or actual conflict of interest (other than a conflict that the Authority has confirmed in writing that the COI Management Process is sufficient to manage).
- 3.4 Where Engaged Personnel require contact with Supplier Related Parties for reasons relating to them as individuals, such as periodic performance reviews, the Supplier shall ensure that such contact is with Supplier Related Parties who are not Conflicted Persons.
- 3.5 The information barrier referred to in Paragraph 3.1 shall include the following elements:
- 3.6 all Engaged Personnel shall be notified of the restrictions set out in Paragraph 2 (General Restrictions Applying to Engaged Personnel) and this Paragraph 3 (Information Barrier);

- 3.7 all contact between the Engaged Personnel and Conflicted Persons shall be fully recorded in a standard and computable format;
- 3.8 (save to the extent that Engaged Personnel use the Authority's equipment and systems), secure and separate electronic workspaces for the production, storage and filing of all electronic documents and communications that are sent, received or generated (or otherwise worked on) by Engaged Personnel in connection with the Services shall be established which are not accessible by Supplier Related Parties (other than Engaged Personnel);
- 3.9 (save to the extent that Engaged Personnel use the Authority's storage and filing space), a secure and separate storage and filing space for all hard copy documents and communications that are sent, received or generated (or otherwise worked on) by Engaged Personnel in connection with the Services shall be established which is not accessible by Supplier Related Parties (other than Engaged Personnel);
- 3.10 all documents and communications that are sent, received or generated (or otherwise worked on) by Engaged Personnel in connection with the Services shall be marked as "confidential and subject to an information barrier" if there is any risk that they may be accessed by any Supplier Related Party who is not Engaged Personnel;
- 3.11 all electronic documents that are sent, received or generated (or otherwise worked on) by Engaged Personnel in connection with the Services and contain Authority Commercially Sensitive Information shall be encrypted and password protected (and marked as "confidential and subject to an information barrier") if there is any risk that they may be accessed by any Supplier Related Party who is not Engaged Personnel; and
- 3.12 all Engaged Personnel shall be notified that any breach by them of the COI Management Process could lead to the imposition of disciplinary sanctions by the Supplier.
- 3.13 if required by the Authority, the Supplier shall ensure that arrangements are in place in relation to any Conflicting Project that are equivalent to those required by this Paragraph 3 (mutatis mutandis).
- 3.14 if it is proposed that any Engaged Personnel will not work full time at the Authority's sites, then the Supplier and Authority shall (prior to the commencement of any such engagement of such Engaged Personnel under this Agreement) agree how the arrangements required by the COI Management Process should be adapted and any practical arrangements put in place in order to ensure that the objectives of the COI Management Process are achieved.

4. BREACH OF COI MANAGEMENT PROCESS

- 4.1 Without prejudice to any other remedies available pursuant to this Agreement (including termination) or at law, following a breach of the COI Management Process or a breach of a Compliance Agreement or a failure to enter into a Compliance Agreement (as referred to in Paragraph 1.8.2) by the Supplier, the Authority shall be entitled, by notice in writing to the Supplier, to:

4.1.1 require that the Supplier do any one or more of the following:

- (A) remove and replace any of the Engaged Personnel in accordance with Paragraph **Error! Reference source not found.** of **Error! Reference source not found.** (Management of Engaged Personnel);
- (B) not tender or re-tender, and procure that its COI Associates shall not tender or re-tender, for any Conflicting Project; and
- (C) (where relevant) as soon as reasonably possible (and in any event within ten (10) Business Days (unless otherwise agreed by the Parties) of the date of the written notice):
 - (1) withdraw from tendering or re-tendering for any Conflicting Project or procure that its COI Associates shall withdraw from tendering or re-tendering for that Conflicting Project; or
 - (2) terminate or withdraw from any DE&S Contract or procure that its COI Associates shall terminate or withdraw from the relevant DE&S Contract; or

4.1.2 subject to Clause 52 (Early Termination), terminate this Agreement on the grounds set out in Clause 52.2.1(G).

- 4.2 Without prejudice to any other remedies available pursuant to this Agreement or at law, following a breach of a Sub-contractor Compliance Agreement or a failure to enter into a Sub-contractor Compliance Agreement by any Sub-contractor, the Authority shall be entitled, by notice in writing to the Supplier, to:

4.2.1 require that the Supplier do any one or more of the following:

- (A) remove and replace any of the Engaged Personnel provided by the Sub-contractor in accordance with Paragraph **Error! Reference source not found.** of **Error! Reference source not found.** (Management of Engaged Personnel);
- (B) procure that the Sub-contractor, or any relevant associated entity of the Sub-contractor (as defined in the Sub-contractor Compliance Agreement), shall not tender or re-tender for any Conflicting Project;
- (C) terminate the relevant Sub-contract; and
- (D) (where relevant) as soon as reasonably possible (and in any event within ten (10) Business Days (unless otherwise agreed by the Parties) of the date of the written notice) shall procure that the Sub-contractor, or any relevant associated entity of the Sub-contractor (as defined in the Sub-contractor Compliance Agreement), shall:

- (1) withdraw from tendering or re-tendering for any Conflicting Project; or
- (2) (where relevant) terminate or withdraw from any DE&S Contract; or

4.2.2 if the Supplier fails to comply with the Authority's requirements under Paragraph 4.2.1 above, terminate this Agreement.

- 4.3 In deciding whether or not to exercise one or more of its rights under Paragraphs 4.1 or 4.2, the Authority shall take into account the relevant circumstances and seek to act reasonably and proportionately to the nature of any breach and the extent to which any such breach is inadvertent, the result of decisions of isolated individuals or a deliberate act of the Supplier or Key Personnel (or, where relevant, a Sub-contractor). No compensation shall be payable by the Authority to the Supplier or any of its COI Associates or any Sub-contractor as a consequence of any remedy or remedies that the Authority may require under Paragraphs 4.1 or 4.2 (save that the Authority shall make payment for any service correctly rendered under a DE&S Contract up to the date on which a notice was given under Paragraphs 1.1.1(C) and (D)).

5. MONITORING AND COMPLIANCE

- 5.1 The Supplier shall be proactive in monitoring the performance of its obligations under Paragraph 1 and the COI Management Process and shall raise any concerns with the Authority immediately. In particular, the Supplier shall notify the Authority in the event of any breach of Paragraph 1 or the COI Management Process as soon as possible after becoming aware of such breach.
- 5.2 At all times (and without prejudice to the generality of Paragraph 5.1 above):
- 5.2.1 the Key Personnel shall designate one of their number (and shall notify the Authority in writing of such designation) to monitor and ensure compliance by all Engaged Personnel with the COI Management Process; and
 - 5.2.2 the Supplier shall designate an equivalent Supplier Related Party (and notify the Authority in writing of such designation) to monitor and ensure compliance by the Supplier with its obligations in Paragraph 1 and to monitor and ensure compliance by all Supplier Related Parties (other than Engaged Personnel) with the COI Management Process.
- 5.3 The Supplier shall demonstrate its compliance with its obligations in Paragraph 1 and the COI Management Process whenever requested by the Authority and in such manner as is reasonably requested by the Authority having regard to the governance arrangements in Schedule C (Supplier Group Governance).

- 5.4 The Authority (or a representative nominated by the Authority) shall have the right to audit the Supplier's compliance with its obligations under Paragraph 1 and the COI Management Process and the Supplier shall provide all reasonable access and assistance to enable the Authority (or its nominated representative) to do so.

OFFICIAL

PDP/002
Schedule F Appendix 1

APPENDIX 1
DISCLOSED PROJECTS

OFFICIAL

APPENDIX 2**BUSINESS APPOINTMENTS****1. APPLICABLE POST ENGAGEMENT DURATION**

Engaged Personnel level / role	Duration after ceasing to be engaged for which the relevant Engaged Personnel shall not be involved in the performance of an existing contract, or in tendering for a new contract, relating to any Conflicting Project
Level 1	N/A
Level 2	3 months
Level 3	6 months
Level 4	9 months
Level 5	9 months
JSDT (not SRO) *	6 months
SRO*	12 months
Any Engaged Personnel who does not fit within the above categories	To be agreed with the PDP Commercial Lead, taking into consideration the factors set out in Paragraph 2 (Factors impacting Business Appointments) to this 02 (Business Appointments) of 0 (COI Compliance Regime)

*See Definitions in Schedule A

2. FACTORS IMPACTING BUSINESS APPOINTMENTS**2.1 If the Engaged Personnel:**

- 2.1.1 has been involved in developing policy affecting their new employer, or have had access to unannounced Government policy or other privileged information affecting their new employer, at any time in the last two (2) years of the term of their engagement under this Agreement;
- 2.1.2 has been responsible for regulatory or any other decisions affecting their new employer, at any time in the last two (2) years of the term of their engagement under this Agreement;
- 2.1.3 has had any official dealings with their new employer at any time in the last two (2) years of the term of their engagement under this Agreement;
- 2.1.4 has had official dealings of a continued or repeated nature with their new employer at any time during the term of their engagement under this Agreement;

- 2.1.5 has had access to commercially sensitive information of competitors of their new employer in the course of their engagement under this Agreement;
- 2.1.6 will be involved in making representations to, or lobbying the Government on behalf of their new employer; or
- 2.1.7 will be undertaking consultancy work, either self-employed or as a member of a firm, and the Engaged Personnel has had official dealings with outside bodies or organisations in the last two (2) years of the term of their engagement under this Agreement that are involved in their proposed area of consultancy work.