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Schedule 7.1 - ESMCP Mobile Services Agreement Charges and Invoicing

Version 1.0

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CHANGE HISTORY

Version No.	Effective Date of agreement / CAN	Version / Details of Changes included in Update	Author(s)
1.0	01/12/2024	Execution Version	ESMCP

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1 Definitions

- 1.1 In construing this Schedule 7.1 (Charges and Invoicing), unless otherwise expressly specified in this Schedule terms defined and used in Schedule 1 (Definitions) will have the same meaning in this Schedule.
- 1.2 If there is any conflict or ambiguity between this Schedule 7.1 and Schedule 7.7, the following order of precedence shall apply the extent of such conflict or ambiguity:
- 1.2.1 first, Part 1 to Part 6 (inclusive) of this Schedule 7.1;
 - 1.2.2 second, Schedule 7.7;
 - 1.2.3 third, the Annex to Schedule 7.7 (Financial Model); and
 - 1.2.4 finally, Part 7 (Annexes) to this Schedule 7.1.

2 Introduction

- 2.1 This Schedule sets out an exhaustive list of all Charges, including without limitation, the details for pricing individual elements of the Services, calculating periodic Service Charges, adjusting Charges, limitations to profit, and invoicing.
- 2.2 This Schedule is split into seven (7) parts (Part 1-Part 6) with five (5) annexes (in Part 7):
- 2.2.1 Part 1 sets out the pricing and charging mechanisms for the Services;
 - 2.2.2 Part 2 sets out the mechanisms for adjustments to the Charges (including under the Re-baselining Process, Non-Failure Delay to Integrated Milestones, Delay Payments, payments for delays due to Authority Cause, Service Credits, changes to Charges, resource safety valve mechanism, Contingency Charges, indexation and Allowable Assumptions, and the risk register);
 - 2.2.3 Part 3 sets out the gainshare and painshare mechanisms;
 - 2.2.4 Part 4 sets out the invoicing and payment terms for all sums payable by the Authority to the Supplier;
 - 2.2.5 Part 5 sets out the invoicing and payment terms for bulk invoice statements for Tariff Charges and for any other invoices for User Organisations Services raised by the Supplier and issued to the US Supplier;
 - 2.2.6 Part 6 sets out terms relating to the Optional Services Catalogue;
 - 2.2.7 Part 7 sets out the Annexures which are as follows:
 - (a) Annex 1 – Prices and Charges;
 - (b) Annex 2 – Allowable Assumptions;
 - (c) Annex 3 – Risk Register.
- 2.3 For the avoidance of doubt and save as otherwise expressly set out in this Schedule 7.1, Part 2 and Part 3 apply to all Charges irrespective if under a Transferred CAN or otherwise under this Agreement.

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Part 1: Pricing and Charging**1 Applicable Pricing and Charging Mechanism**

1.1 There are six (6) charging models under this Agreement, which are:

1.1.1 Fixed, which applies to:

- (a) Service Charges with charge number SC1a;
- (b) all Milestone Payments (excluding Coverage Enhancement Locations (CELs));
- (c) Service Charges with charge number SC1b; and

1.1.2 Time and Materials, which applies to:

- (a) CEL Milestone Payments;
- (b) costs incurred by the Supplier in respect of the ESN Air Radio Planning Tool and A2G Coverage Visualisation toolset;
- (c) pass through costs from TfL's Concessionaire relating to Coverage in the London Underground;
- (d) pass through costs associated rental and rates for EAS Sites;
- (e) pass through costs associated with rental and rates for A2G Radio Sites;
- (f) low-level emergency funding for EAS Site repairs/fixes.

1.1.3 Charges under Transferred CANs;

1.1.4 Tariff Charges;

1.1.5 Charges for Optional Services; and

1.1.6 Charges relating to termination and/or exit.

1.2 Charges are subject to change only as referred to in Part 2 and Part 3 of this Agreement.

1.3 Subject to terms of this Agreement, all Charges may be payable by the Authority. However only Tariff Charges and Charges for Optional Services may be payable by Customers. All Charges payable by Customers are subject to the terms of the relevant Customer Contract (and the relevant terms of this Agreement).

2 Fixed Charges – Introduction

2.1 These Paragraphs 2-5 set out the Fixed Charges. **Fixed Charges** means the Charges as described in Paragraph 2 of Part 1 of Schedule 7.1 (Charges and Invoicing).

2.2 The Fixed Charges are:

2.2.1 Service Charges where the Service Charge Trigger Event is the Effective Date. These Service Charges use the charge number: SC1a and are also referred to as **SC1a Charges**;

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- 2.2.2 all Milestone Payments (excluding CEL Milestone Payments). For Milestone Payments which are Fixed Charges these use the charge number: MP; and
- 2.2.3 Service Charges where the Service Charge Trigger Event is the Achievement of certain Milestones. These Service Charges use the charge number: SC1b and are also referred to as **SC1b Charges**.
- 2.3 Each Fixed Charge:
 - 2.3.1 is a fixed sum for the entire Term of this Agreement (and during the Termination Assistance Period) as set out in Tables: 1a (Service Charges (SC1a); 1b (–Service Charges (SC1b); and 1c (–Milestone Charges) of Annex 1 of this Schedule 7.1; and
 - 2.3.2 may only increase (or decrease) due to Indexation in accordance with Paragraph 9 of Part 2 of this Schedule 7.1. Indexation only applies to the Fixed Charges listed in this Paragraph 2, and not to any other Charges,

(save as referred to in Paragraphs 3-5 of this Part 1 in relation to Transferred CANs).

3 Fixed Charges – SC1a Charges

- 3.1 All SC1a Charges are set out in Table 1a (Service Charges (SC1a)) in Annex 1 of this Schedule 7.1.
- 3.2 There are six (6) types of SC1a Charges. These are:
 - 3.2.1 SC1a Charges for the Services described in Paragraph 3.3 in this Part 1 and such Charges are referred to as **SC1a-Base**;
 - 3.2.2 SC1a Charges for 2G and 3G removal, as described in Paragraph 3.4 in this Part 1 and such Charges are referred to as **SC1a-2G&3G**;
 - 3.2.3 SC1a Charges for Annex E setup, as described in Paragraph 3.4 in this Part 1 and such Charges are referred to as **SC1a-ANXE**;
 - 3.2.4 SC1a Charges for Gateway Solution validation assessment, as described in Paragraph 3.4 in this Part 1 and such Charges are referred to as **SC1a-GATE**;
 - 3.2.5 SC1a Charges for OS vRAN development, as described in Paragraph 3.4 in this Part 1 and such Charges are referred to as **SC1a-vRAN**; and
 - 3.2.6 SC1a Charges for EAS initial setup, as described in Paragraph 3.4 in this Part 1 and such Charges are referred to as **SC1a-EAS**.
- 3.3 SC1a Base Charges
 - 3.3.1 SC1a-Base covers all activities/services listed below:
 - (a) core platforms refresh, as further described in Schedule 2.1 Paragraph 6.3 and refreshed in the timeframe in Schedule 7.7;
 - (b) running costs, as further described in Schedule 2.1 Paragraphs 3, 7, 8 and Annex E;
 - (c) core BT team, as further described in Schedule 7.7;

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- (d) Coverage operations (RAN operations and troubleshooting), as further described in Schedule 2.1 Paragraphs 7 and 8, and refreshed in the timeframe in Schedule 7.7;
- (e) Coverage assurance (optimisation, vertical verification and Coverage benchmarking), as further described in Schedule 2.1 Paragraph 3.5 and Schedule 6.3;
- (f) Service Management, as further described in Schedule 2.1 Paragraph 8;
- (g) Coverage setup (tools and systems, coverage testing, assurance and portal), as further described in Schedule 2.1 Paragraph 3.7;
- (h) Data retention, as further described in Schedule 2.1 Paragraph 9.2 and Schedule 8.4 Paragraph 2;
- (i) Integration activity (291 ESN Specific Sites), as further described in Schedule 2.1 Paragraph 3.15;
- (j) ongoing Charges post 2024 related to Transferred CANs, as further described in Schedule 7.7;
- (k) legal policy change, as further described in Schedule 8.4, Schedule 2.1 Paragraph 16 and Schedule 4.3;
- (l) active equipment updates (291 ESN Specific Sites), as further described in Schedule 7.7;
- (m) User Organisation onboarding, as further described in Schedule 2.1 Paragraph 8.3;
- (n) 5G spectrum, as further described in Schedule 2.1 Paragraph 3.1.6;
- (o) Resource efficiency, as further described in Schedule 7.7; and
- (p) any other Service to be provided by the Supplier under this Agreement, as set out in this Agreement at the Effective Date, which does not have an express Charge applied to it.

3.4 Other SC1a Charges

3.4.1 The SC1a Charges (excluding the SC1a-Base) apply to the relevant Services each as set out in the Table in Paragraph 3.4.2 below.

3.4.2 Other SC1a Charges:

Other SC1a Charges for		
Service	Service description	Charge number
2G and 3G removal	for all work completed and relating to removing the 2G and 3G services, as further described in Schedule 2.1 Paragraph 5.2.4.	SC1a-2G & 3G

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Annex E setup	for all work associated, related and connected to the implementation, installation, delivery and maintenance of the MS Supplier Special Coverage Locations, as further described in Schedule 2.1 Annex E.	SC1a-ANXE
Gateway Solution viability assessment	for all work relating to conducting the Gateway Solution viability assessment, as further described in Schedule 2.1 Paragraph 3.13.	SC1a-GATE
OS vRAN development	for all work relating to completion of the vRAN development exercise, as further described in Schedule 2.1 Paragraph 12.2.5	SC1a-vRAN
EAS initial setup	for all EAS implementation, installation, delivery and maintenance, as further described in Schedule 2.1 Paragraphs 4.1 and 4.2.	SC1a-EAS

4 Fixed Charges – Milestone Payments

- 4.1 The following Milestone Payments are Fixed Charges and are set out in Table 1c (Milestone Charges) in Annex 1 of this Schedule 7.1. These cover all Milestone Payments under this Agreement, excluding the CEL Milestone Payments.
- 4.2 Each Milestone (including the applicable criteria for Achievement) is further described in Schedule 6.1 (save as in relation to Transferred CANs, where the Milestone descriptions and their associated criteria to be Achieved is as set out in the relevant Transferred CAN).
- 4.3 These Milestone Payments cover:

Milestone Payments for	
Milestone Payments relating to	Summary Description
Resilience Primary Area Milestones	

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Resilience EAS Milestones	
Integrated Milestones	

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5G Milestones	
Gateway Setup Milestones	
Coverage in the London Underground Milestones	

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5 Fixed Charges – SC1b Charges





- 5.1 All SC1b Charges are set out in Table 1b (Service Charges (SC1b) in Annex 1 of this Schedule 7.1.
- 5.2 There are thirteen (13) types of SC1b Charges.
- 5.3 The SC1b Charges apply to the relevant Services each as set out in the table in Paragraph 5.4 below, from the Service Charge Trigger Event described in Table 1b of Annex 1, save that where the relevant Service is covered by a Transferred CAN, then the provisions of Paragraph 14.2 shall apply.
- 5.4 SC1b Charges:

SC1b Charges for		
Service	Service description	Charge number
Resilience Primary Area	<div>For all work relating to the ongoing management, run and maintenance of generators at each site in the Primary Area as set out in the Power Resilience Radio Plan, as further described in Schedule 2.1 Paragraph 7.1.4.</div> <div></div>	SC1b-RES_PRIM
Resilience EAS Sites	<div>For all work relating to the ongoing management, run and maintenance of generators at each EAS Site as set out in the Power Resilience Radio Plan, as further described in Schedule 2.1 Paragraph 7.1.5.</div>	SC1b-RES_EAS

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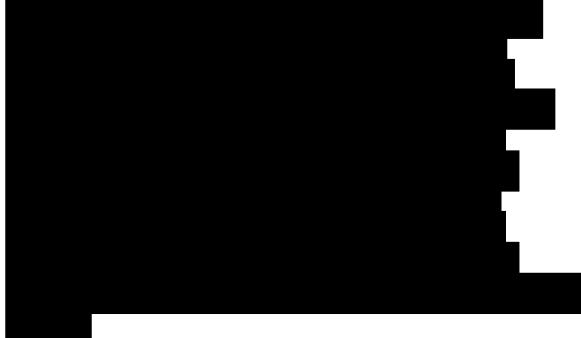
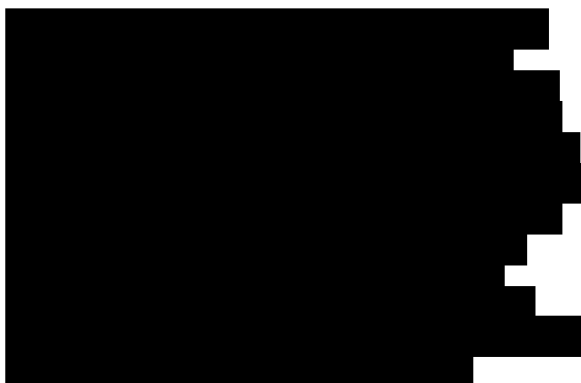
		
EAS Sites	<p>For all work relating to the ongoing facilities, services and estate management of EAS Sites which have been Achieved, as further described in Schedule 2.1 Paragraph 8.14.1.</p> 	SC1b-EAS
EAS Site shares	<p>For work specifically related to the ongoing facilities, services and estate management of EAS Site shares, as further described in Schedule 2.1 Paragraph 8.14.1.</p> 	SC1b-EAS_Shared
EAS BT greenfield site	<p>For work specifically related to the ongoing facilities, services and estate management of EAS BT greenfield site, as further described in Schedule 2.1 Paragraph 8.14.</p> 	SC1b-EAS_N-Shared
MS and US Integration	<p>For all work relating to the ongoing management, run and maintenance of the MS</p>	SC1b-MSUS

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	and US Integration, as further described in Schedule 2.1 Paragraphs 6.1 – 6.4.	
Gateway Solution	For all work relating to the ongoing management, run and maintenance of the Gateway Solution, as further described in Schedule 2.1 Paragraph 3.13.	SC1b-GATE
	 	SC1b-CLU
CELS	For all work relating to the ongoing management, run and maintenance of Coverage Enhancement Locations, as further described in Schedule 2.1 Paragraph 13. 	SC1b-CELS
Air-to-Ground (A2G)	For all work relating to the ongoing management, run and maintenance of A2G Radio Sites, as further described in Schedule 2.1 Paragraph 4.3.	SC1b-A2G_SILVER

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Air-to-Ground (A2G)	For all work relating to the ongoing management, run and maintenance of A2G Radio Sites, as further described in Schedule 2.1 Paragraph 4.3.  	SC1b-A2G_GOLD
OS vRAN	For all work relating to the ongoing management, run and maintenance of vRAN, as further described in Schedule 2.1 Paragraph 12.2.5.	SC1b-vRAN
Authority Special Coverage	For all work relating to Authority Special Coverage (Transferred CAN CR0789), as further described in Schedule 2.1 Paragraph 13.3	SC1b-SCOV

6 Time and Materials – Introduction

6.1 These Paragraphs 6-13 set out the only Charges which are calculated on a time and materials basis. These Charges use the charge number: TM, and cover:

6.1.1 the Milestone Payments relating to CELs, as described in Paragraph 7 in this Part 1 and referred to as **T&M-CELS_MS1**, **T&M-CELS_MS2** and **T&M-CELS_MS3**;

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- 6.1.2 the costs incurred by the Supplier in relation to A2G, as further described in Paragraph 8 in this Part 1 and referred to as **T&M-A2G**;
 - 6.1.3 pass through costs from TfL's Concessionaire relating to Coverage in the London Underground, as described in Paragraph 9 in this Part 1 and referred to as **T&M-TFL**;
 - 6.1.4 pass through costs for EAS Site rents, site rates, and utilities, as described in Paragraph 10 in this Part 1 and referred to as **T&M – EAS_FAC**;
 - 6.1.5 pass through costs for A2G Radio Site rents, site rates, and utilities, as described in Paragraph 11 in this Part 1 and referred to as **T&M – A2G_FAC**;
 - 6.1.6 low-level emergency fix/repair costs for EAS Sites, as described in Paragraph 12 in this Part 1 and referred to as **T&M – EAS_EMG**; and
 - 6.1.7 the resource costs incurred by the Supplier in relation to Termination Services, as further described in Paragraph 13 in this Part 1 and referred to as **T&M – TERM**.
- 6.2 Each of these Charges is calculated using the direct cost incurred by the Supplier exclusively in the performance of the relevant Services in accordance with this Agreement, plus a fixed mark-up, such mark-up as set out in Table 1d – Time and Materials Charges of Annex 1 of this Schedule 7.1.

7 Time and Materials – CEL Milestone Payments

- 7.1 CEL Milestones relate to the [REDACTED] stages of implementation of CELs, and therefore there are [REDACTED]

7.1.1 [REDACTED]

7.1.2 [REDACTED]

7.1.3 [REDACTED]

which are all subject to the CELs gainshare and painshare mechanism in Paragraph 2 of Part 3 of this Schedule 7.1.

- 7.2 For the avoidance of doubt the time and materials charges anticipated under this Paragraph 7 are chargeable:

7.2.1 [REDACTED]

7.2.2 [REDACTED]

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8 Time and Materials – Air-to-Ground (A2G) (T&M-A2G)

[REDACTED]

9 Time and Materials

[REDACTED]

9.1

[REDACTED]

9.2

10 Time and Materials – EAS facilities pass through (T&M – EAS_FAC)

[REDACTED]

11 Time and Materials – A2G facilities pass through (T&M – A2G_FAC)

[REDACTED]

12 Time and Materials – EAS low-level emergency works (T&M – EAS_EMG)

[REDACTED]

13 Time and Materials – Termination Services (T&M – TERM)

[REDACTED]

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14 Transferred CANS

- 14.1 The Transferred CANS were change authorisation notes to the Terminated Agreement and are listed in Table 1e of Annex 1 of this Schedule 7.1. From and including the Effective Date each of the Transferred CANS shall be deemed to become part of this Agreement in the same way that they were incorporated into the Terminated Agreement until such time as the services being provided under the respective Transferred CANS have been completed. Hence from and including the Effective Date all references to the Terminated Agreement in the Transferred CANS shall be deemed to refer to this Agreement.
- 14.2 So far as a Transferred CAN relates to Services that are subject to an SC1b Charge, or upon which Services subject to an SC1b Charge are dependent, that relevant SC1b Charge shall not apply until such time as the services under that relevant Transferred CAN have been completed.
- 14.3 Any obligations, rights or remedies under the Transferred CANS which arise before the Effective Date shall remain governed under the Terminated Agreement and only obligations, rights or remedies under the Transferred CANS which arise on or after the Effective Date shall be governed by this Agreement.
- 14.4 The Transferred CANS are the change authorisation notes contained on the Authority's virtual library, under the Terminated Agreement, and detailed in Table 1e in Annex 1 to this Schedule 7.1.
- 14.5 For the avoidance of doubt, in no circumstances shall Indexation apply to any Transferred CANS.

15 Tariff Charges

- 15.1 This Paragraph 15 sets out the Service Charges that relate to usage by a Customer and/or by the Authority of Airtime (such Service Charges are known as a "**Tariff Charge**"). Usage of Airtime by a Customer is governed by that Customer's Customer Contract (which is a separate contract entered into by the relevant Customer and the Supplier, based on the User Organisation Purchase Terms in Schedule 12). Usage of Airtime by the Authority is governed by this Agreement, and no separate Customer Contract is required.

- 15.2 Subject to Paragraph 15.8 (Tariff Benchmarking).

- 15.3

- 15.4

- 15.4.1

- 15.4.2

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15.4.3

[REDACTED]

15.5

[REDACTED]

15.5.1

[REDACTED]

15.5.2

15.5.3

15.6

[REDACTED]

15.6.1

[REDACTED]

15.6.2

[REDACTED]

15.7

[REDACTED]

15.7.1

[REDACTED]

15.7.2

15.7.3

The process by which Customer Contracts are terminated or cancelled is documented within the User Organisation Purchase Terms.

15.8 Tariff Benchmarking

15.8.1 The Charge for each Tariff Bundle shall be:

(a) the figures set out in Table 2 in Annex 1; or

(b) the prices for tariff rate plans in the Network Services Framework [REDACTED] where any such tariff plans are the same, substantively similar or comparable to any Tariff Bundles, with the addition of [REDACTED] to the [REDACTED]

15.8.2

[REDACTED]

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- [REDACTED]
- 15.8.3 If the RM6261 Pricing changes, the new Charge for each Tariff Bundle will apply from:
- (a) the following first day of a calendar month, if the change to the [REDACTED] applies on any day other than the first day of a calendar month.
- 15.8.4 The above applies for the benchmarking of Tariff Charges and therefore Tariff Charges are not subject to Schedule 7.3 (Benchmarking).
- 15.9 Requirements on the Authority in relation to support required from the US Supplier and the billing systems are set out in the relevant rows of Table 3.1 at Schedule 3 (which, for the avoidance of doubt, reference "General – billing systems" and Paragraph 11.1 of Schedule 2.1).
- 15.10 [REDACTED]
- 15.11 [REDACTED]
- 15.12 For the avoidance of doubt, multiple Users per Active Connection are not permitted for C1 Tariff Bundles. Multiple Users per Active Connection is permitted for C2 and C3 Tariff Bundles.
- 15.13 Tariff Commitment
- 15.13.1 TAR_C1 Tariff Bundle.
- (a) [REDACTED]
- (b) [REDACTED]
- (c) [REDACTED]
- (d) [REDACTED]
- 15.13.2 TAR_C2 Tariff Bundle. There are no volume targets for the C2 Tariff Bundles.
- 15.13.3 TAR_C3 Tariff Bundle
- (a) [REDACTED]
- (b) [REDACTED]

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(c)

(d)

15.14 If a SIM Card is lost or damaged, and a replacement SIM Card is issued to the Customer, the new replacement SIM Card shall not be regarded as a new Active Connection when calculating the number of Active Connections, whether in regard to calculating Tariff Charges and/or the TAR_C1 Tariff Connection Commitment or the TAR_C3 Tariff Connection Commitment.

15.15 Tariff Commitment Shortfall Payment

15.15.1

15.15.2

15.15.3

15.15.4

(a)

(b)

(c)

(d)

whether:

(i)

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(ii)

(iii)

15.15.5

(a)

(b)

15.15.6

(a)

(b)

15.15.7

15.16 Supplier Tariff Failure

15.16.1 Without prejudice to Paragraph 15.16.5 but notwithstanding any other provision of this Agreement, in the event that:

- (a) the Supplier (or any Supplier Group Company) performs any act or makes any omission in connection with this Agreement (excluding in respect of the Optional Services, save for any instructions made prior to or as part of the Re-baselining Process for the CELs and Resilience workstreams); and
- (b) the Authority can reasonably demonstrate (including by reference to the Deployment Plan provided by the Authority to the Supplier and any explanations that may be given to the Authority by the relevant Customer) that such acts and/or omissions have caused in whole or in part the actual number of Active Connections in respect of the relevant User Organisations, as set out in the Deployment Plan, to be less than the forecasted number of Active Connections at the relevant dates in Table 2a of Annex 1 of Schedule 7.1, as a result of the relevant Customer Contract not having been entered into by the date specified in the relevant the Deployment Plan,

this shall be a “**Supplier Tariff Failure**” and the provisions of Paragraph 15.16.2 shall apply.

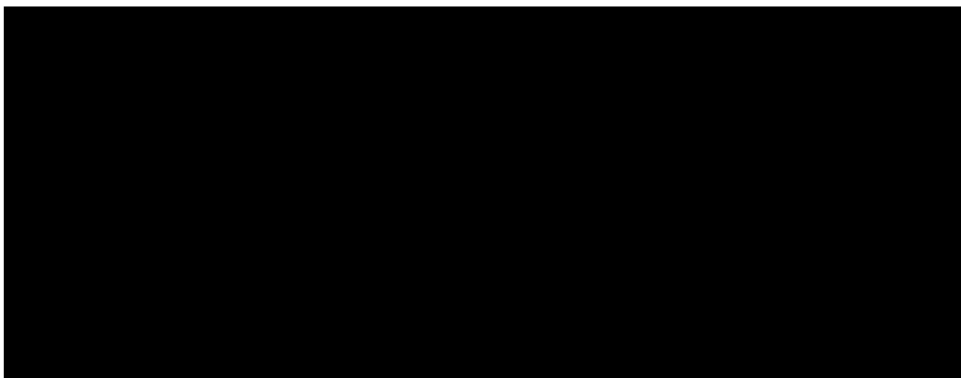
15.16.2 Without prejudice to Paragraph 15.16.4, in the event of a Supplier Tariff Failure:

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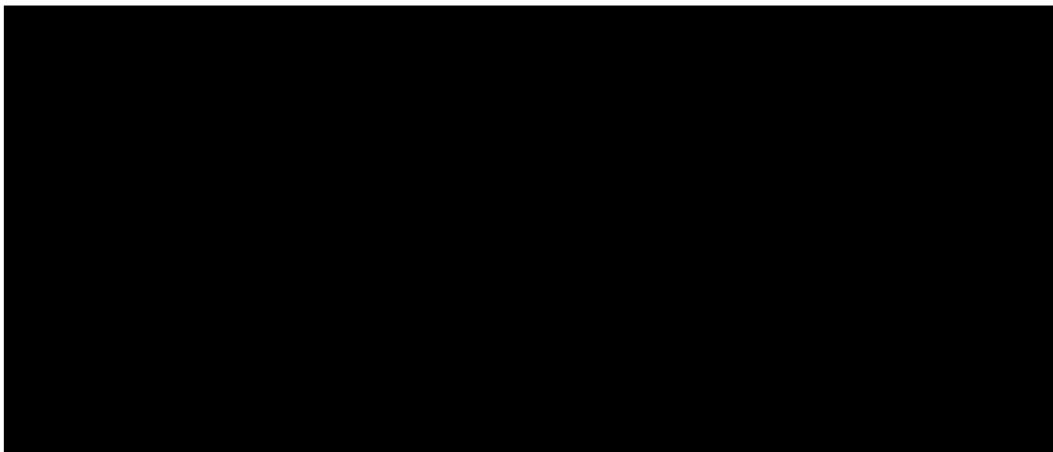
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(a)



(b)

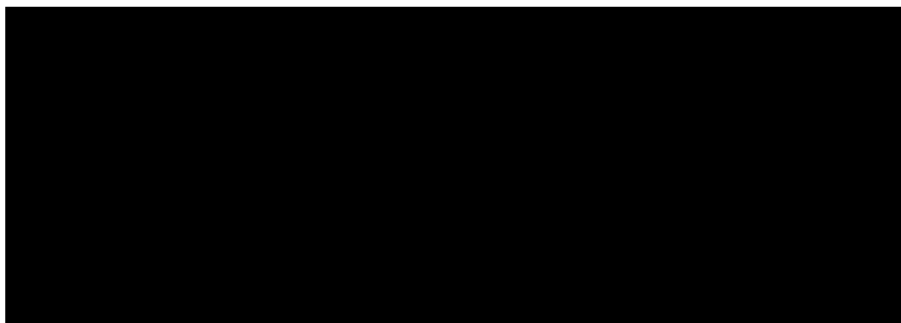


(c)

(i)

(ii)

(iii)

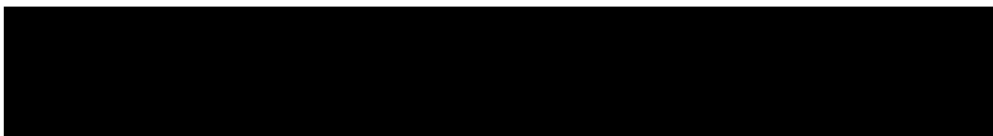


the corresponding impact on the reductions in the following (after taking account of the Monthly Tolerance Outcome referred to in Paragraph 15.16.3):

- C1 Tariff Connection Ramp-Up;
- C3 Tariff Connection Ramp-Up;
- C1 Tariff Connection Commitment; and
- C3 Tariff Connection Commitment,

for validation by the Authority in accordance with Paragraph 1.2.16 of Part 4 of this Schedule 7.1, in order to approve the associated invoice.

15.16.3

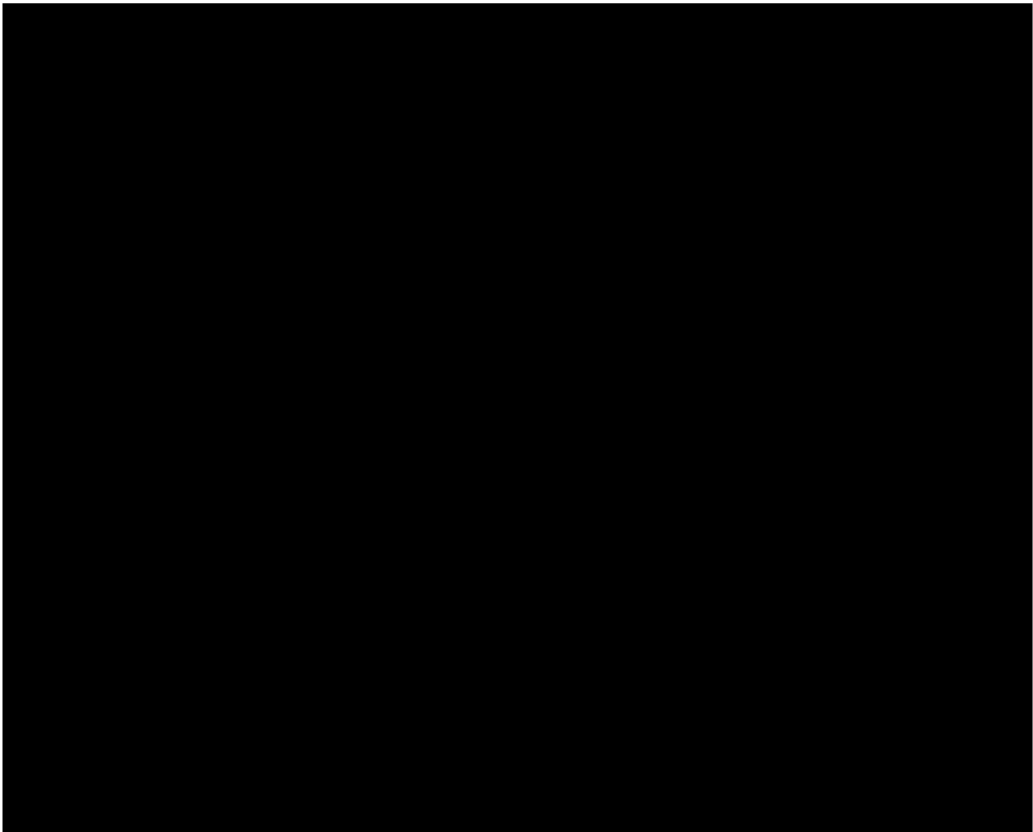


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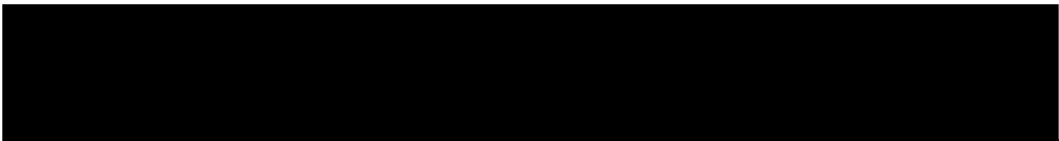
15.16.4



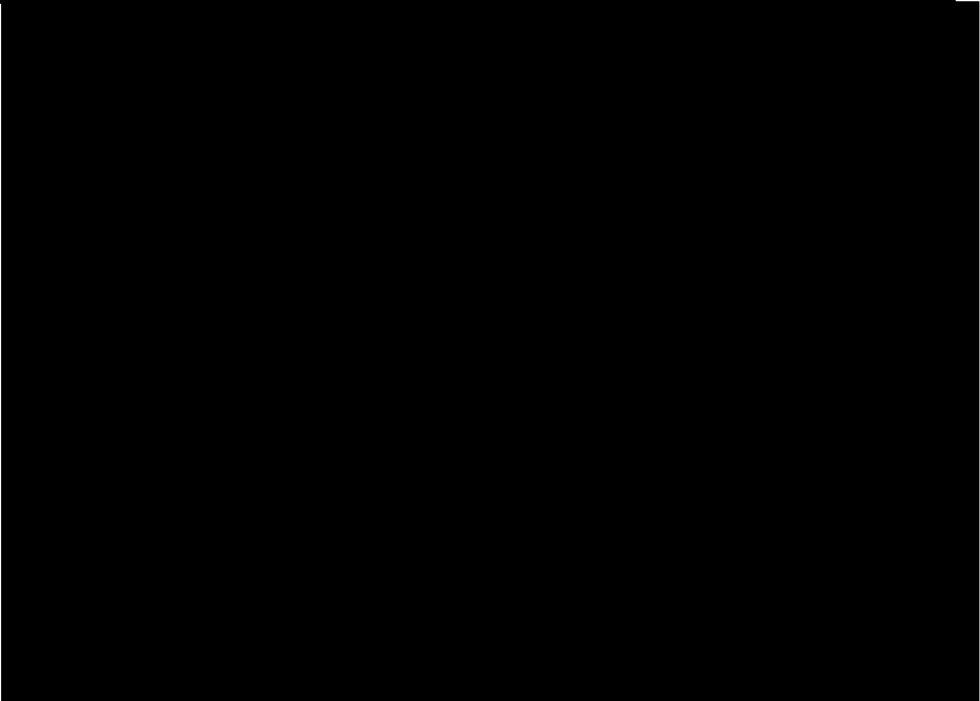
15.16.5

(a)

(b)



(i)



(ii)

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(iii) [Redacted]
(iv) [Redacted]

(c) [Redacted]
15.16.6 [Redacted]

16 Deductions and additions to charges

16.1 The Charges under an invoice each month shall be reduced by the following adjustments in accordance with Paragraph 16.2:

16.1.1 [Redacted]
16.1.2 [Redacted]
16.1.3 [Redacted]
16.1.4 [Redacted]
16.1.5 [Redacted]
16.1.6 [Redacted]
16.1.7 [Redacted]
16.1.8 [Redacted]

16.1A The Charges under an invoice each month shall be increased by the following adjustments in accordance with Paragraph 16.2A

16.1A.1 [Redacted]

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16.1A.2

16.1A.3

16.1A.4

16.1A.5

16.2 If at any time the Authority is entitled to any of the deductions referred to under Paragraph 16.1 and:

16.2.1

16.2.2

16.2A

16.3

16.3.1

16.3.2

16.4

16.5 In giving effect to Paragraphs 16.1 and 16.2 above:

16.5.1

16.5.2

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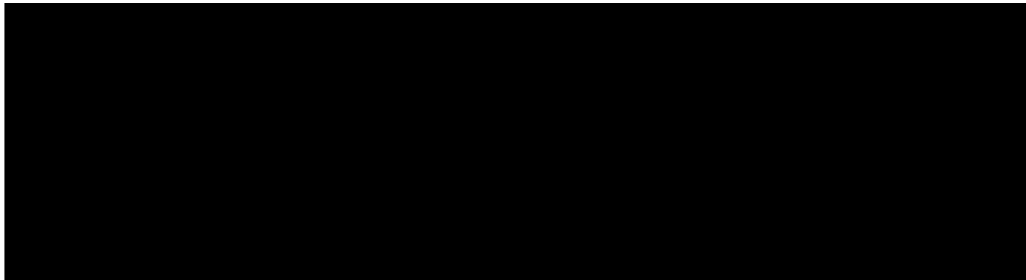
16.5.3



17 Charging Mechanism for Service Charges

17.1 Each individual Service Charge referred to in this Schedule 7.1 shall:

17.1.1

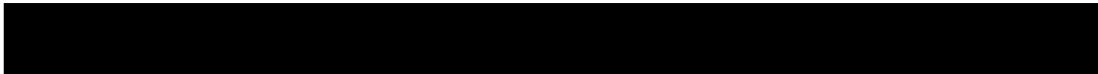


17.1.2

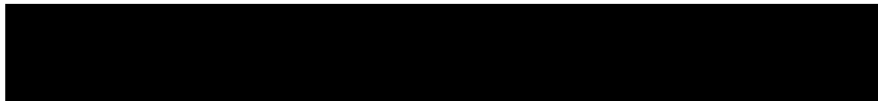
17.2 No individual Service Charge shall accrue in respect of any period prior to the relevant Service Charge Trigger Event or after the relevant Service Charge Expiration Event.

17.3 Service Charges are subject to Service Credits and other deductions may apply.

17.4



17.4.1



17.4.2



17.5 If a Service Charge is to be calculated by reference to the number of Active Connections, that Service Charge shall be calculated as the sum of Service Charges for individual Active Connections after applying the time apportionment mechanism set out in Paragraph 17.4 to each Active Connection.

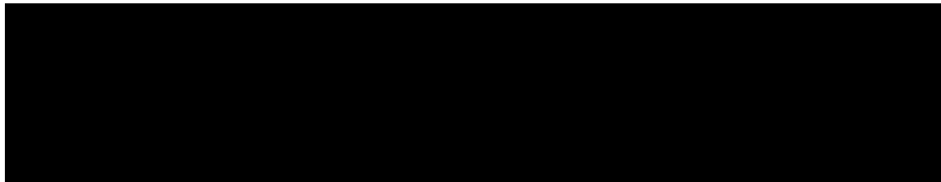
17.6



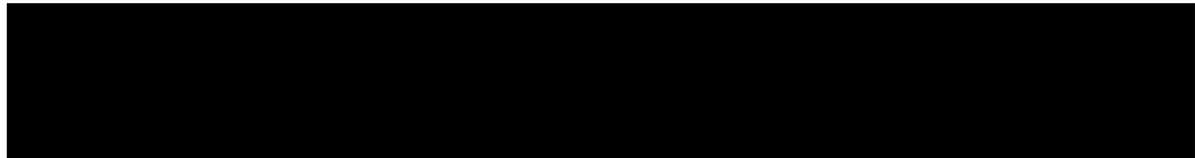
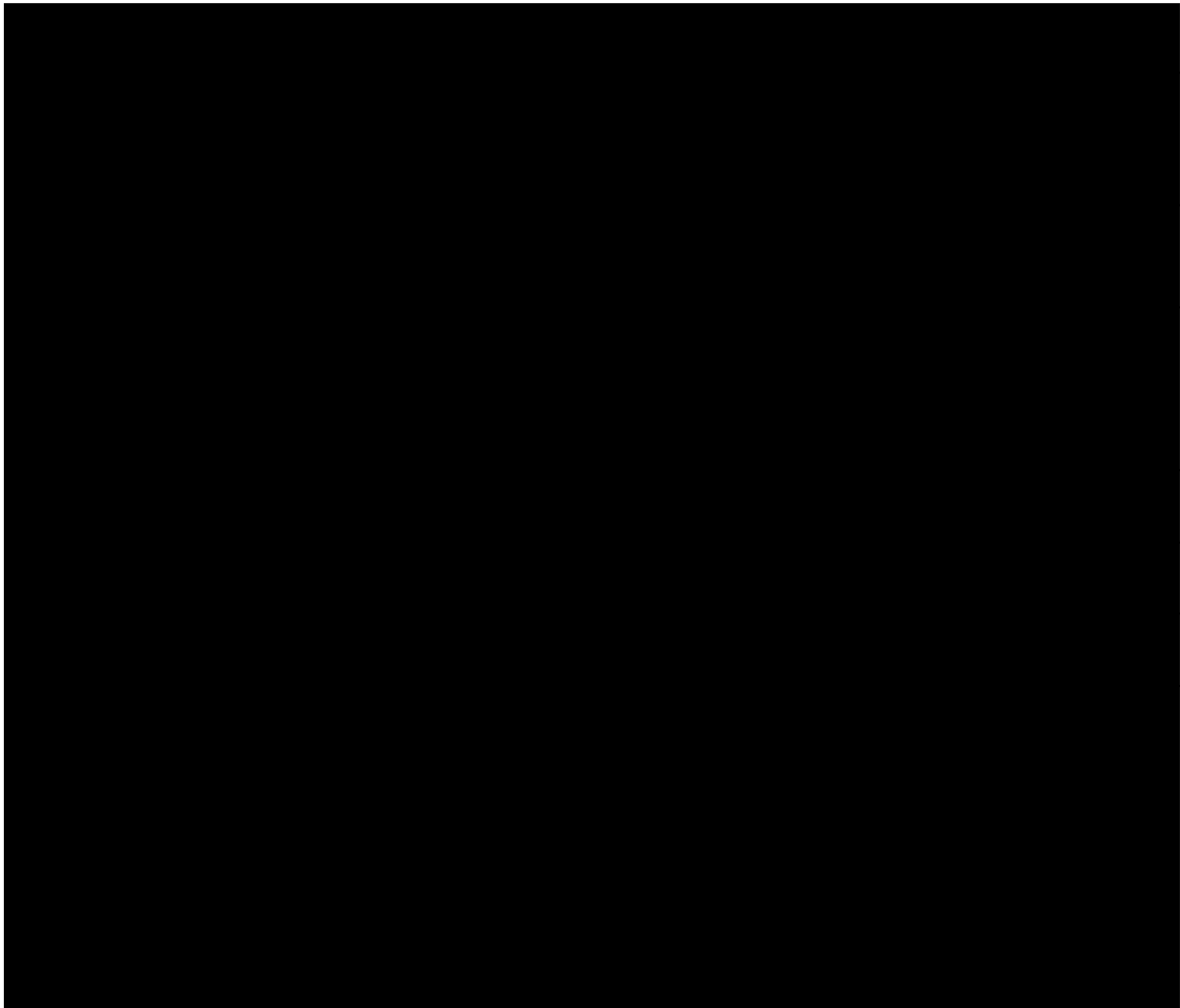
17.6.1

17.6.2

17.6.3



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17.7 In the event that the Authority agrees a Rectification Plan in accordance with Paragraph 21 of Schedule 6.2 (Testing and Assurance Procedures) in the context of allowing the Supplier to Achieve Key Milestone 10 (Mobilisation Complete), then the Service Charge shall be adjusted in respect of those periods.

17.8 Where any of the adjustment mechanisms provided for in Paragraph 17.7 apply for only part of a month, the relevant Charges for the relevant parts of the month shall be calculated on an equivalent basis to that set out in Paragraph 17.4.

18 Charging Mechanism for Milestone Payments

18.1 This Paragraph 18 applies to all Milestone Payments under all charging models (including whether a Fixed or Firm Charge or on a time and materials basis.

18.2 Milestone Payments are one-off Charges where the Trigger Event is the Achievement of the associated Milestone.

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- 18.3 Milestone descriptions and their associated criteria to be Achieved are set out/as referred to in Schedule 6.1 (save as in relation to Transferred CANs, where the Milestone descriptions and their associated criteria to be Achieved is as set out in the relevant Transferred CAN).

19 Charging Mechanism for T&M

- 19.1 The charging triggers and expiry dates and any additional charging terms for time and materials pricing, including pass through costs, are detailed in Annex 1 Table 1d (Time and Material Charges).

20 Charges relating to Transferred CANs

- 20.1 The Service Charge Trigger Event and Expiration Events and any additional charging terms for Charges under the Transferred CANs shall apply as set out in such Transferred CANs. For the avoidance of doubt the Authority and the Supplier acknowledge that, pursuant to the provisions of Paragraph 14 (the continuation of Transferred CANs until services under each Transferred CAN is complete) the purchase orders and related Charges for each of the Transferred CANs may consequently continue beyond 31 December 2024.

21 Charging Mechanism for Optional Services

- 21.1 The Authority may place an Authority Order. A Customer may place a Customer Order. The Supplier shall not be entitled to withhold or delay acceptance of any Authority Order or Customer Order and Authority Orders and Customer Orders shall become binding upon acceptance by the Supplier. Subject to Paragraph 21.2, the Supplier shall be entitled to invoice the Authority pursuant to Part 4 of this Schedule 7.1 or a Customer pursuant to the terms of the Customer Contract for the Charges for each Optional Service provided.
- 21.2 The Charges for each such Optional Service (exclusive of Supplier resource) shall be calculated on the basis of the prices and mechanisms set out in the Optional Services Catalogue.
- 21.3 The process for making an Authority Order to procure Optional Services is as follows:
- 21.3.1 the Authority shall raise an Authority Order by way of the Change Control Procedure;
- 21.3.2 for the purposes of an Authority Order, when carrying out an Impact Assessment in accordance with Paragraph 8 of Schedule 8.2 to determine the pricing of the resource elements of the relevant Optional Services the Supplier shall apply the Day Rate for the applicable Supplier Personnel carrying out the resource element of the relevant Optional Service and add this to the calculation of the pricing set out in the Optional Services Catalogue for the relevant Optional Service to determine the total Charges payable by the Authority for that Optional Service.
- 21.4 The process for a User Organisation to procure Optional Services is via the User Organisation Purchase Terms and the Optional Services Catalogue provided to Users by the Supplier.
- 21.5 [REDACTED]
- 21.6 The process for updating the Optional Service Catalogues is set out in Schedule 2.1 Paragraph 15. In addition to the provisions set out in Schedule 2.1, the Supplier shall also provide updated pricing included within each Optional Services Catalogue submission.

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21.7 Where a Charge for an Optional Service is a Service Charge, all terms relating to Service Charges shall also apply. Where a Charge for an Optional Service is a Milestone Payment, all terms relating to Milestone Payments shall also apply.

21.8 Where Charges for Optional Services as detailed in the relevant Change Authorisation Note are shown as:

21.8.1 **"time apportioned"**, if the relevant Optional Service:

- (a) commences on a day other than the first day of a month; and/or
- (b) ends on a day other than the last day of a month.

the Charge for the relevant Optional Service shall be pro-rated based on the number of calendar days in the month for which the Service is provided as against the total number of calendar days in that month;

21.8.2 **"consumed"**, then the relevant Optional Service charge shall be calculated after the number of units are used by or on behalf of the Authority during the relevant month; or

21.8.3 neither 'time apportioned' or 'consumed' then the relevant Optional Service charge shall be calculated on the number of units completed during the relevant month and subject to the Achievement of the associated Milestone.

21.9 Termination Services.

If the Authority gives notice pursuant to Schedule 8.5 (Exit Management) that it requires Termination Services, then:

21.9.1 (excluding any Implementation Services or Operational Services which form part of the required Termination Services), those other Termination Services shall be treated for invoicing purposes as Optional Services in accordance with this Paragraph 21;

21.9.2 the Charges for these other Termination Services for any month shall be the [REDACTED] during the relevant month of the Termination Services requested by the Authority (taking into account the Supplier's obligation to deliver the Services in a proportionate and efficient manner); and

21.9.3 [REDACTED]

21.10 The Supplier shall only be entitled to invoice Optional Services that have been properly and reasonably provided during the relevant month and supported by written records and following receipt by the Authority from the Supplier of confirmation satisfactory to the Authority that the applicable Services are actually in service or have been provided.

21.11 If, in addition to the Termination Services, the Authority requires the continuation of any existing Services (or additions to those Services as agreed between the Parties through the Change Control Procedure) during the Termination Assistance Period, [REDACTED]

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[REDACTED] For the avoidance of doubt, [REDACTED]
 [REDACTED] (b) the calculation of the Charges for the required Services shall be without prejudice to the terms set out in Schedule 7.2 (Payments on Termination) and Schedule 7.7 (Financial Model); and (c) any Changes (including any changes to such required Services, the costs or Schedule 7.7 (Financial Model)) will be subject to Schedule 8.2 (Change Control Procedure).

22 Charges relating to termination and/or exit

22.1 Possible additional Charges relating to termination and/or exit which may apply are:

22.1.1 any Termination Payment and/or Compensation Payment due pursuant to Schedule 7.2 (Termination Payments).;

22.1.2 Charges payable by the Authority to the Supplier for the performance of the Termination Services in accordance with Paragraph 21.6 in Part 1 of this Schedule 7.1 and Schedule 8.5 (Exit Management), [REDACTED]
 [REDACTED]

Part 2: Adjustments to the Charges and Risk Register

1 Re-Baselining Process

- 1.1 The Re-baselining Process, as set out in Schedule 8.2 (Change Control Procedure), describes the process by which this Agreement (including certain Charges) may be adjusted in the circumstances specified in Annex 1 to Schedule 8.2.
- 1.2 The only Charges which may be subject to the Re-baselining Process are as specified within Annex 1 to Schedule 8.2.

2 Non-Failure Delay of Integrated Milestones – MS-US Integration

Non-Failure Delay

means an Integrated Milestone is not Achieved on or before its associated Milestone Date, and the Supplier has either:

- (a) performed and satisfactorily completed all its activities in relation to such Integrated Milestone on or before its associated Milestone Date; or
- (b) not performed and satisfactorily completed all its activities in relation to such Integrated Milestone and can demonstrate to the satisfaction of the Authority (acting reasonably) that such failure to achieve such Milestone on or before its associated Milestone Date would not have occurred but for an Authority Cause

- 2.1 In the event of a Non-Failure Delay pursuant to Clause 28, (and in addition to the Supplier's other obligations in this Agreement in relation to a failure to Achieve a Milestone on or before its associated Milestone Date), the Supplier shall act proactively, collaboratively and use its reasonable endeavours (including providing evidence to the Authority of such endeavours as reasonably required by the Authority):
 - 2.1.1 to Achieve the Integrated Milestone notwithstanding any actual or possible Authority Cause or failure by a Related Third Party; and
 - 2.1.2 to mitigate the delay to the affected Integrated Milestone (including taking active steps to mitigate delay by any Related Third Party, including where such delayed activity interfaces with the ESN Deliverables for the Integrated Milestone).
- 2.2 In the event that an Integrated Milestone shall or may not be Achieved on or before its associated Milestone Date, if the Supplier envisages such delay being a Non-Failure Delay, it shall:
 - 2.2.1 notify the Authority in writing within five (5) Working Days of the Non-Failure Delay; and
 - 2.2.2 provide regular and detailed updates to the Authority (provided at least every two (2) weeks) of:
 - (a) the reasons for the continued delay;
 - (b) the activities the Supplier is undertaking to mitigate the delay; and

- (c) details of items/deliverables required by the Supplier which is preventing it from performing its activities in relation to the delayed Integrated Milestone.

2.3 Integration Delay Contingency Period

- 2.3.1 If an Integrated Milestone is not Achieved on or before its associated Milestone Date, [REDACTED] to the Supplier (including, for the avoidance of doubt, no increase to the Charges or amounts payable under or in relation to this Agreement) in relation to the delay to the Achievement of the affected Integrated Milestone, save that where and only where the delay to the Integrated Milestone is a Non-Failure Delay, this shall only apply for three (3) months from the Milestone Date of the delayed Integrated Milestone. This three (3) month period shall be known as the ("**Integration Delay Contingency Period**").
- 2.3.2 Without prejudice to 2.3.1, irrespective of any additional rights or remedies of the Supplier in this Agreement, such rights or remedies shall not apply during any Integration Delay Contingency Period.
- 2.3.3 Any revision to the Charges agreed during the Re-baselining Process shall maintain the Integration Delay Contingency Period of three (3) months and the terms of this Paragraph 2.3.

2.4 Integrated Milestone Cost Recovery Payments

In the event of a Non-Failure Delay the Parties agree that:

- 2.4.1 the Integration Delay Contingency Period shall apply; and
- 2.4.2 subject to Paragraph 2.5, the Supplier will be entitled to submit a request for one or both of these two forms of payment:
 - (a) a Partial Integrated Milestone Payment; or
 - (b) an Increased Resource Costs (**IRC**) Payment,

(together the **Integrated Milestone Cost Recovery Payments**).
- 2.5 Notwithstanding Paragraph 2.4.2 no Integrated Milestone Cost Recovery Payments will apply unless and until the process for agreeing an Integrated Milestone Cost Recovery Payment is completed, as further set out in Paragraphs 2.6 and 2.7 of this Part 2.

2.6 Partial Integrated Milestone Payment

- 2.6.1 In the event of a Non-Failure Delay, but where an Integrated Milestone has been partially Achieved by the Supplier before or on the associated Milestone Date (that is, the Supplier has delivered to the Authority some of the Deliverables required to Achieve the Integrated Milestone (as set out in the relevant Milestone Criteria Document) and these Deliverables have meet the applicable criteria for such Deliverables, the Supplier will be entitled to submit a request for a partial payment of an Integrated Milestone Payment in advance of the Integrated Milestone being Achieved (**Partial Integrated Milestone Payment**). The calculation of Partial Integrated Milestone Payment shall be determined by the Authority at the time.

2.6.2 The Supplier may submit a written request to the Authority for a Partial Integrated Milestone Payment in relation to a Non-Failure Delayed Integrated Milestone, provided that:

- (a) following completion of the Rectification Plan Process (including the provision of a Rectification Plan setting out the percentage of the Deliverables contained in the Milestone Criteria Document that have been completed and delivered by the Supplier to the Authority in relation to the delayed Integrated Milestone and the steps to be taken to rectify the Delay); and
- (b) such written request is submitted to the Authority within [REDACTED] of the Integrated Milestone missing its Milestone Date.

2.6.3 When considering whether it will accept or reject the Supplier's Rectification Plan pursuant to Clauses 26.8 and 26.9, the Authority may review and propose a revision to the percentage of the Deliverables completed in relation to the delayed Integrated Milestone and shall adjust this percentage to take into consideration the value to the Authority of the partially completed Integrated Milestone and the value of the work completed by the Supplier.

2.6.4 For the avoidance of doubt no Partial Integrated Milestone Payment:

- (a) shall be considered by the Authority in advance of an Integrated Milestone being partially Achieved; or
- (b) shall apply unless the delay to the full Achievement of the Integrated Milestone is a Non-Failure Delay.

2.6.5 The charging mechanism for Partial Integrated Milestone Payment payable by the Authority shall be as set out in the relevant Change Authorisation Note signed by the Parties.

2.7 Increased Resource Costs (IRC) Payment

2.7.1 If a Non-Failure Delay occurs and the delayed Integrated Milestone is not Achieved within the Integration Delay Contingency Period, then:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

then subject to Paragraph 2.7.10

[REDACTED]

2.7.2

- (a) the Rectification Plan Process in relation to the delayed Integrated Milestone must be completed in accordance with Clause 26 of this Agreement;
- (b) the Supplier must have notified the Authority in writing, before the expiry of the Integration Delay Contingency Period:
 - (i) [REDACTED]
 - (ii) setting out potential options to resolve the issues and Achieve the delayed Integrated Milestone as part of its Rectification Plan, including proactively and collaboratively working with Other ESN Suppliers as necessary;
- (c) the Supplier's Rectification Plan must comply with Paragraph 2.7.3 of this Part 2; and
- (d) the Supplier must have exhausted the possibility of re-deploying the resources elsewhere across their delivery of ESMCP or the Supplier's (or the BT Group's) broader business (including providing evidence of the same to the Authority as reasonably requested).

2.7.3 The draft Rectification Plan referred to in Paragraph 2.6 above must set out:

- (a) the additional actual per day cost incurred by the Supplier for standing up the Supplier Personnel in the team providing the specific Service which is delayed [REDACTED] until the likely date for Achievement of the delayed Integrated Milestone (**Initial Cost Proposal**); and
- (b) the potential implications for each Milestone and Milestone Date in the Implementation Plan if such Supplier Personnel were to be made redundant.

2.7.4 For the avoidance of doubt, in no circumstances shall the consent, agreement to or approval of a Rectification Plan by the Authority be deemed as the Authority agreeing to changes in the Implementation Plan. The Implementation Plan can only be amended in accordance with Schedule 8.2.

2.7.5 Following receipt of the draft Rectification Plan (including the Initial Cost Proposal and implications with regard to the Implementation Plan and Milestone Dates), the Authority may require the Supplier to (and in which case the Supplier shall) provide further information and/ or enter into discussions to identify a workable solution.

2.7.6 As part of agreeing the draft Rectification Plan proposed by the Supplier pursuant to Paragraphs 2.7.2 and 2.7.3, the Authority may agree to the Supplier continuing to engage some/all of the Supplier Personnel [REDACTED]

- (a) until such Supplier Personnel can be utilised; and/or
- (b) until the Integrated Milestone is Achieved; and/or
- (c) until the Authority notifies the Supplier in writing that it has no requirement for the retention of some/all of the relevant Supplier Personnel in which event the Authority acknowledges that the Supplier may make such relevant Supplier Personnel redundant, [REDACTED]

For the avoidance of doubt, no agreement by the Authority under this Paragraph 2.7.6 shall in any way amend (or provide relief for) the Supplier's obligations under this Agreement.

- 2.7.7 [REDACTED] the Authority will consider the period of delay to the Integrated Milestone caused by each of the Other ESN Suppliers as a percentage of the total delay in relation to the Achievement of that Integrated Milestone.
- 2.7.8 The percentage contribution by the Supplier in relation to the delay to the Integrated Milestone may be considered [REDACTED]
[REDACTED] Change Authorisation Note signed by the Parties.
- 2.7.9 [REDACTED]
- 2.7.10 [REDACTED] of the Supplier Cash Margin Percentage set out in Paragraph 1 of Part 3.

3 Delay Payments

- 3.1 If a Key Milestone has not been Achieved on or before the relevant Milestone Date a Delay Payment shall accrue in respect of that Key Milestone at the Delay Payment Rate from (but excluding) the relevant Milestone Date to (and including) the earlier of:
- 3.1.1 the date on which the Key Milestone is Achieved; and
 - 3.1.2 the expiry of the Delay Deduction Period,
- on a daily basis, with any part day's Delay counting as a day.
- 3.2 Where a Delay Payment is payable in respect of a Key Milestone, the Delay Payment Rate shall be:
- 3.2.1 where the Supplier has given the Authority less than three months' prior notice of the Delay, the amount set out in column 2 of Table 9 of Annex 1 for the Key Milestone;
 - 3.2.2 where the Supplier has given the Authority between three (3) months' and six (6) months' prior notice of the Delay, the amount set out in column 3 of Table 9 of Annex 1 for the Key Milestone; or
 - 3.2.3 where the Supplier has given the Authority more than six (6) months' prior notice of the Delay, the amount set out in column 4 of Table 9 of Annex 1 for the Key Milestone.
- 3.3 Where the Supplier serves a notice pursuant to Paragraph 3.2.2 or 3.2.3, (but subject always to Paragraph 3.4) a Delay Payment shall immediately accrue in an amount equal to:
- 3.3.1 in the case of a notice served pursuant to Paragraph 3.2.2, ten (10) days of Delay Deductions; or
 - 3.3.2 in the case of a notice served pursuant to Paragraph 3.2.3, five (5) days of Delay Deductions,

in each case calculated at the applicable Delay Payment Rate.

- 3.4 Any amounts accrued to Paragraph 3.3 shall not be waived or (if applied pursuant to Paragraph 15 of Part 1 of this Schedule 7.1) refunded to the Supplier in any circumstances, including where a Delay as referred to in the Supplier's notice:

3.4.1 does not occur; or

3.4.2 does occur but continues for fewer days during the relevant Delay Deduction Period than the number of days referred to in Paragraph 3.2.2 or 3.2.3 as the case may be.

- 3.5 The Parties agree that the Delay Payments calculated in accordance with the applicable Delay Payment Rates do not exceed a genuine contribution to the pre-estimate of the losses which the Authority will incur as a result of any failure by the Supplier to Achieve the relevant Key Milestone by the Milestone Date.

- 3.6 The Delay Deduction Period:

3.6.1 shall be calculated as an aggregate period in respect of the Key Milestones for the Integrated Milestones; and

3.6.2 applies separately to each and every other Key Milestone,

save that the Delay Deduction Period shall also apply separately to any and each Key Milestone for the Integrated Milestone(s) that are agreed as part of the Re-baselining Process detailed at Schedule 8.2 (Change Control Procedure) and will not be calculated in the aggregate pursuant to Paragraph 3.6.1 above.

- 3.7 Delay Payments shall be applied in accordance with Paragraph 16 of Part 1 of this Schedule 7.1.

4 Payments For Delays Due to Authority Cause or Other ESN Suppliers

- 4.1 This Paragraph 4 shall not apply during any Integration Delay Contingency Period, and any calculation for any compensation that becomes payable under this Paragraph 4 shall exclude the three (3) month period covered by the Integration Delay Contingency Period. This Paragraph 4 shall also not apply where any costs that the Supplier shall be entitled to under this Paragraph 4 are otherwise covered by any IRC Payment request made by the Supplier.

- 4.2 If the Supplier is entitled in accordance with Clause 30.1(iii)(dd) (Authority Cause) to compensation for failure to Achieve a Milestone by its Milestone Date including where due to a failure to Achieve a Key Milestone as per Schedule 6.1 as a result of a default by any Other ESN Supplier(s) (save to the extent that such failure, whether Authority Cause or other failure to Achieve a Key Milestone is caused by any member of the Supplier Group, under this Agreement or otherwise) then, subject always to Clause 24 (Limitations on Liability), such compensation shall be determined in accordance with the following principles:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- 4.2.2 The Supplier shall provide the Authority with any information the Authority may require in order to assess the validity of the size of the Supplier's claim to compensation.
- 4.2.3 Once any compensation payable has been agreed between the Parties, such payment shall become payable in accordance with Paragraph 16 of Part 1 of this Schedule 7.1.

5 Service Credits

- 5.1 Service Credits for each Service Period shall be calculated in the manner set out below.
- 5.2 Service Credits shall be calculated based on the total Service Charges which the Supplier is entitled to invoice for the relevant Service Period, including those which start with charge number "SC1a", "SC1b" or "TR".
- 5.3 Service Credits shall be calculated by reference to the number of Service Points accrued in any one Service Period pursuant to the provisions of Schedule 2.2 (Performance Levels).
- 5.4 For each Service Period the total Service Credits applicable for that Service Period shall be calculated in accordance with the following formula:

SC = TSP multiplied by X multiplied by AC

where:

- SC** is the total Service Credits for the relevant Service Period;
- TSP** the total Service Points that have accrued for the relevant Service Period;
- X** [REDACTED]
- AC** is the aggregate Service Charges for the relevant Service Period.

5.5 The Service Credits applicable for the Service Period shall be capped at [REDACTED] of the total Service Charges for the relevant Service Period (prior to deduction of applicable Service Credits and any other Deductions).

5.6 Worked Examples:

	Parameter	Example A	Example B
Input	TSP	[REDACTED]	
	X		
	AC		
Output	SC		
	Cap		

Example A: TSP is equal to 5 Service Points and AC is equal to [REDACTED]

SC equals 5 multiplied by [REDACTED] multiplied by [REDACTED] which equates [REDACTED]

Example B: TSP is equal to 30 Service Points and AC is equal to [REDACTED]

SC equals 30 multiplied by [REDACTED] multiplied by [REDACTED] which equates to [REDACTED] but limited to [REDACTED] of [REDACTED] which results in [REDACTED]

5.7 The liability of the Supplier in respect of Service Credits, and separately Compensation for Unacceptable KPI Failures, shall respectively be subject to a cap equal to the Service Credit Cap in accordance with Clause 25.4(c) (Financial Limits) provided that, for the avoidance of doubt, the operation of the Service Credit Cap shall not affect the continued accrual of Service Points in excess of such financial limit in accordance with the provisions of Schedule 2.2 (Performance Levels).

5.8 Service Credits are a reduction of the Service Charges payable to reflect the reduced value of the Services actually received.

5.9 Service Credits shall be deducted from Charges payable by the Authority in accordance with Paragraph 16 of Part 1 of this Schedule 7.1.

6 Changes To Charges

6.1 Any Changes to the Charges shall be developed in accordance with Schedule 8.2 (Change Control Procedure) and on the basis that the forecast Supplier Cash Margin Percentage on such Charges shall (subject to Paragraph 6.2):

- 6.1.1 in respect of each Service element be no greater than the applied Permitted Cash Margin Percentage as set out in Table 12 of Annex 1;
 - 6.1.2 to the extent that the Change involves any increase or decrease in resources and the associated costs as shown in the Financial Model, any cost change will be calculated [REDACTED] and
 - 6.1.3 in no event shall the Charge cause the Anticipated Contract Life Supplier Cash Margin Percentage to be exceeded in relation to the scope of this Agreement as a whole.
- 6.2 The calculation of the Permitted Cash Margin Percentage as set out in Table 12 of Annex 1 shall not take into account any of the following:
- 6.2.1 [REDACTED]
 - 6.2.2 [REDACTED]
 - 6.2.3 [REDACTED]
- 6.3 The Authority may request that any Impact Assessment presents Charges without Indexation, where it applies, for the purposes of comparison.

7 Resource Safety Valve

- 7.1 This Paragraph 7 sets out the resource safety valve mechanism to assess whether the Contracted FTE Months utilised by the Supplier differs to that agreed in Table 8a in Annex 1. [REDACTED]
[REDACTED] All Contracted FTE Months are charged within the respective workstream charges/milestone payments.
- 7.2 The Parties shall conduct a review of the full-time equivalent (FTE) months accumulated in the Services (excluding the Services listed in Paragraph 7.4 below) in respect of each of the review periods detailed below. The review periods are:
- 7.2.1 First review period: From the Effective Date, to the Achievement of Key Milestone 10 (Mobilisation Complete);
 - 7.2.2 Second review period: From the day after the Achievement of Key Milestone 10 (Mobilisation Complete), to the Achievement of Transition Fully Complete as set out in Schedule 6.1; and
 - 7.2.3 Third review period: From the day after the Achievement of Transition Fully Complete as set out in Schedule 6.1, until to the expiry or termination of this Agreement.
- 7.3 [REDACTED]

- 7.4 The resource safety valve mechanism does not apply to, and no FTE Month calculations shall be carried out in respect of Services provided for:
- 7.4.1 the CEL Milestones covered by the CELs gainshare and painshare mechanism (such mechanism as set out in Paragraph 2 of Part 3 of this Schedule 7.1);
 - 7.4.2 the Transferred CANs; and
 - 7.4.3 the Optional Services.
- 7.5 The Actual FTE Months is calculated using the cumulative total of all FTE Months of resource engaged by the Supplier between the start and end date of each review period (as described in Paragraph 7.2). The resource that shall be calculated shall comprise of the FTE Months of:
- 7.5.1 employees of the Supplier, any member of the BT Group, or any Key Sub-contractor – dedicated entirely [REDACTED] on this Agreement, which is equal to 1 FTE month;
 - 7.5.2 employees of the Supplier (including any employees in Figurehead Roles performed by a number of people which equate to 1 FTE) any member of the BT Group, or any Key Sub-contractor – working/supporting this Agreement but not on a dedicated basis [REDACTED] on this Agreement, which is pro-rated to give FTE month value; and
 - 7.5.3 Contractors of the Supplier, any member of the BT Group, or any Key Sub-contractor:
 - (a) where day rate (duration for a period of time) will be evidenced via timesheets based on [REDACTED], which is equal to 1 FTE month; and
 - (b) Statement of Work (SOW) contractors (with no specified duration and is output based) evidenced through invoice substantiation [REDACTED]
- 7.6 The Supplier will provide a report to the Authority within 30 calendar days of the end of each review period outlined in Paragraph 7.1 above (**Resourcing Report**), outlining the resource difference between Contracted FTE Months, for that relevant review period as shown in Table 8a (Resource Safety Valve Baseline FTE Months) in Annex 1 and the Actual FTE Months for that review period.
- 7.7 In assessing the data to produce the Resourcing Report, the Supplier shall take into account any phasing changes to the programme, any delay, or the extent to which there is still "build" or other activity to complete beyond Mobilisation Complete, which was assumed to happen prior to the end of Mobilisation Complete in the original forecast. The resource for these extant activities will be assessed, removed from the respective review period and carried forward into the next review period.
- 7.8 If for any review period:
- 7.8.1 [REDACTED]
 - 7.8.2 [REDACTED]
 - 7.8.3 [REDACTED]

7.9

7.10

7.11 Following Authority acceptance of the Resourcing Report, the Supplier shall raise a Change Request via the Change Control Procedure, to formally update Schedule 7.7 – Financial Model to reflect the Service Resource Baseline FTE Months agreed.

8 Contingency

8.1 The contingency is a fixed sum of [REDACTED] which is subject to the terms of this Paragraph 8 (**Contingency**) as follows:

8.1.1 the Contingency Charges shall be invoiced by the Supplier as part of the SC1a-Base monthly charge;

8.1.2 the Supplier shall only be entitled to use the sums paid to it by way of Contingency Charges to cover actually and wholly reasonably incurred costs to the Supplier in the provision of the Services that have been incurred by the Supplier wholly in the provision of the Services for reasons that were unforeseen by the Parties as at the Effective Date.

8.1.3 the Contingency may not be used to recover (or to maintain) any margin to the Supplier or any member of the BT Group;

8.1.4 Contingency may only be used during the Term (and not during any Termination Assistance Period);

8.1.5 where the Contingency is invoiced, this must be expressly and clearly detailed on the invoice;

8.1.6 within 30 Working Days of the end of each Contract Year (including the final Contract Year which ends on the expiry or termination of the Term), the Supplier shall send the Authority a written report setting out:

(a) full details of how Contingency has been utilised in the Period; and

(b) full details of any paid but unutilised Contingency,

and shall upon request from the Authority (within 30 Working Days of the date of such request) send to the Authority such additional information as the Authority may require in relation to the use of the Contingency (including if requested, any Open Book Data in relation to the Contingency);

8.1.7 notwithstanding Paragraph 9.1 below, Indexation does not apply to Contingency and this is a fixed figure which may not be increased;

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- 8.1.8 Contingency reimbursements shall be deducted from Charges used to form the gainshare calculation as described in Paragraph 1 of Part 3;
- 8.1.9 subject to the Supplier complying with this Paragraph 8, the Supplier may invoice for the Contingency without the Authority's prior approval.
- 8.2 Any unutilised Contingency shall be reimbursed to the Authority on termination or expiry of this Agreement and in any event, no later than one (1) calendar month following termination or expiry.

9 Variation of Fixed Charges – Indexation

- 9.1 Only Fixed Charges and Day Rates are subject to Indexation.
- 9.2 The change in Fixed Charges as a result of the application of Indexation is known as Variation of Price Changes (**VOP**).
- 9.3 The Parties agree that the Indexation shall be applied to the Fixed Charges which become payable under an invoice [REDACTED]
- 9.4 However Indexation under this Paragraph 9 shall not apply to Charges under Transferred CANs, as any applicable indexation is as set out in the relevant Transferred CAN.
- 9.5 The formula for Indexation comprises three indices and are listed in the table below. These are as published by the Office for National Statistics (ONS) on 1 May 2024 and then annually thereafter.

Indexation Table:

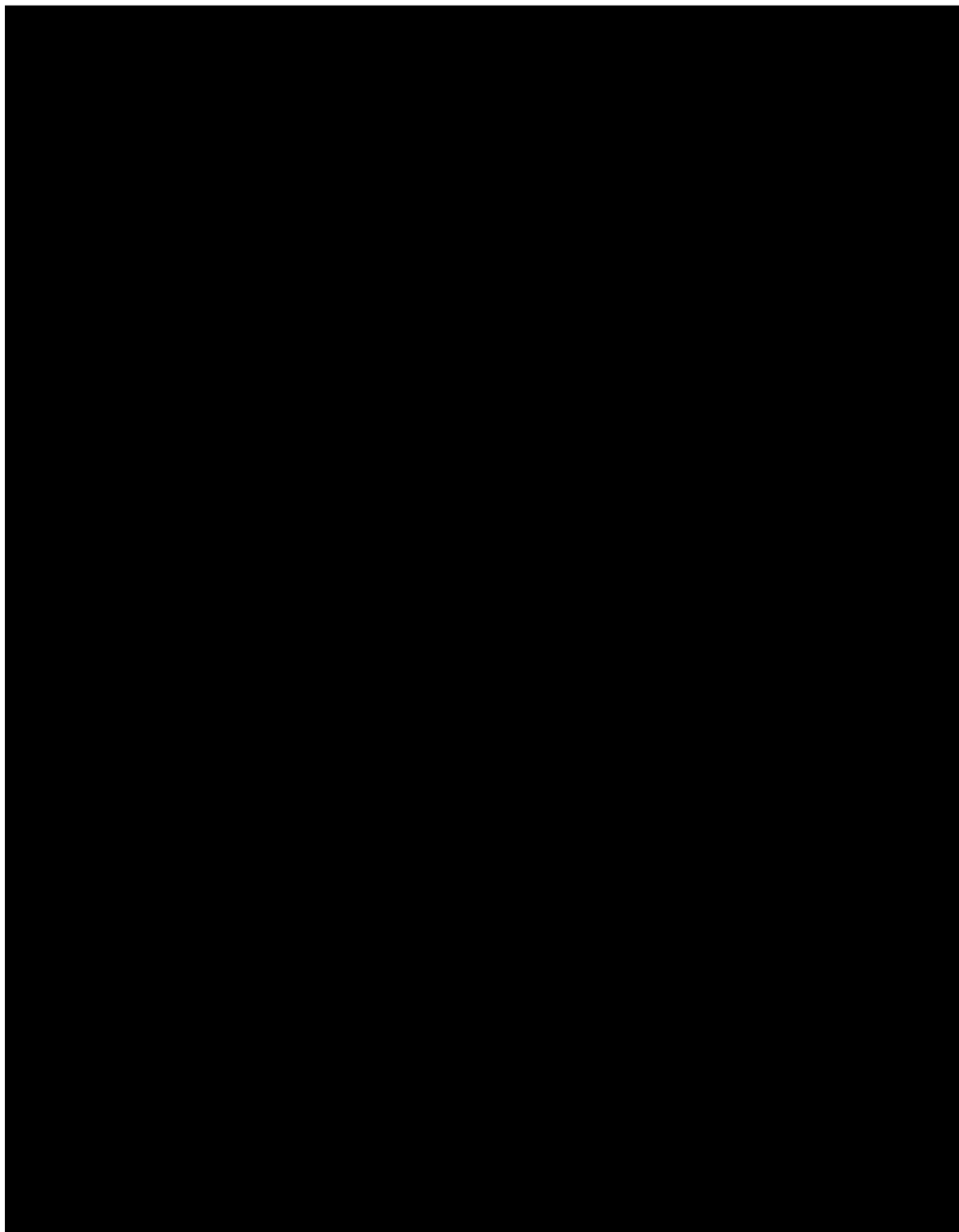
[REDACTED]

- 9.6 Subject to the Supplier complying with Paragraph 9.8, the change to the Fixed Charges will be applied [REDACTED]
- 9.7 The VOP is a percentage that will be calculated annually using the Indexation Formula shown below in Paragraph 9.10.

9.8 The Supplier shall notify the Authority by and no later than Effective Date plus ten (10) Working Days (and annually thereafter on each annual anniversary of 1 November during the Term) of the revised Fixed Charges.

9.9 All calculations utilising the Indexation Formula shall be to two decimal places.

9.10



9.11

9.11.1 Within thirty (30) calendar days following execution of each Change Authorisation Note which is executed under the Re-baselining Process for any of these three (3) workstreams, the Supplier shall update the Indexation percentage splits and apply these at the next Annual Indexation Date.

9.11.2

10 Assumptions

10.1 The Supplier shall determine whether each Allowable Assumption is accurate within its Verification Period using the methodology specified in Column 8 of Table 1 in Annex 2.

10.2 During each Verification Period, the Authority shall use reasonable endeavours to provide the Supplier access to such of the information specified in Table 1 Annex 2 as is both:

10.2.1 within the Authority's possession or reasonable control and

10.2.2 which the Authority considers is relevant to the Allowable Assumption being verified and it is legally entitled to disclose to the Supplier.

10.3 Within ten (10) Working Days following the end of each Verification Period, the Supplier shall provide the Authority with a written report setting out the results of the Supplier's verification activity for the relevant Allowable Assumption. For each Allowable Assumption, such report shall be based solely on the applicable method specified in Column 8 of Table 1 in Annex 2 and shall demonstrate whether the Allowable Assumption is accurate or whether the Implementation Plan and/or the Contract Inception Report require adjustment.

10.4 Each Allowable Assumption shall be deemed accurate unless adjusting for the relevant Allowable Assumption has an impact:

10.4.1 on the Financial Model greater than the associated trigger for invocation, as set out in column 9 of Table 1 in Annex 2; or

10.4.2 on the Implementation Plan which would require adjustment under the Change Control Procedure, as identified in Column 3 of Table 1 in Annex 2,

in which case Paragraph 10.5 shall apply.

10.5 Where the Parties agree that an Allowable Assumption is not accurate and the Financial Model and/or Implementation Plan requires adjusting:

10.5.1 the Supplier shall take all reasonable steps to mitigate the impact of the Allowable Assumption on the Charges calculated in the Financial Model and/or the Implementation Plan;

10.5.2 either the Authority or the Supplier may (subject to Paragraph 10.5.3) propose a Change to take account of the net impact of the adjustment of all Allowable

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Assumptions which have at that time been addressed and are being addressed under this Paragraph 10.5 within one (1) month and such Change Request shall be considered in accordance with the Change Control Procedure; and

- 10.5.3 where the Supplier proposes a Change to the Charges under Paragraph 10.5.2, the Change Request shall reflect the requirements of Table 1 in Annex 3, including the requirement that each proposed adjustment to the Charges shall not exceed the maximum impact on the relevant Charges as specified in Column 7 of Table 1 in Annex 3.

11 Risk Register

- 11.1 The Parties shall review the Risk Register set out in Annex 3 from time to time and as otherwise required for the purposes of Schedule 8.1 (Governance).
- 11.2 The Supplier is required to identify and submit risks for inclusion on the Risk Register in accordance with Schedule 8.1 (Governance). Submission of a risk does not entitle the Supplier to any waiver of rights or liabilities for such a risk unless it has been ratified in accordance with Schedule 8.1 (Governance).

12 VRAN Clawback Mechanism

- 12.1 The following clawback mechanism shall apply in relation to development charges associated with the VRAN solution, as detailed within the Transferred CANs and Schedule 2.1 Paragraph 12.2.5.

12.2

12.3

12.4

- 12.5 The Supplier shall report on the total number of commercial deployments on an annual basis throughout the Term and at Contract exit.

- 12.6 The final calculation as contained within Paragraph 12.4 will be undertaken by the Supplier, with all supporting evidence submitted to the Authority for review. The Authority reserves the

right to request any additional information it deems reasonable in order to assure the validity of the calculation.

- 12.7 Once reviewed the Authority is able to accept or reject the calculation, and must notify the Supplier of its decision within twenty (20) Working Days of receipt of all information relating to the calculation.
- 12.8 On acceptance of the calculation the Supplier will raise a credit note against the SC1a-base Charge, to the value of the balance of the clawback charge per the formula described in Paragraph 12.4.

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Part 3: Gainshare and Painshare Mechanisms**1 Limit On Supplier Cash Margin Percentage**

- 1.1 The Supplier shall ensure that the Achieved Supplier Cash Margin Percentage shall not exceed the Maximum Permitted Supplier Cash Margin Percentage.
- 1.2 If the Achieved Supplier Cash Margin Percentage is in excess of the Anticipated Contract Life Supplier Cash Margin Percentage, the excess shall be shared on the basis set out in this Paragraph 1 of this Part 3.
- 1.3 The Supplier shall include in each Annual Financial Report the forecast Achieved Supplier Cash Margin Percentage as at the end of the Financial Year to which the Annual Financial Report is made up and the provisions of Paragraph 2 of Part B of Schedule 7.5 (Financial Reports and Audit Rights) shall apply to the approval of the Annual Financial Report.

Authority Gainshare for Supplier Cash Margin

- 1.4 If the Achieved Supplier Cash Margin Percentage exceeds the Anticipated Contract Life Supplier Cash Margin Percentage (for example, as set out in an Annual Financial Report, or it is otherwise determined pursuant to Paragraph 2 of Part B of Schedule 7.5 (Financial Reports and Audit Rights)), then the Authority shall be entitled to a gainshare for each of the bands in the table below in which such Achieved Supplier Cash Margin Percentage falls, using the following formula:

Gainshare due to the Authority

= (Total Charges less (Optional Services, Tariffs and CELs Milestone Payments and A2G & EAS pass through charges), plus (the Resource Safety Value clawback and Contingency reimbursement)) * multiplied by the applicable percentage, as shown in the table below.

Band of Achieved Supplier Cash Margin Percentage	
Based on the Achieved Supplier Cash Margin Percentage for the Term being	Percentage Gainshare
Equal to the Anticipated Contract Life Supplier Cash Margin Percentage	
Greater than the Anticipated Contract Life Supplier Cash Margin Percentage but less than [REDACTED] the Anticipated Contract Life Supplier Cash Margin Percentage	
Greater than the band set out in the immediately preceding row but less than [REDACTED] Anticipated Contract Life Supplier Cash Margin Percentage	
Greater than the band set out in the immediately preceding row but equal to or less than the Maximum Permitted Supplier Cash Margin Percentage	
Greater than the Maximum Permitted Supplier Cash Margin Percentage, in all cases	

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1.5

1.6

1.7

1.8

1.9 Not Used.

1.10 EAS & A2G pass through adjustments are excluded from the calculation of the Achieved Supplier Cash Margin Percentage. Any Resource Safety Valve adjustments are included from the calculation of the Achieved Supplier Cash Margin Percentage.

Example:

[Redacted]

Banding	Gainshare %	Banding Applicable	Calculation	Clawback applied to total applicable charges %
Equal to the Anticipated Contract Life Supplier Cash Margin Percentage	[Redacted]			
Greater than the Anticipated Contract Life Supplier Cash Margin Percentage [Redacted] [Redacted] the Anticipated Contract Life Supplier Cash Margin Percentage				
Greater than the band set out in the immediately preceding row [Redacted] [Redacted] Anticipated Contract				

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Life Supplier Cash Margin Percentage				
Greater than the band set out in the immediately preceding row but equal to or less than the Maximum Permitted Supplier Cash Margin Percentage				
Greater than the Maximum Permitted Supplier Cash Margin Percentage, in all cases				
Clawback applied total applicable charges				

Based on the result of the table above the final calculation would be;

Anticipated Contract Life Supplier Cash Margin Percentage

- 1.11 The table below sets out the Anticipated Contract Life Supplier Cash Margin Percentage for the Initial Term:

Anticipated Contract Life Supplier Cash Margin Percentage	
--	--

- 1.12 The table below sets out the Anticipated Contract Life Supplier Cash Margin Percentage for the Optional Year:

Anticipated Contract Life Supplier Cash Margin Percentage	
--	--

- 1.13 The Anticipated Contract Life Supplier Cash Margin Percentage may only be revised (upwards or downwards) as part of the Re-baselining Process as detailed at Schedule 8.2 (Change Control Procedure) Annex 1

- 1.14 Charging Mechanism for Supplier Cash Margin gainshare payable by the Supplier: See Paragraph 16 (Deductions) of Part 1.

2 Gainshare and Painshare on Coverage Enhancement Locations

CELS Target Price

- 2.1 The CELs Target Price shall be determined and agreed under the Re-baselining Process for CELs subject to and in accordance with Annex I to Schedule 8.2 (Change Control Procedure).

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- 2.2 Once the CELs Target Price is agreed by the Authority and the Supplier in a Change Authorisation Note signed by both Parties, the following gainshare and painshare mechanism shall apply to any CEL which has been instructed by the Authority in accordance with Schedule 2.1 Paragraph 13 within thirty (30) calendar days of the Supplier proposing the Target Price. All other CELs shall not be included in the calculation of the CELs gainshare and painshare mechanism.

Painshare (i.e. sharing of the [REDACTED])

- 2.3 If the Actual Aggregate CEL Milestone Payment being the actual Charges paid by the Authority to the Supplier in respect of the Supplier's fulfilment of requirements for CELs (including, without limitation Achievement of the relevant Milestone) exceeds the CELs Target Price, [REDACTED]

Example:

2.3.1 [REDACTED]

2.3.2 [REDACTED]

2.3.3 [REDACTED]

- 2.4 **Charging Mechanism for CELs painshare payable by the Supplier to the Authority:** Any CELs painshare shall be calculated upon the Achievement of the CEL Key Milestone and, shall be credited within the Milestone Payment for the Achievement of the CEL Key Milestone.

Gainshare (i.e. sharing of the saving under the CELs Target Price)

- 2.5 If the Actual Aggregate CEL Milestone Payment is less than the CELs Target Price, [REDACTED]

Example:

2.5.1 [REDACTED]

2.5.2 [REDACTED]

2.5.3 [REDACTED]

- 2.6 **Charging Mechanism for CELs gainshare payable by the Authority to the Supplier:** Any CELs gainshare shall be calculated upon the Achievement of the CEL Key Milestone and, shall be included within the Milestone Payment for the Achievement of the CEL Key Milestone.

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Part 4: Invoicing and Payment Terms for invoices to the Authority**1 Supplier Invoices**

This Part 4 is to cover all invoices from the Supplier to the Authority under this Agreement, including for Charges and/or for any other amounts payable by the Authority to the Supplier under this Agreement.

- 1.1 The Supplier shall prepare and provide to the Authority for approval of the format a template invoice within ten (10) Working Days of the Effective Date which shall include, as a minimum, the details set out in Paragraph 1.2 together with such other information as the Authority may reasonably require to assess whether the Charges that will be detailed therein are properly payable. This template invoice to be used for invoices payable by the Authority in accordance with the charging mechanisms in Part 1, Part 2, Part 3 and Part 4 of this Schedule. If the template invoice is not approved by the Authority then the Supplier shall make such amendments as may be reasonably required by the Authority.
- 1.2 The Supplier shall ensure that each invoice contains the following information:
 - 1.2.1 the date of the invoice;
 - 1.2.2 a unique invoice number;
 - 1.2.3 the official Supplier VAT number;
 - 1.2.4 the Service Period or other period(s) to which the relevant Charge(s) relate;
 - 1.2.5 the correct reference for this Agreement;
 - 1.2.6 the reference number of the purchase order to which it relates (if any);
 - 1.2.7 the dates between which the Services subject of each of the Charges detailed on the invoice were performed;
 - 1.2.8 a description of the Services;
 - 1.2.9 each charging model used to calculate the Charges (such as Fixed Charge, Time and Materials, Optional Service etc) together with details of each calculation underlying the calculation of each different element of the Charges provided for in this Schedule;
 - 1.2.10 any payments due in respect of Achievement of a Milestone, including the Milestone Achievement Certificate number or equivalent identification number associated with each relevant Milestone;
 - 1.2.11 the amount of each element of the Charges provided for in this Schedule together with the total Charges gross and net of any applicable deductions and, separately, any VAT or other sales tax payable in respect of each of the same;
 - 1.2.12 details of any Service Credits or Delay Payments or similar deductions that shall apply to the Charges detailed on the invoice;
 - 1.2.13 the amount of any Contingency included in the figures of the invoice;
 - 1.2.14 details of any Termination Payment and/or Compensation Payment due in accordance with Schedule 7.2;

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- 1.2.15 details of any Charges for any Termination Services due, subject always to the Exit Charges Cap;
 - 1.2.16 reference to any reports required by the Authority in respect of the Services to which the Charges detailed in the invoice relate (or in the case of reports issued by the Supplier for validation by the Authority, then to any such reports as are validated by the Authority in respect of the Services);
 - 1.2.17 a contact name, telephone number and email address of a responsible person in the Supplier's finance department in the event of administrative queries; and
 - 1.2.18 the banking details for payment to the Supplier via electronic transfer of funds (i.e. name and address of bank, sort code, account name and number).
- 1.3 The Supplier shall invoice the Authority in respect of Services in accordance with the requirements of Part 1, subject to Part 2, Part 3 and Part 4.
- 1.4 Invoices shall be issued by the Supplier in arrears for the preceding month and shall cover a full calendar month.
- 1.5 The Supplier shall first submit to the Authority on the first of each month a draft invoice setting out the Charges payable. The Parties shall endeavour to agree the draft invoice within five (5) Working Days of its receipt by the Authority, following which the Supplier shall be entitled to submit its valid invoice.
- 1.6 Each invoice shall at all times be accompanied by Supporting Documentation. Any assessment by the Authority as to what constitutes Supporting Documentation shall not be conclusive and the Supplier undertakes to provide to the Authority any other documentation reasonably required by the Authority from time to time to substantiate an invoice.
- 1.7 The Supplier shall submit all invoices and Supporting Documentation to the Emergency Services Mobile Communications Programme email:
- ESMCPCommercial-Lot3-EE@homeoffice.gov.uk
- with a copy (again including any Supporting Documentation) to such other person and at such place as the Authority may notify to the Supplier from time to time.
- 1.8 All Supplier invoices shall be expressed in pounds sterling or such other currency as shall be permitted by the Authority in writing.
- 1.9 The Authority shall regard an invoice as valid only if it complies with the provisions of this Part 4 and the requirements of VAT invoices under applicable Laws (including, without limitation, any VAT laws). Where any invoice does not conform to the Authority's requirements set out in this Part 4 and under such applicable Laws, the Authority shall return the disputed invoice to the Supplier and the Supplier shall promptly issue a replacement invoice which shall comply with such requirements.

2 Payment terms

- 2.1 Subject to the relevant provisions of this Schedule, the Authority shall make payment to the Supplier within thirty (30) days of receipt of the later of:
- 2.1.1 a valid invoice by the Authority at its nominated address for invoices; and
 - 2.1.2 all of the deductions referred to in Paragraph 16 of Part 1 of this Schedule being agreed.

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Unless the Parties agree otherwise in writing, all Supplier invoices shall be paid in pounds sterling by electronic transfer of funds to the bank account that the Supplier has specified on its invoice.

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Part 5: Invoicing and Payment Terms for Tariff invoices and other invoices for User Organisations Services

1 Supplier Bulk Invoice Statements

This Part 5 covers the invoicing and payment terms for bulk invoice statements for Tariff Charges for Tariff Bundles ordered by Customers.

- 1.1 The Supplier shall prepare and provide to the Authority for approval of the format a template monthly bulk invoice statement within ten (10) Working Days of the Effective Date which shall include, as a minimum, the details set out in Paragraph 1.2 together with such other information as the Authority or the US Supplier may reasonably require to assess whether the Charges that will be detailed therein are properly payable and the method of payment and timings. This template monthly bulk invoice statement to be used for Tariff Charges and invoices for other Charges which are payable by Customers and such invoices are to be addressed to the US Supplier in accordance with the process in Paragraph 15. If the template invoice statement is not approved by the Authority then the Supplier shall make such amendments as may be reasonably required by the Authority.
- 1.2 The Supplier shall ensure that each monthly bulk invoice statement contains the following information detailing in aggregate the total usage under this Agreement:
 - 1.2.1 the date of the invoice;
 - 1.2.2 a unique statement number;
 - 1.2.3 the Supplier VAT number;
 - 1.2.4 the Service Period or other period(s) to which the relevant Charge(s) relate;
 - 1.2.5 the correct reference for this Agreement;
 - 1.2.6 the reference number of the purchase order to which it relates (if any);
 - 1.2.7 the dates between which the Services subject of each of the Charges detailed on the invoice statement were performed;
 - 1.2.8 a description of the Services;
 - 1.2.9 the charging model used to calculate the Charges (such as Tariff Charges, Fixed Charges, time and materials, Optional Services etc);
 - 1.2.10 for Tariff Charges, sufficient information about Tariff Bundles as required by the Authority, US Supplier and/or Customers from time to time (including, if requested, the number of Ordered Tariff Bunders per Customer);
 - 1.2.11 the total Charges gross and net of any applicable deductions including, due to the ability of promotions or variations of pricing within this Schedule) with details of any Service Credits or Delay Payments or similar deductions that shall apply to the Charges detailed on the bulk invoice statement;
 - 1.2.12 details of any VAT or other sales tax payable in respect of each of the same;
 - 1.2.13 reference to any reports required by the Authority in respect of the Services to which the Charges detailed on the bulk invoice statement relate (or in the case of reports issued by the Supplier for validation by the Authority, then to any such reports as are validated by the Authority in respect of the Services); and

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- 1.2.14 a contact name, telephone number and email address of a responsible person in the Supplier's finance department in the event of administrative queries.
- 1.3 The Supplier shall issue the invoice statements to the US Supplier in accordance with Part 1, subject to Part 2 and Part 5.
- 1.4 Invoice statements shall be issued by the Supplier in arrears per calendar month and with individual charges pro-rated according to Paragraph 17.2 of Part 1. The Supplier shall first submit to the US Supplier on the first of each month, providing a copy to the Authority, a draft bulk invoice statement setting out the Charges payable.
- 1.5 Each bulk invoice statement shall at all times be accompanied by Supporting Documentation as required in Schedule 2.1, Paragraph 11 (Billing Services). Any assessment by the Authority as to what constitutes Supporting Documentation shall not be conclusive and the Supplier undertakes to provide to the Authority with any other documentation reasonably required by the Authority from time to time to substantiate an invoice statement.
- 1.6 The Supplier shall submit all bulk invoice statements and Supporting Documentation by email to:

Bulk Invoice Statement	Copies

- providing a copy (again including any Supporting Documentation) to such other person and at such place as the Authority may notify to the Supplier from time to time.
- 1.7 All Supplier bulk invoices statements shall be expressed in Pounds sterling or such other currency as shall be permitted by the Authority in writing.
 - 1.8 The Authority and US Supplier shall regard a bulk invoice statement as valid only if it complies with the provisions of this Part 5. Where any invoice statement does not conform to the Authority's requirements set out in this Part 5, the Authority shall return the disputed invoice statement to the Supplier and the Supplier shall promptly issue a replacement invoice statement which shall comply with such requirements.

2 Payment terms

- 2.1 Subject to the relevant provisions of this Schedule, payment of Tariff Charges and other Charges for User Organisations Services by the Customer shall be made to the Supplier within [redacted] of receipt of the later of:
 - 2.1.1 a valid invoice/statement from the US Supplier for Services delivered by the Supplier, by the relevant Customer at its nominated address for invoices/statements; and
 - 2.1.2 all of the deductions referred to in Paragraph 16 of Part 1 of this Schedule being agreed.

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- 2.2 Unless the Parties agree otherwise in writing, all invoices/statements shall be paid by a Customer in Pounds sterling by electronic transfer of funds to the bank account specified on its invoice/statement.

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Part 6: Optional Services Catalogues

- 1 The current Optional Services Catalogue is below;
- 2 The process for reviewing and updating the Optional Services Catalogues is contained within Schedule 2.1 Paragraph 15, and such updated versions shall be provided by the Supplier into the Authority's virtual library.



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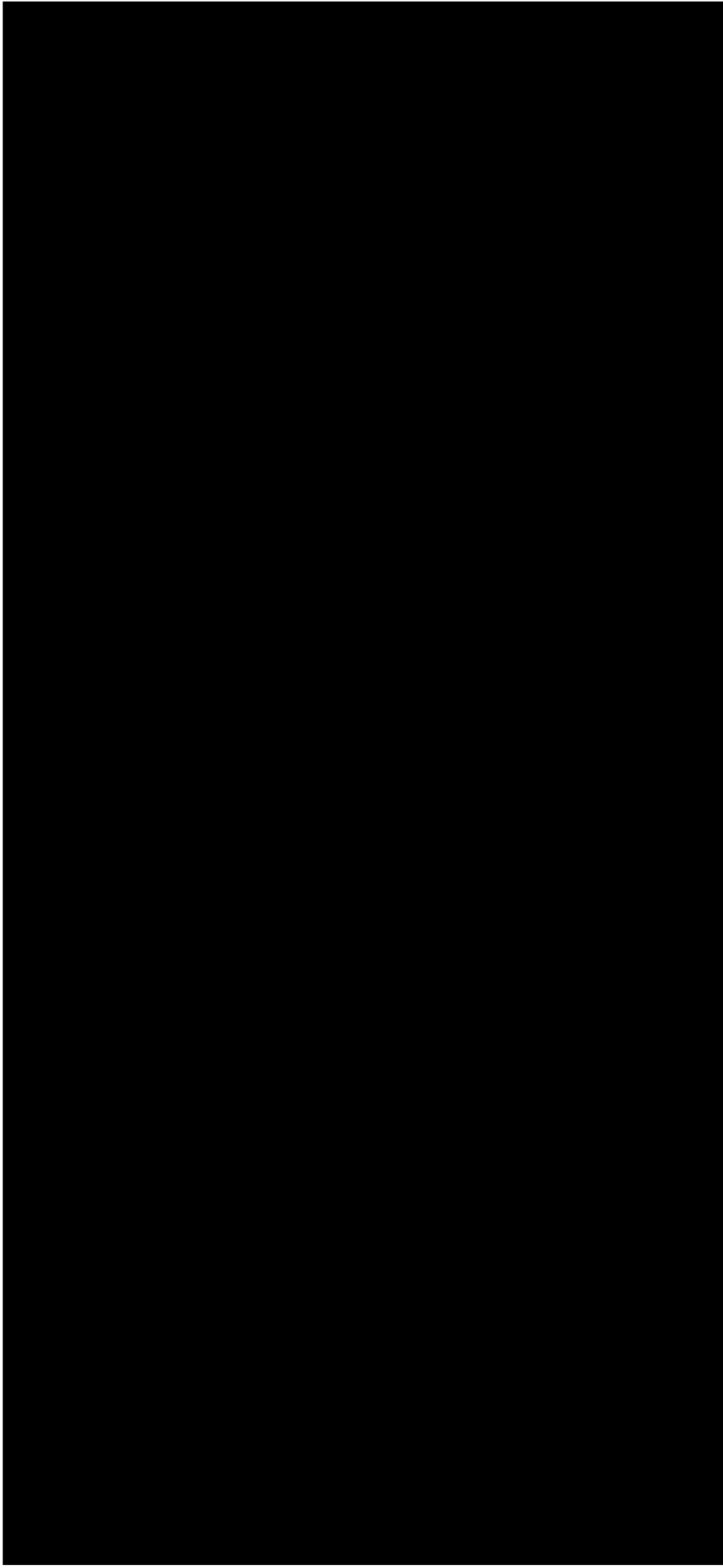
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Part 7: Annexures

Annex 1: Prices and Charges



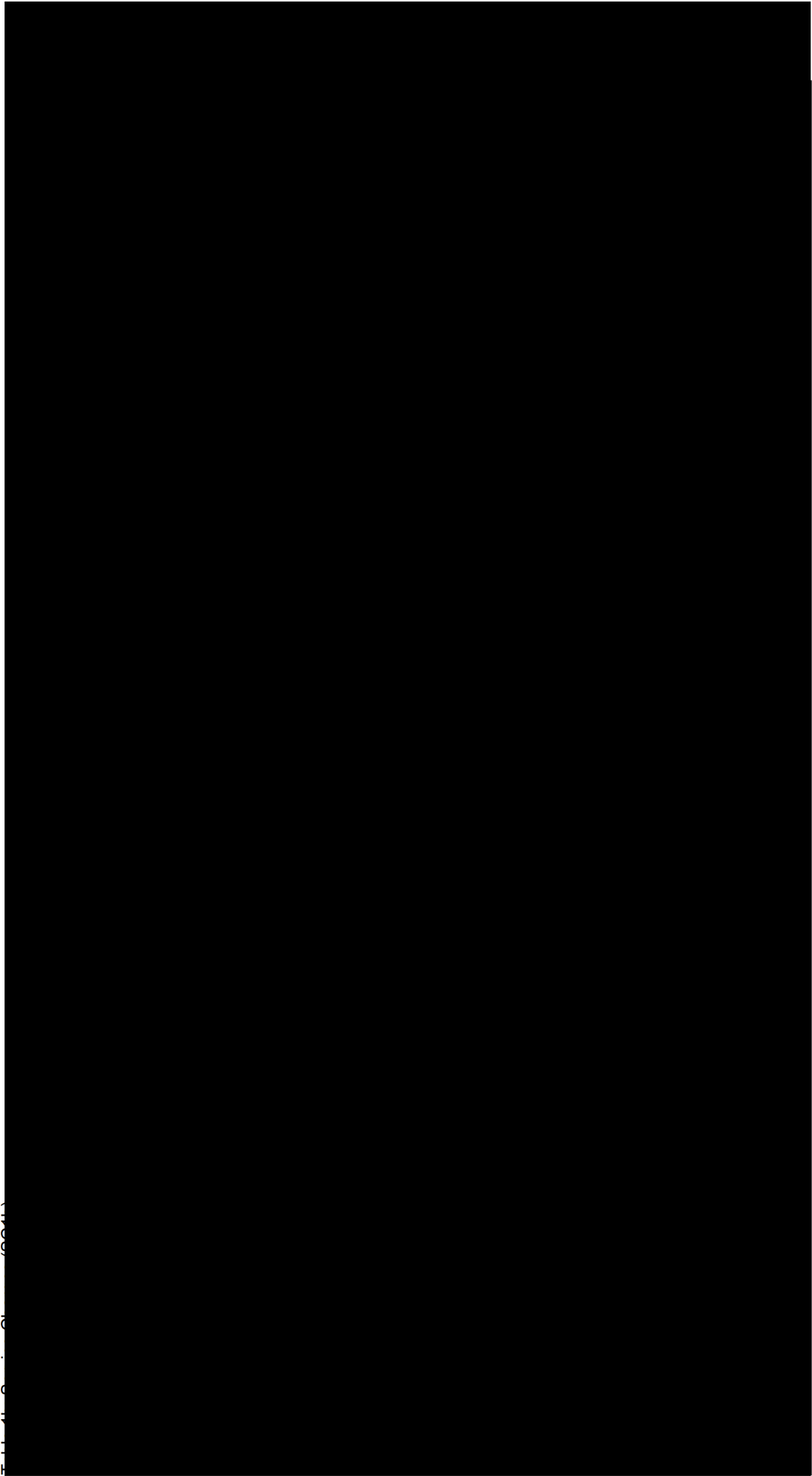
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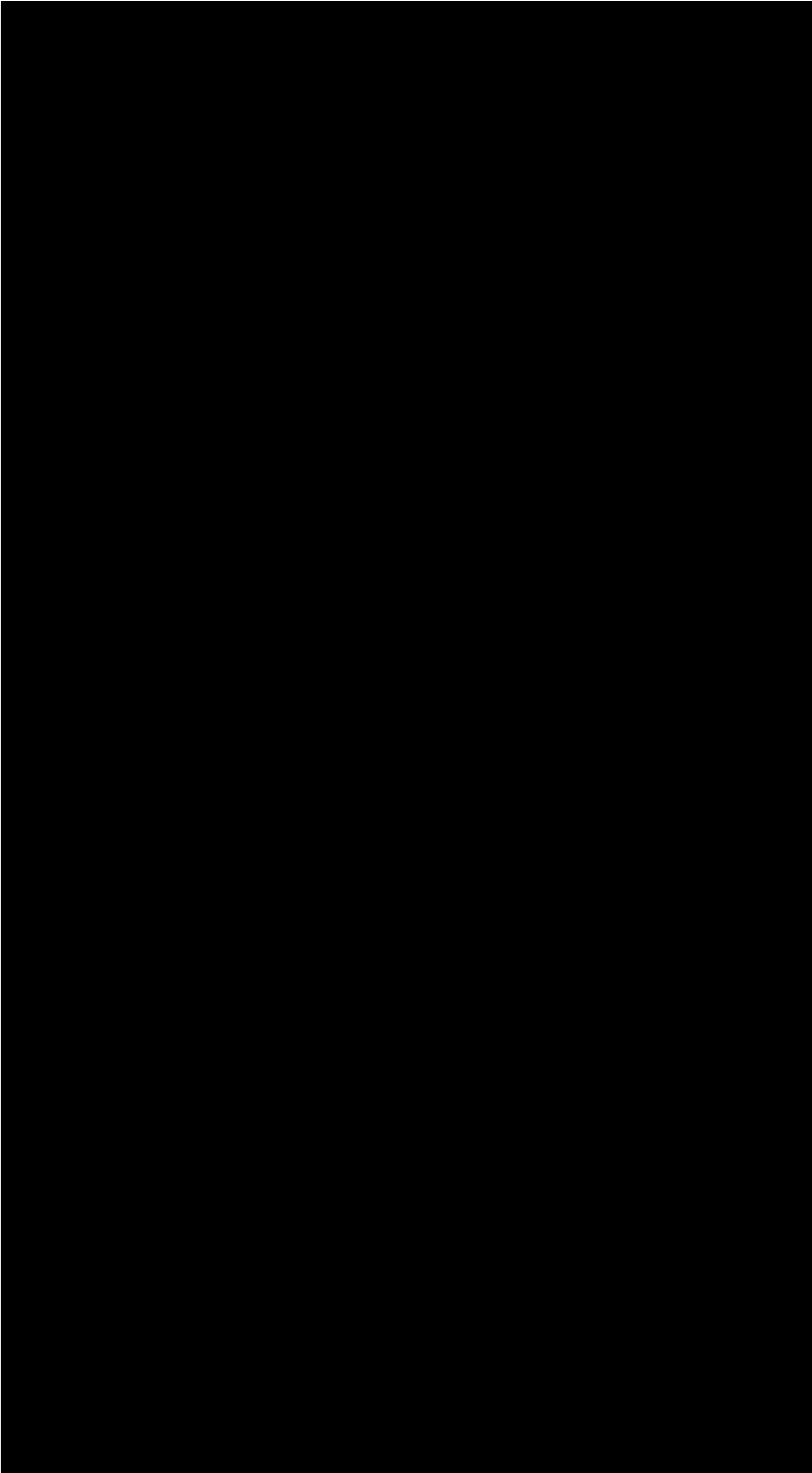


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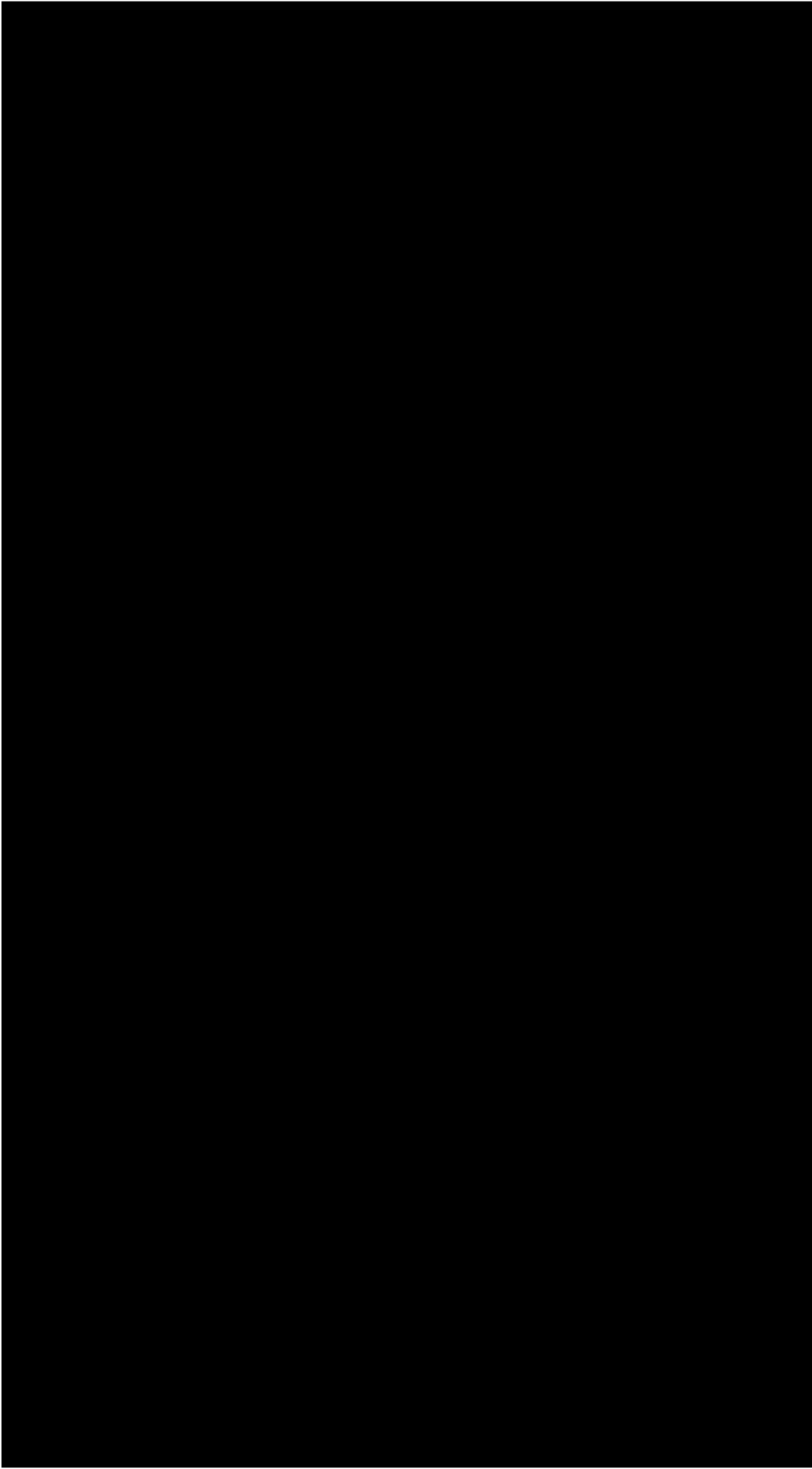


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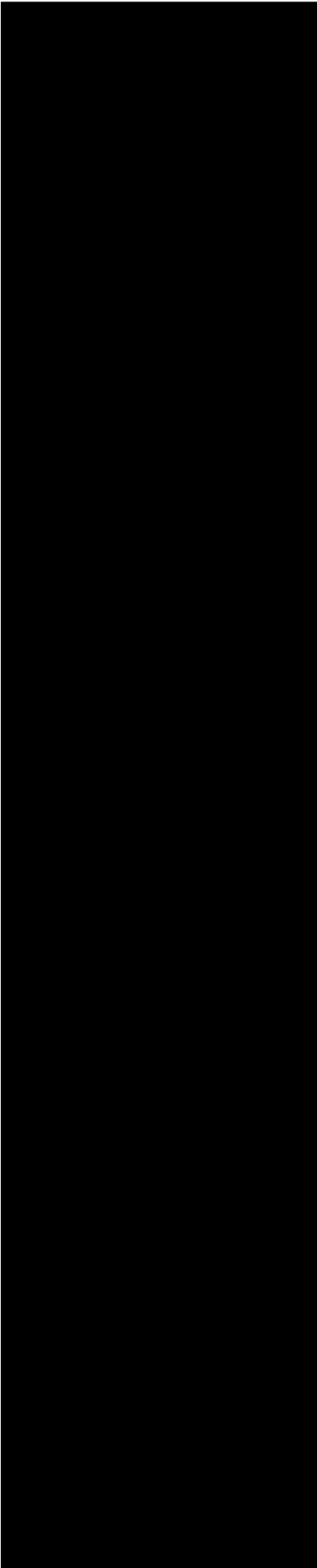
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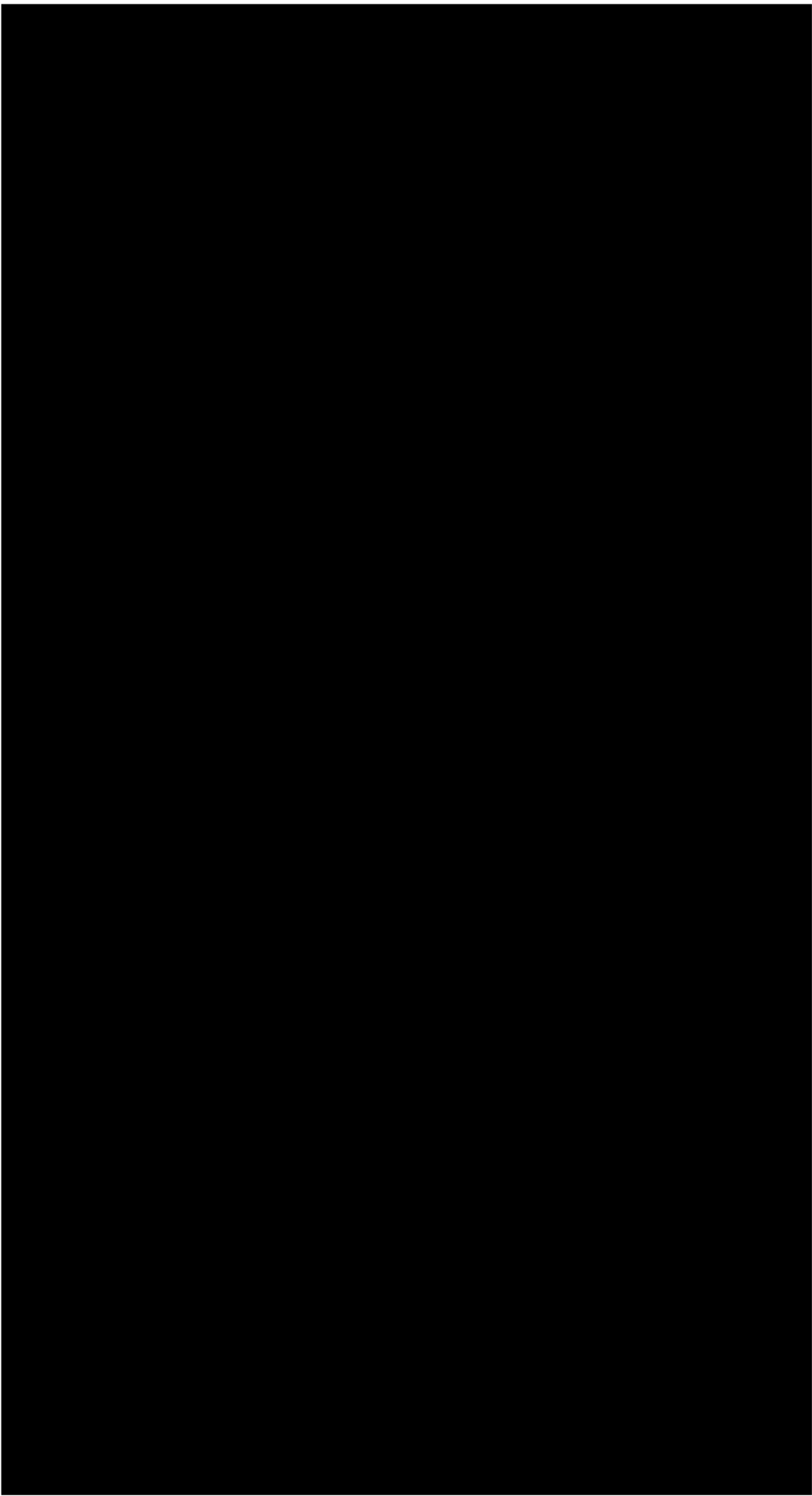
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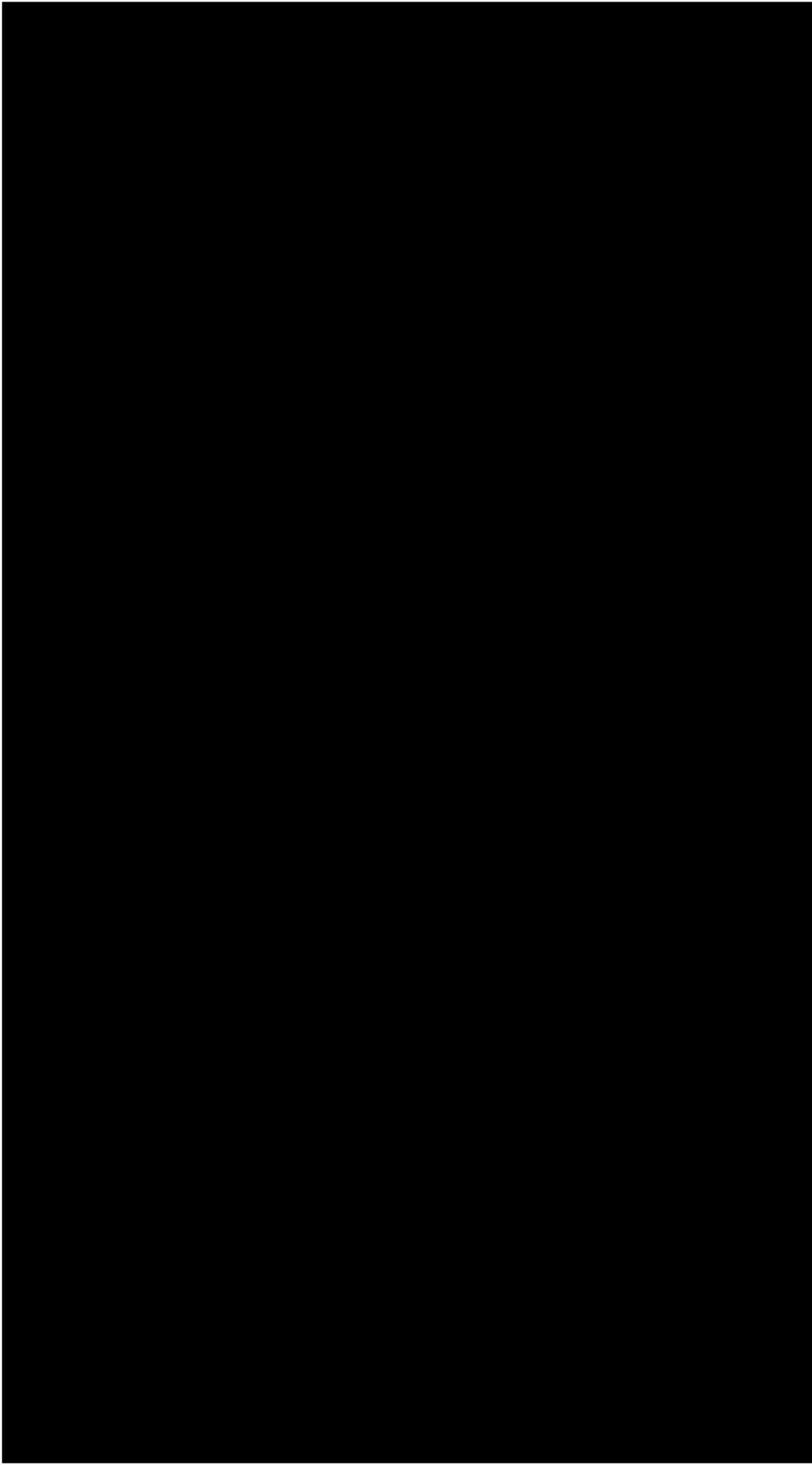
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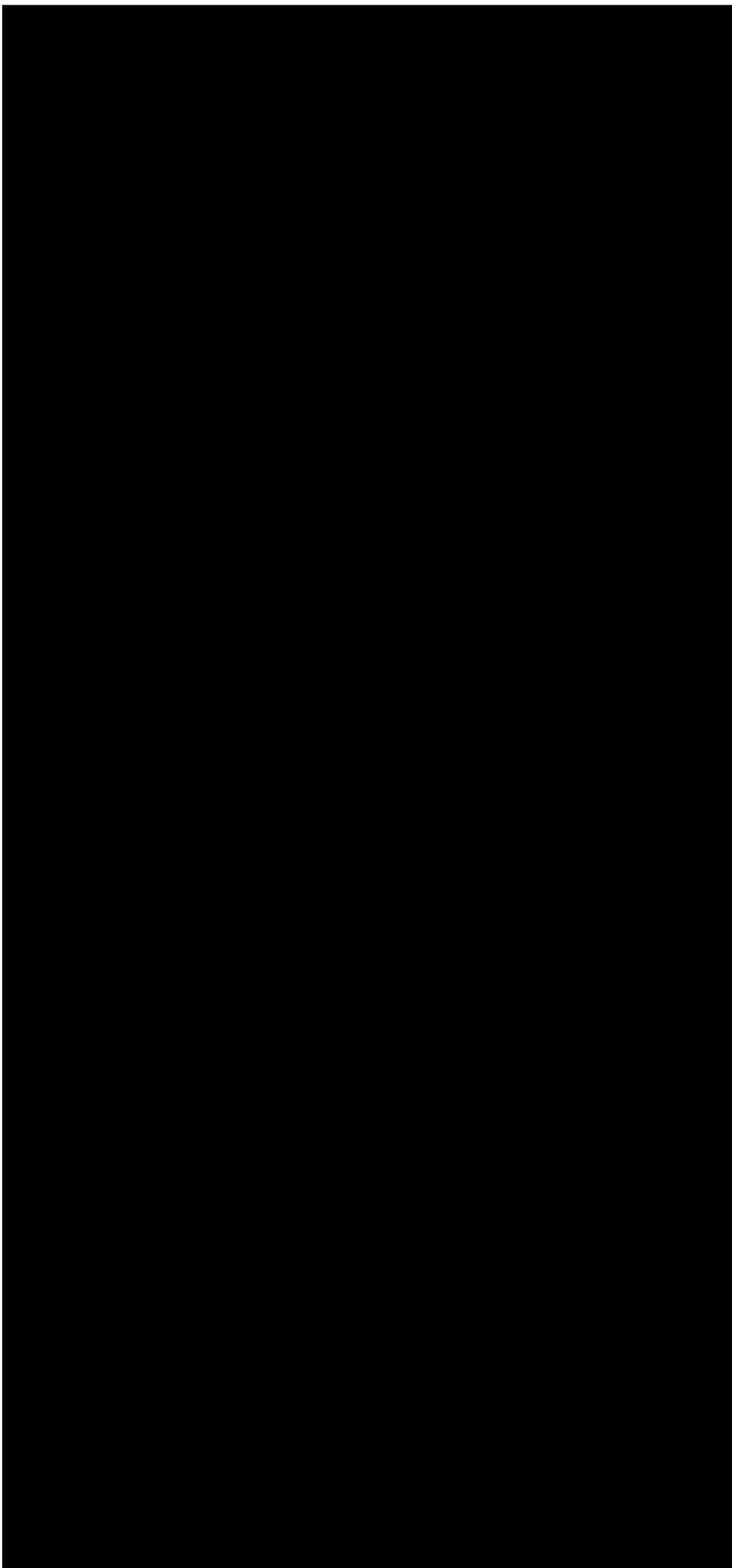
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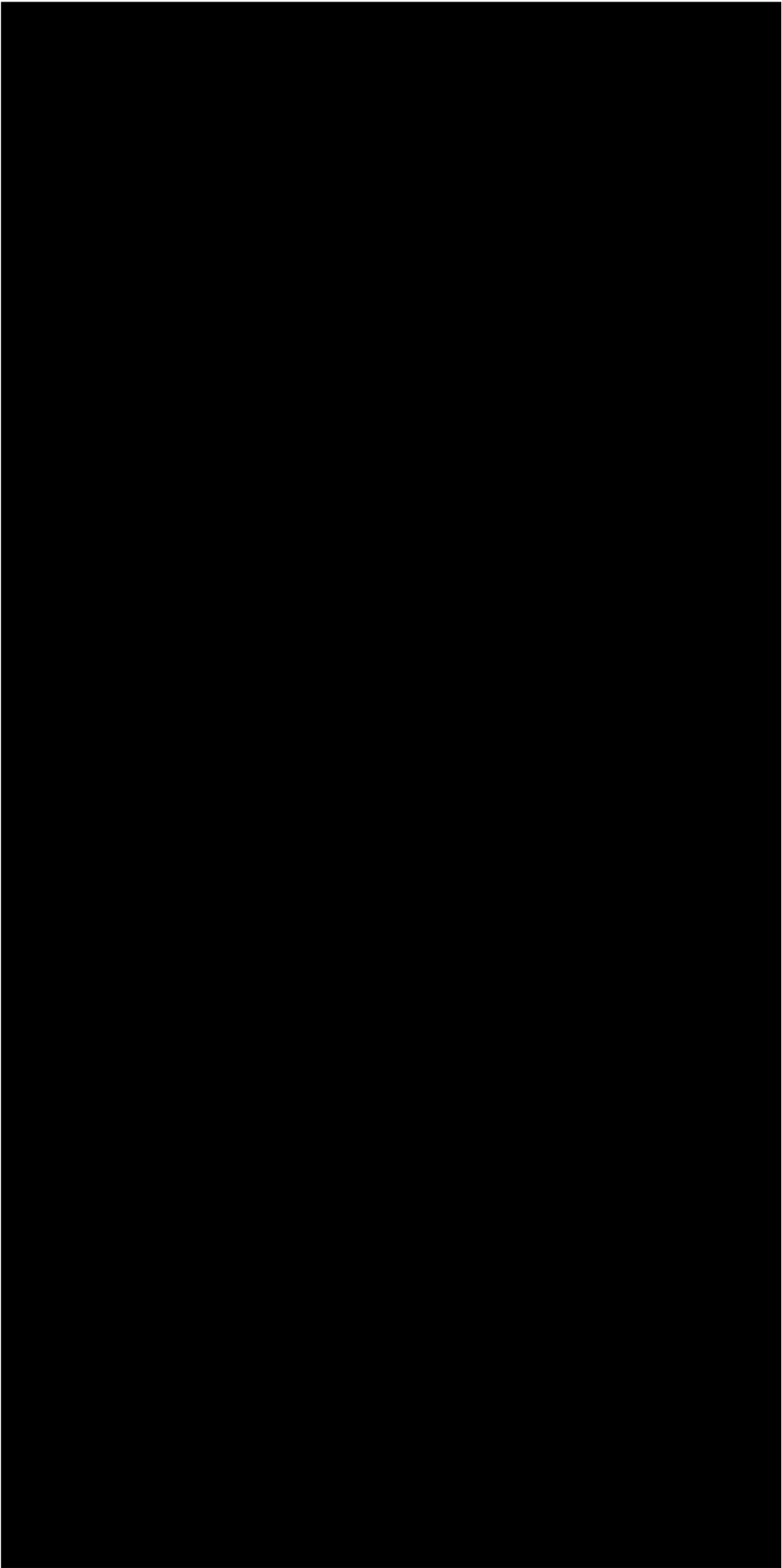
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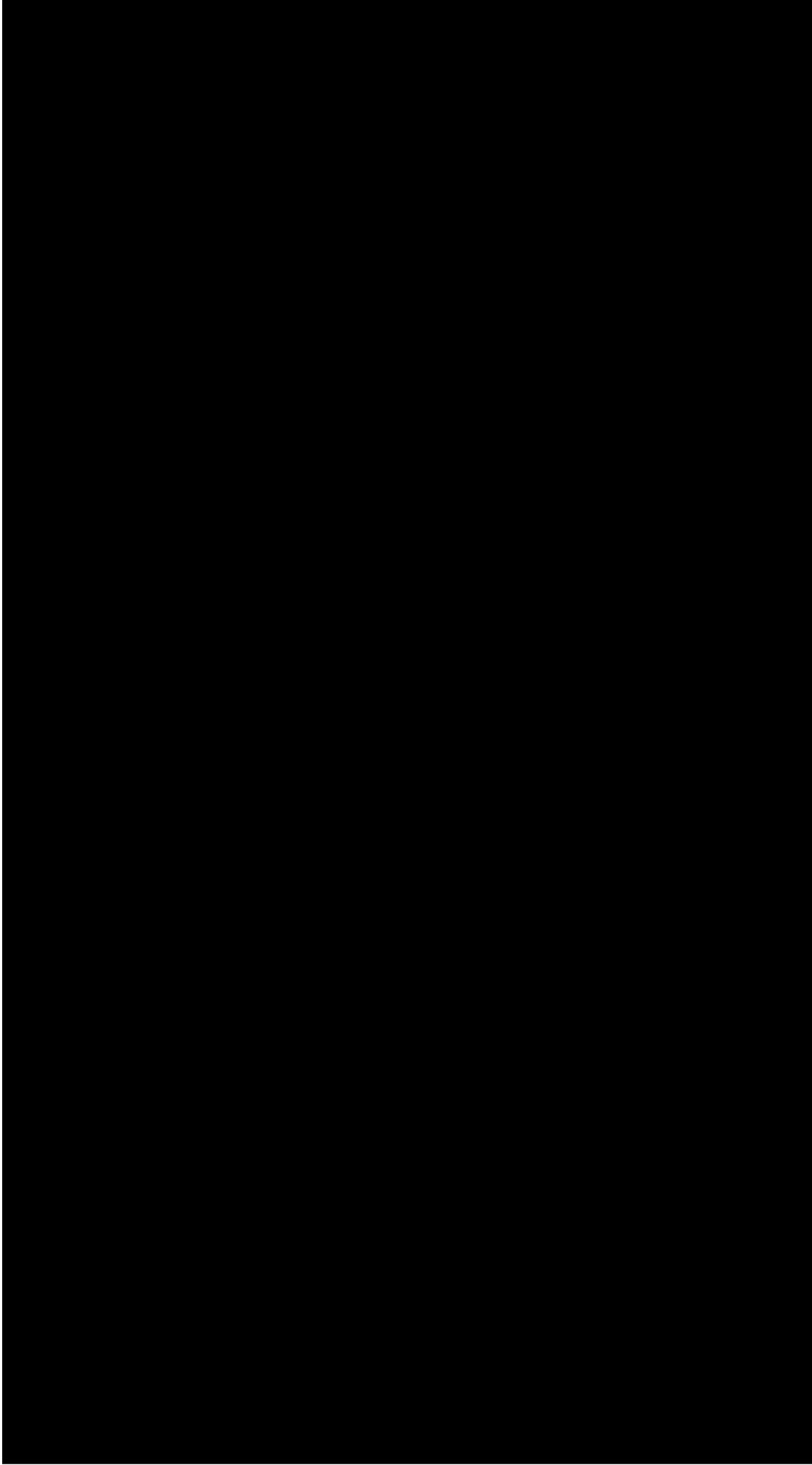
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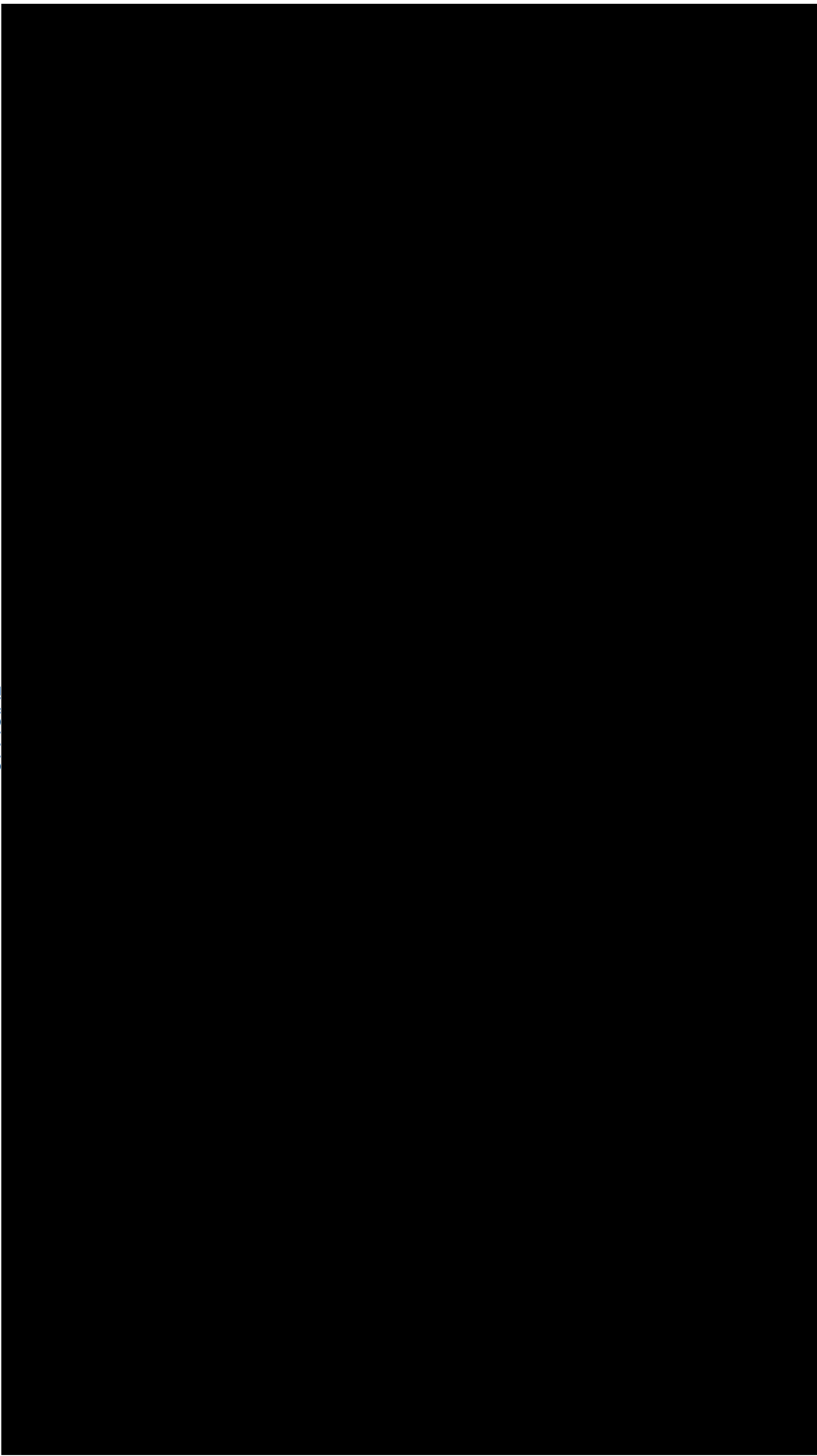
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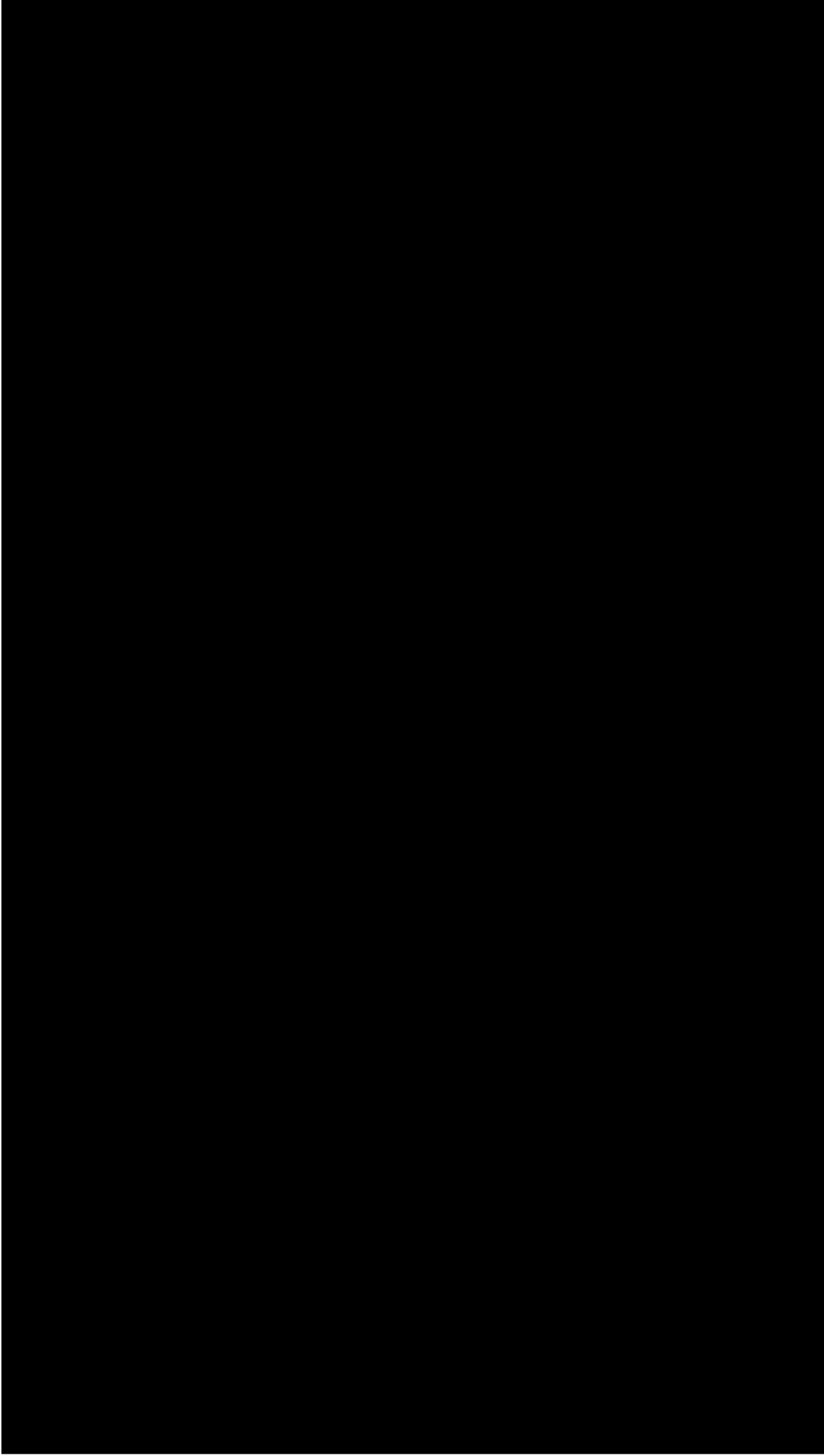
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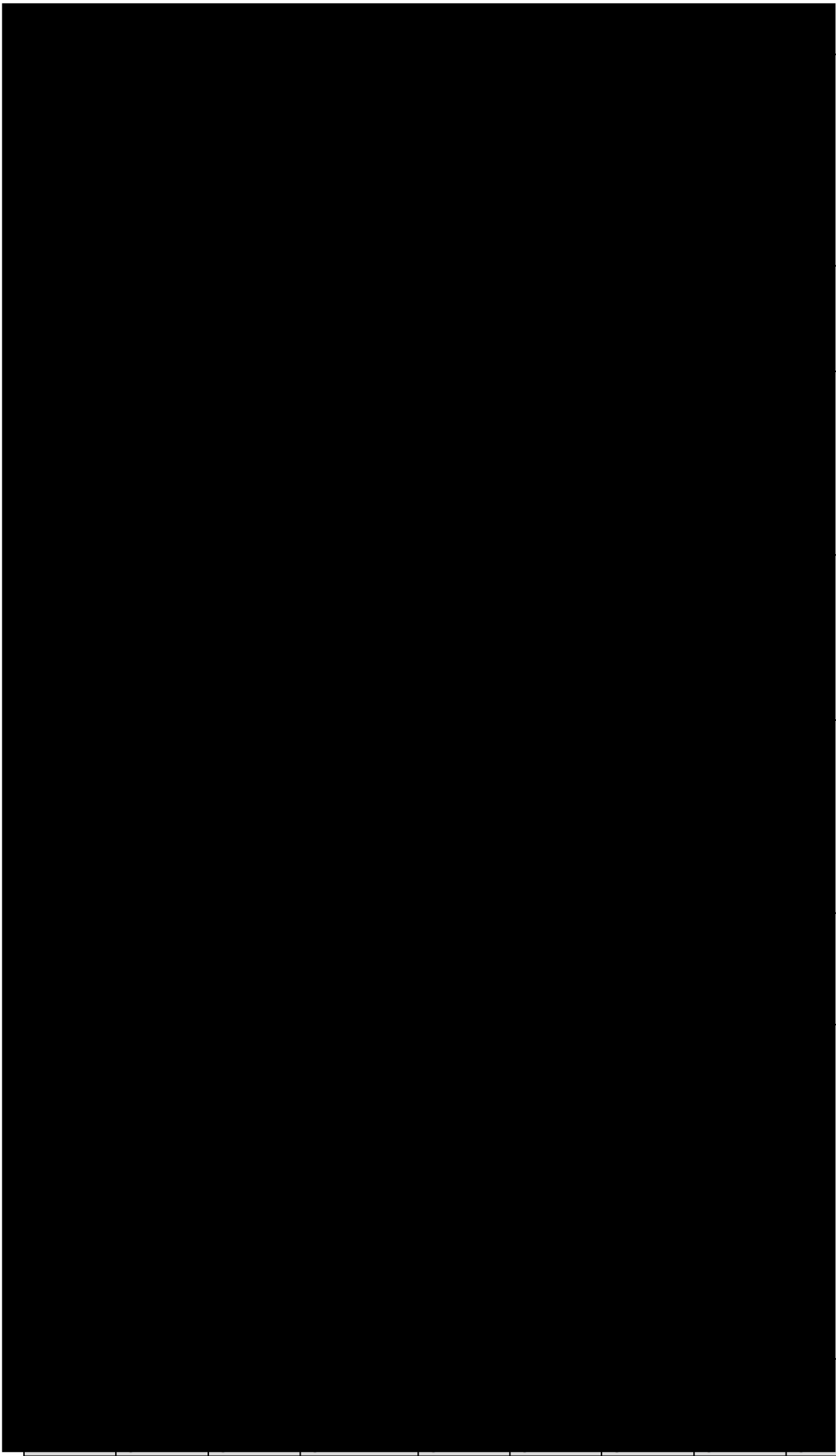
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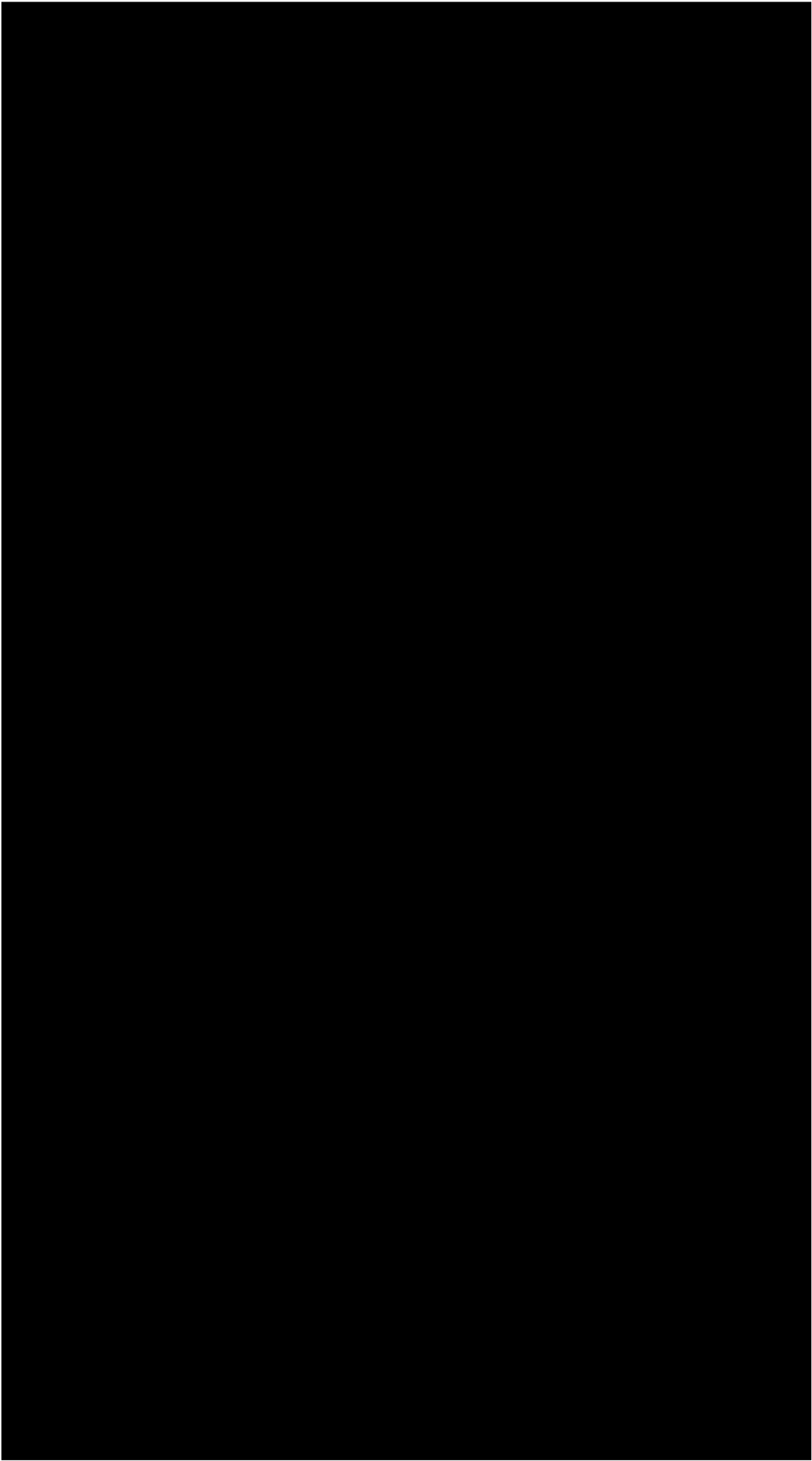
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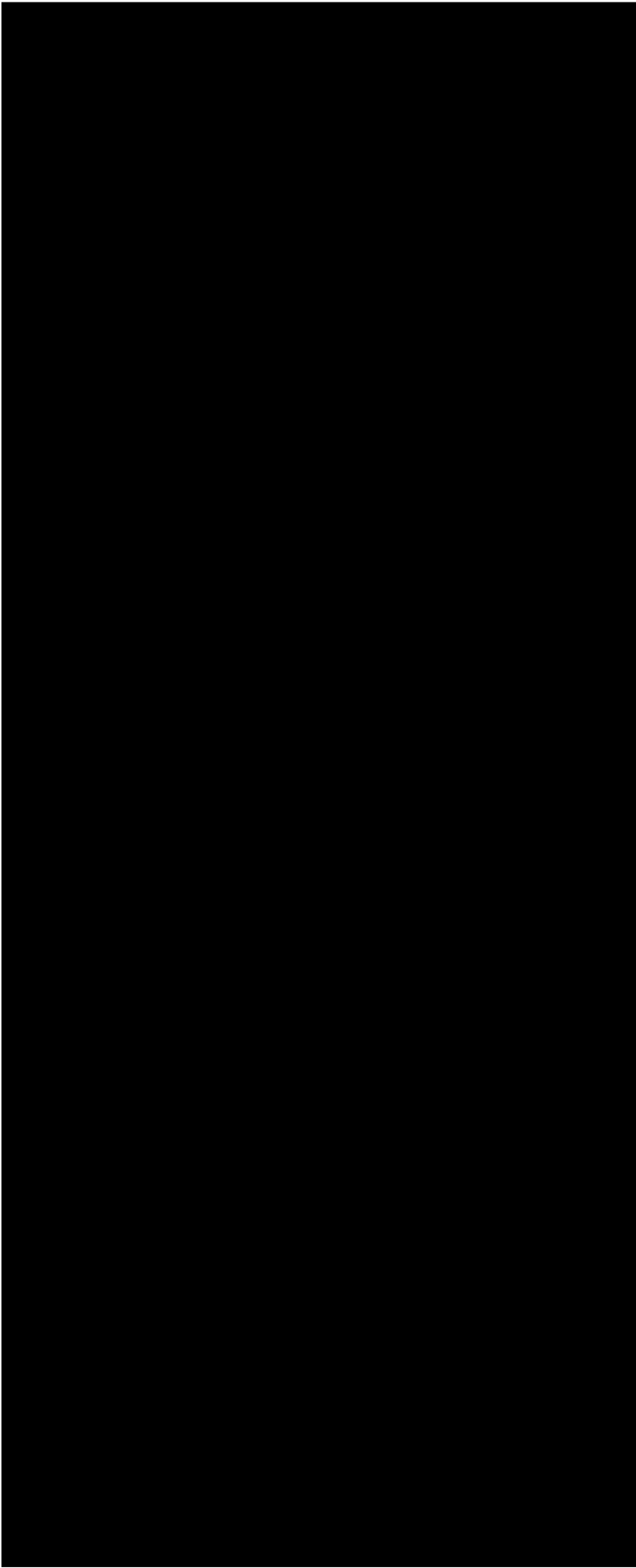
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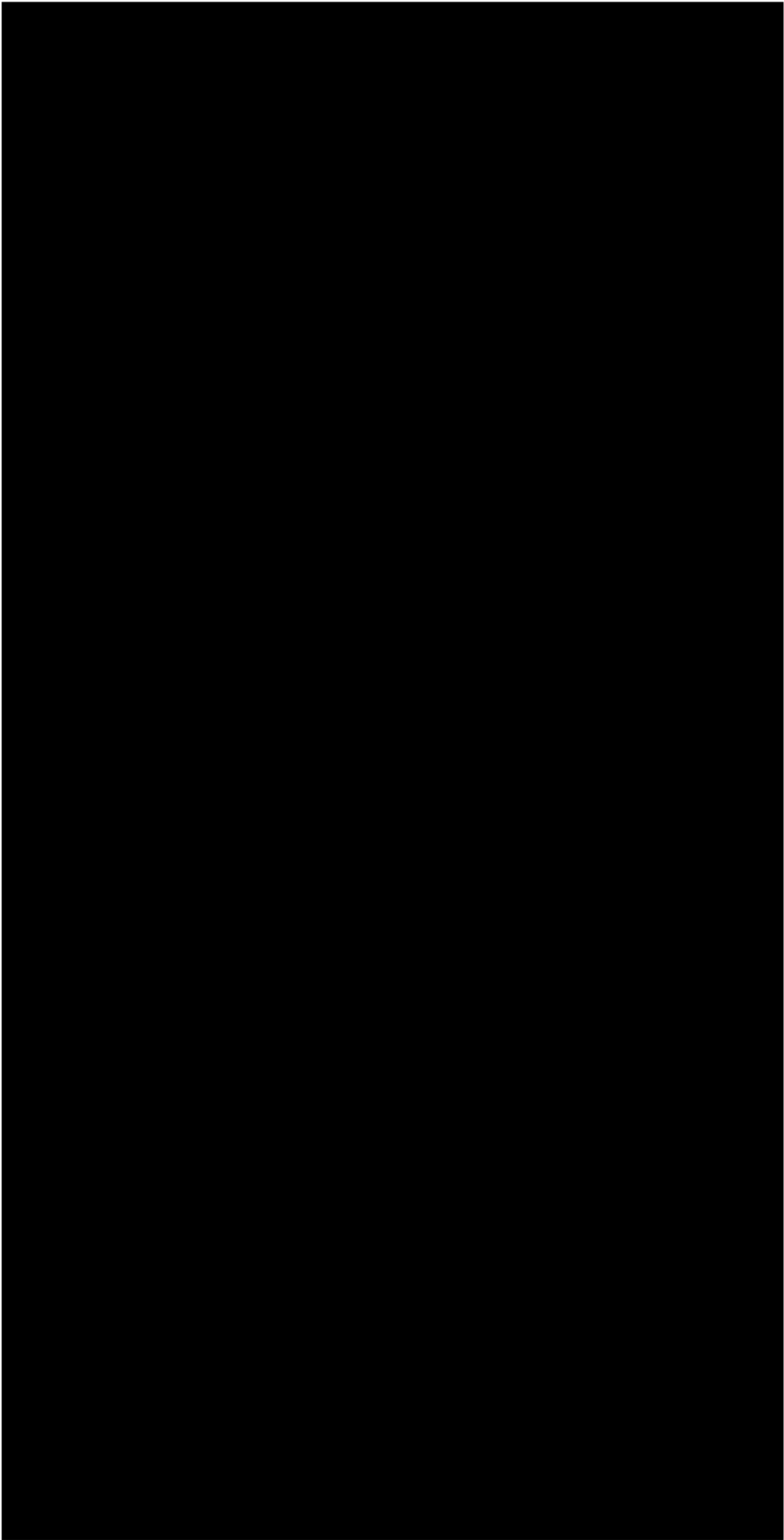
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Schedule 7.1: Annex 1, Table 2, Tariff Charge Using the Number of Connections

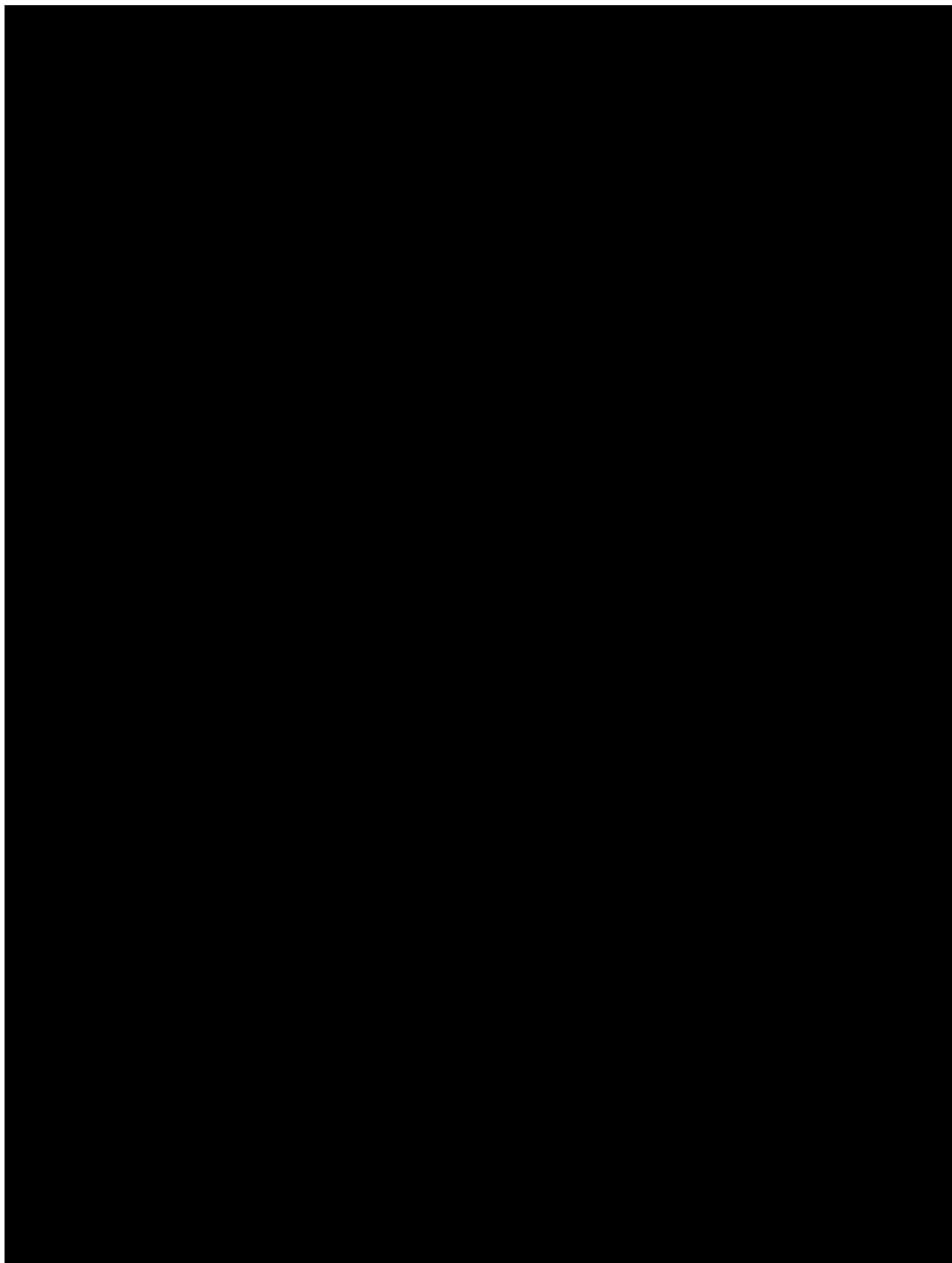
[Redacted Table Content]

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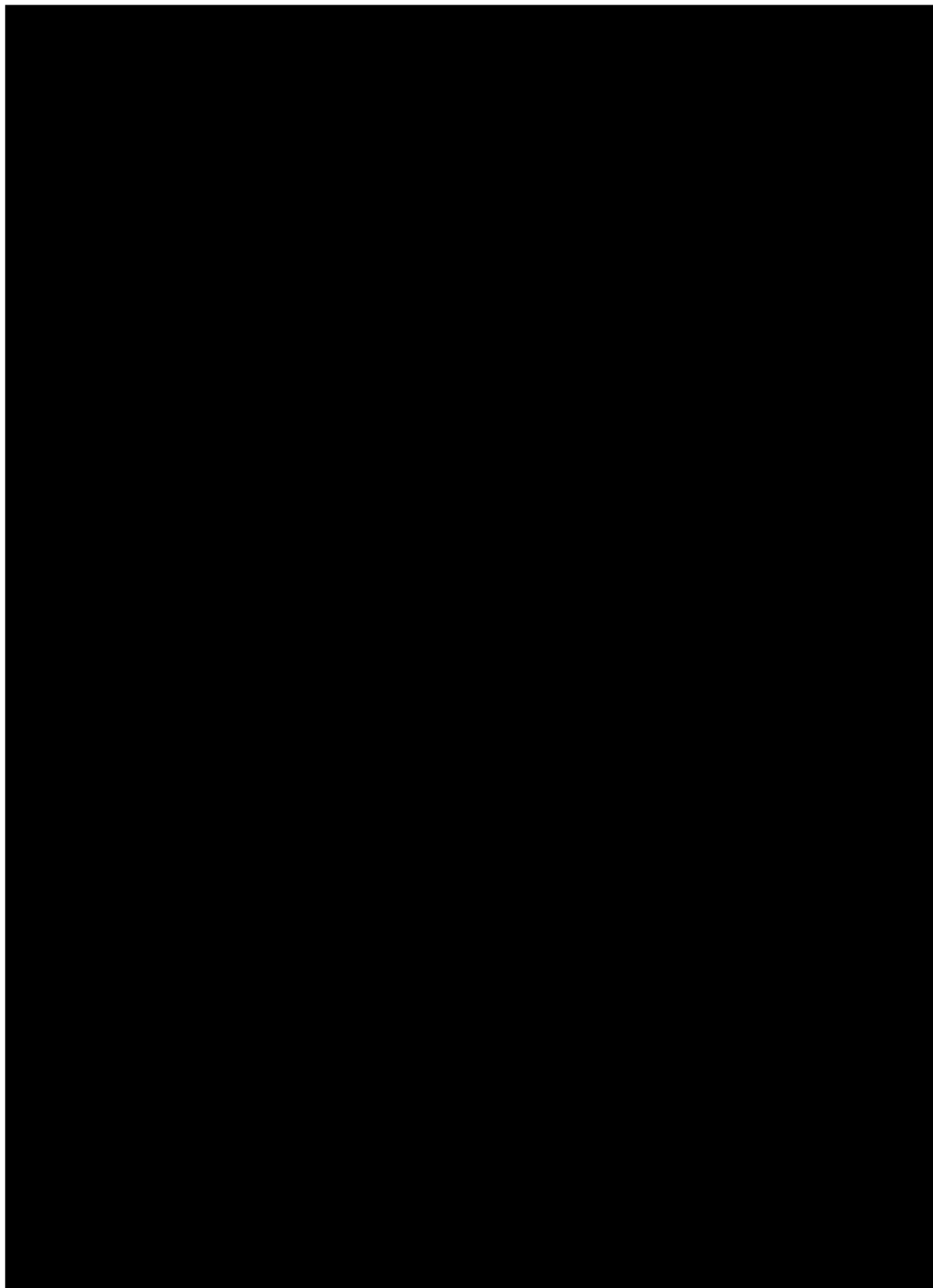
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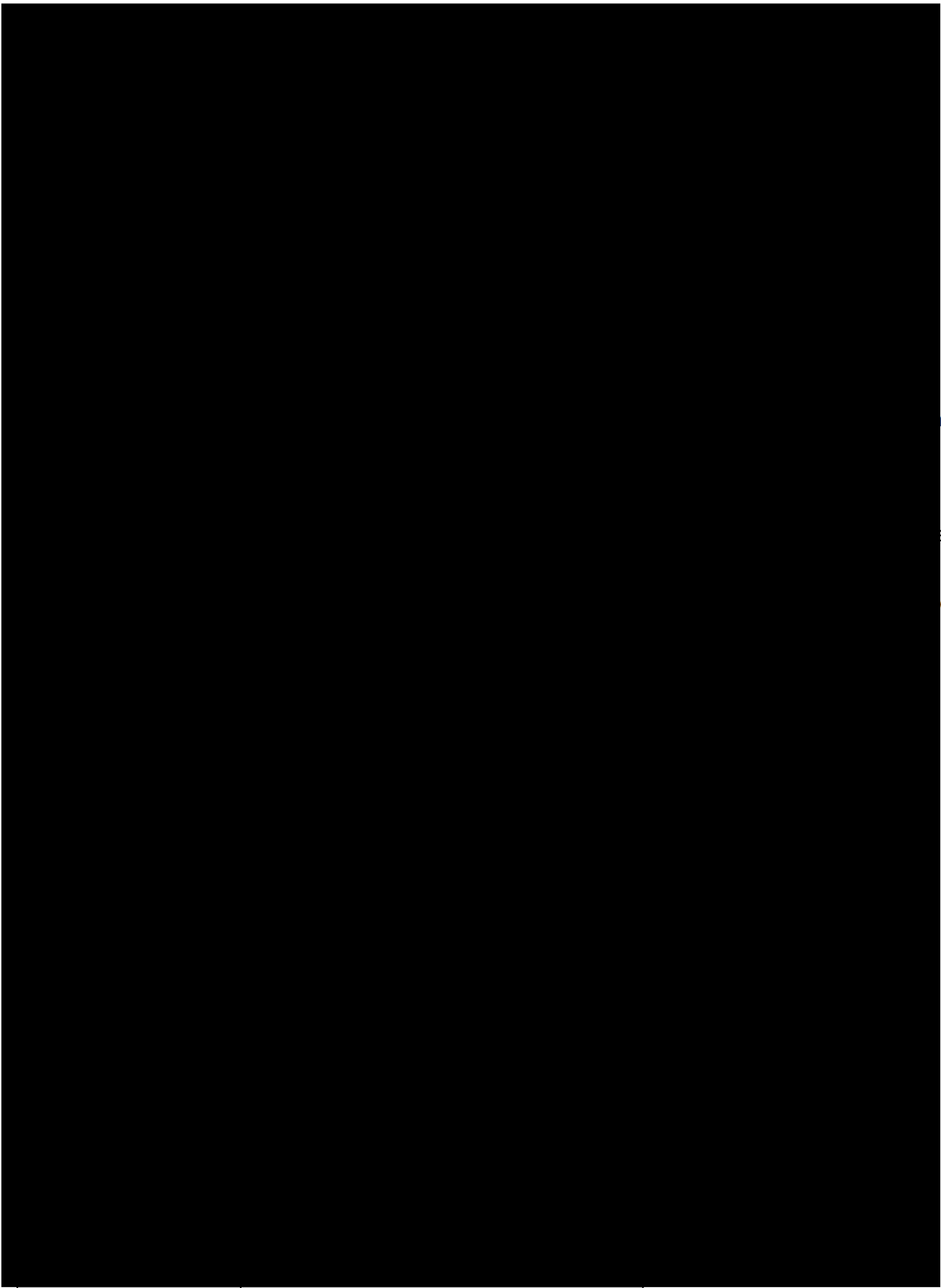
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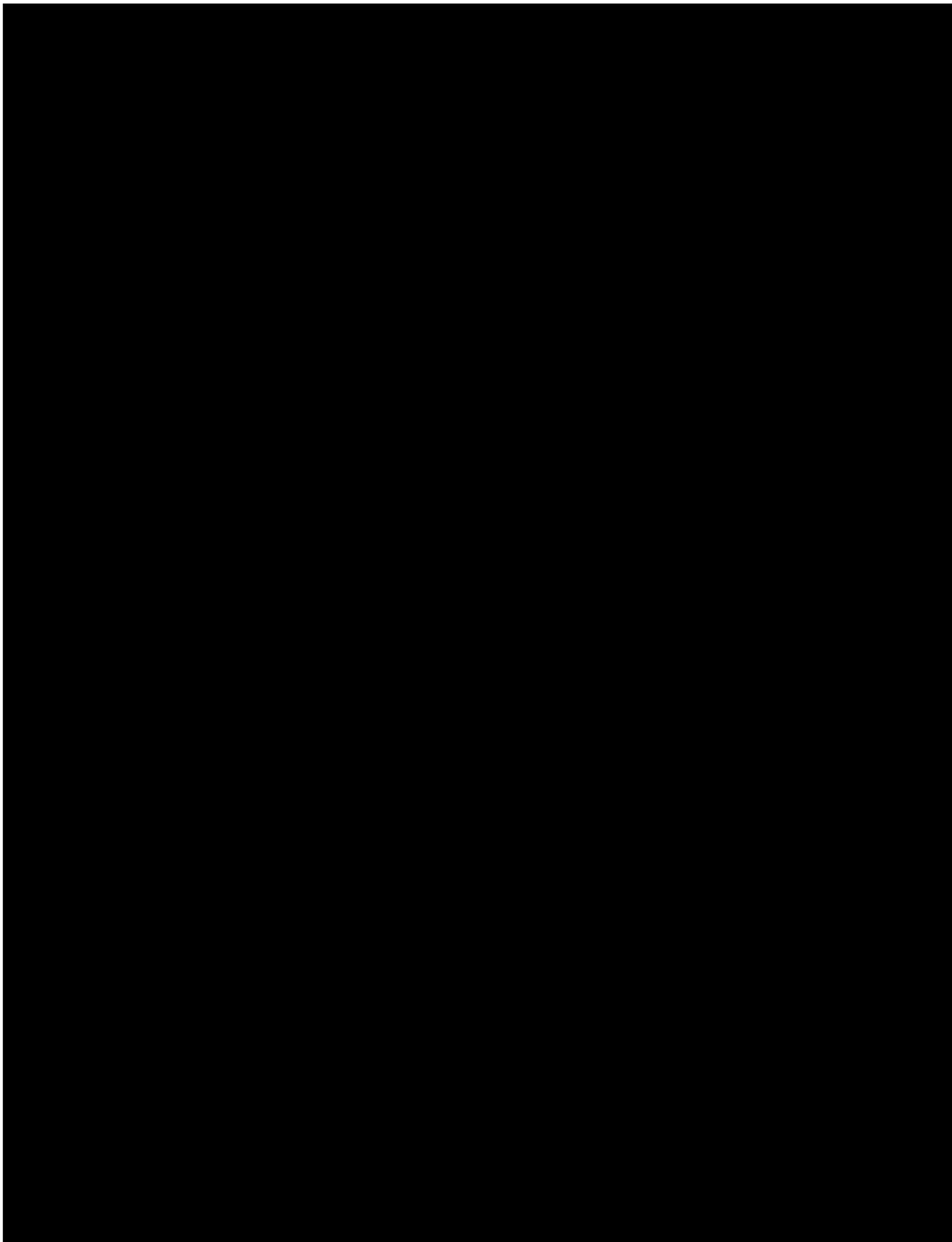
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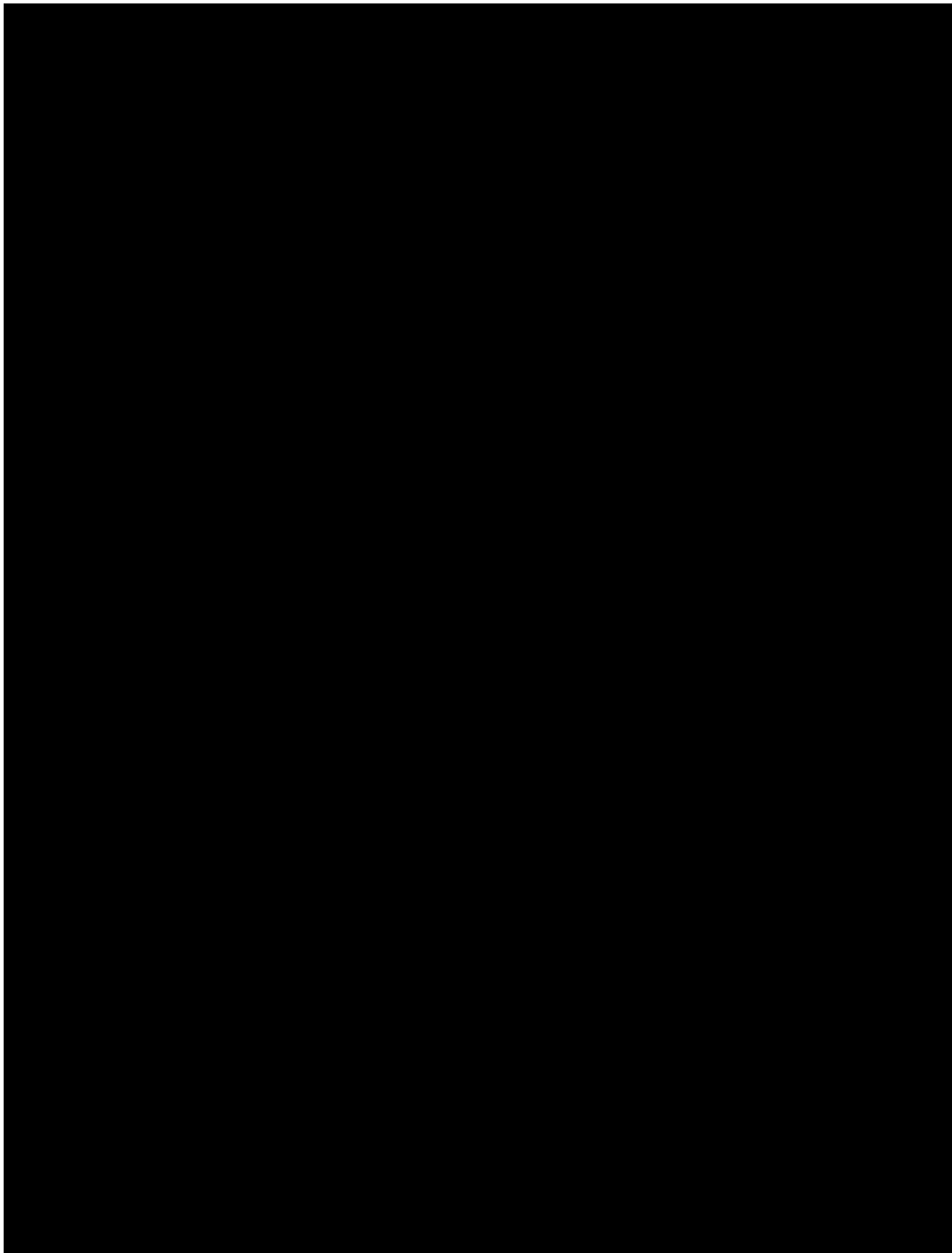
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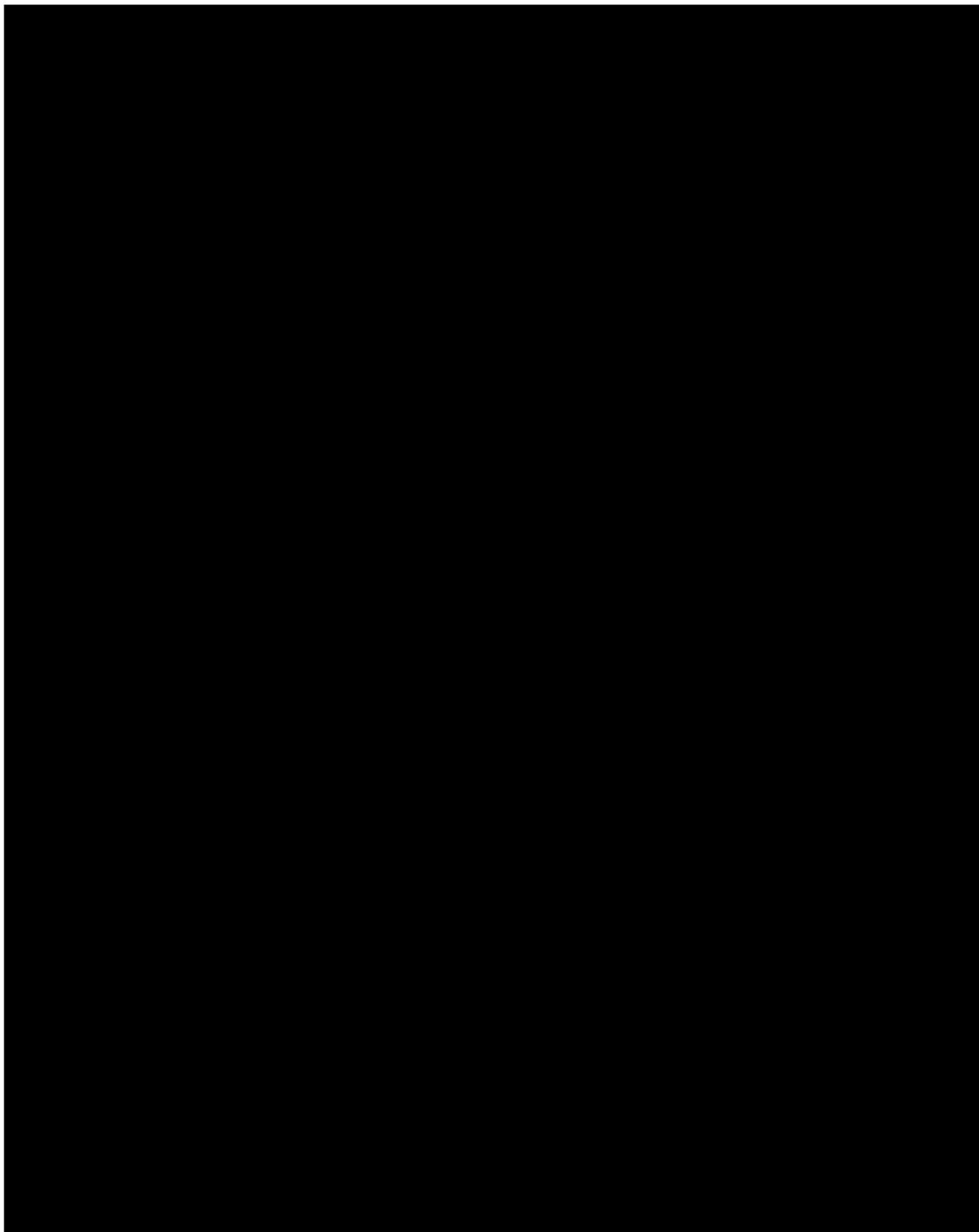
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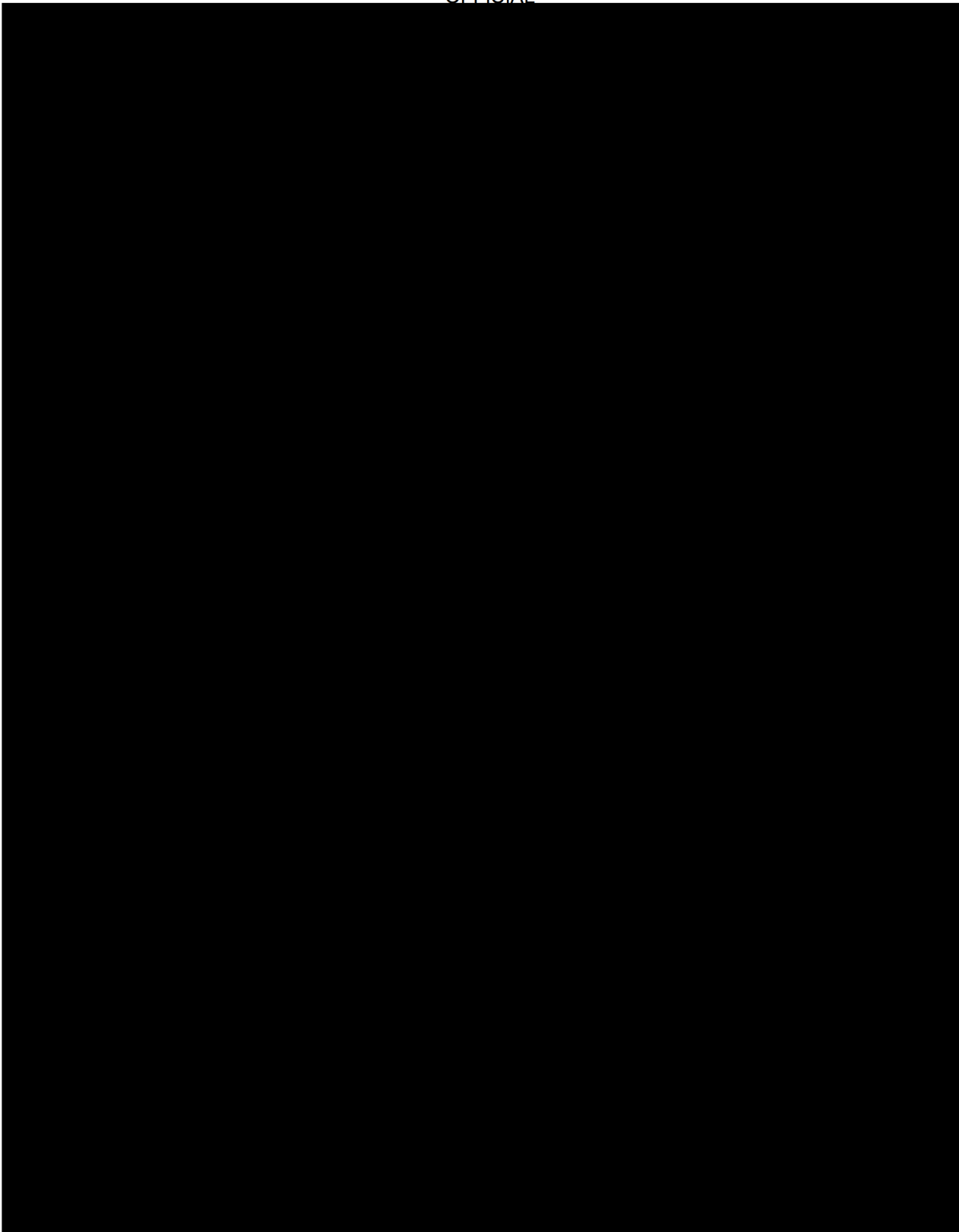
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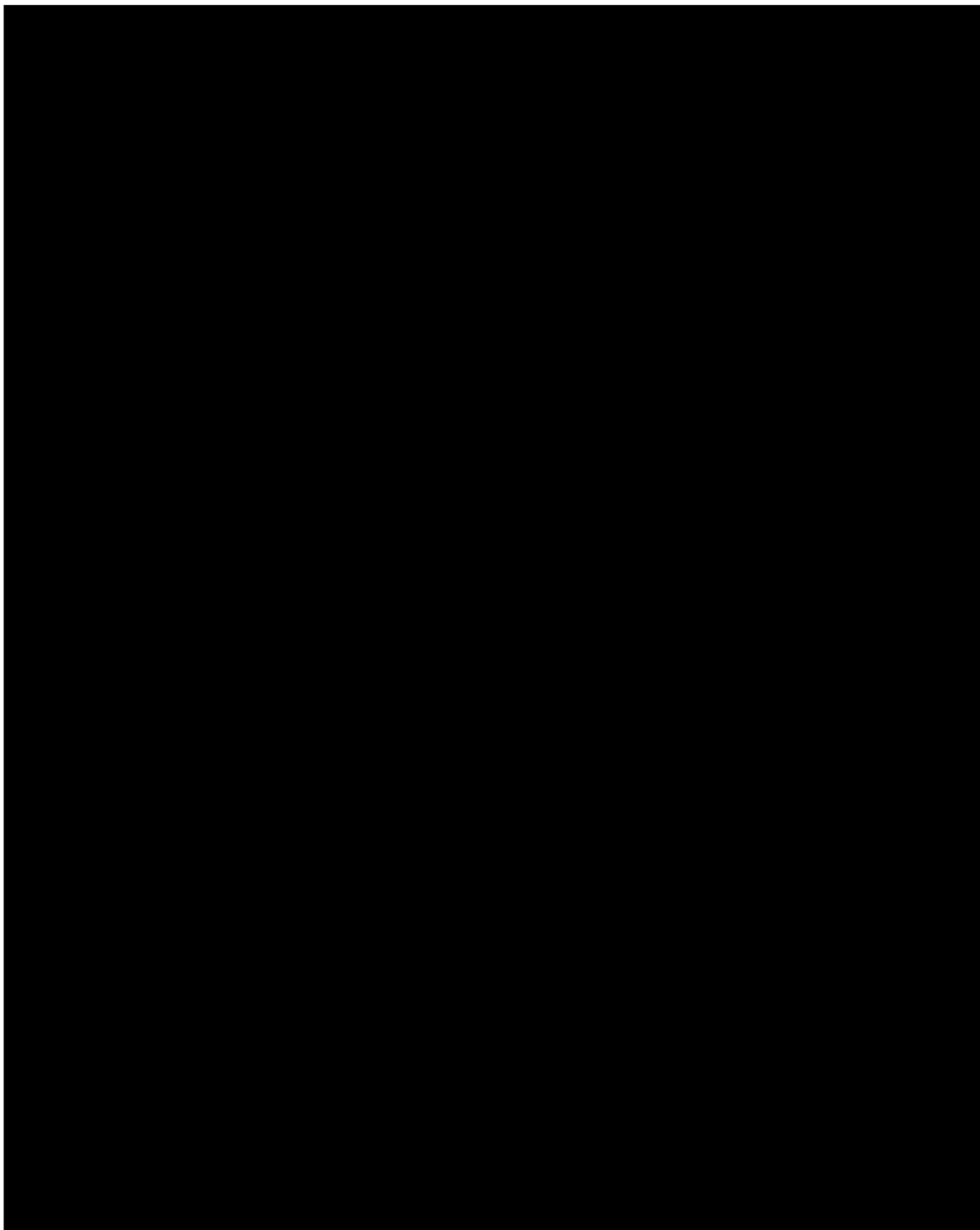
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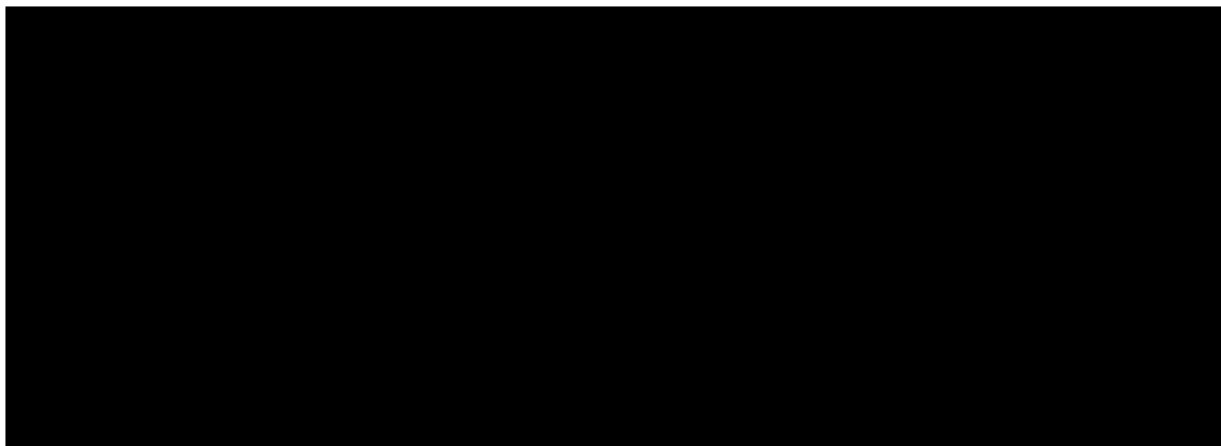
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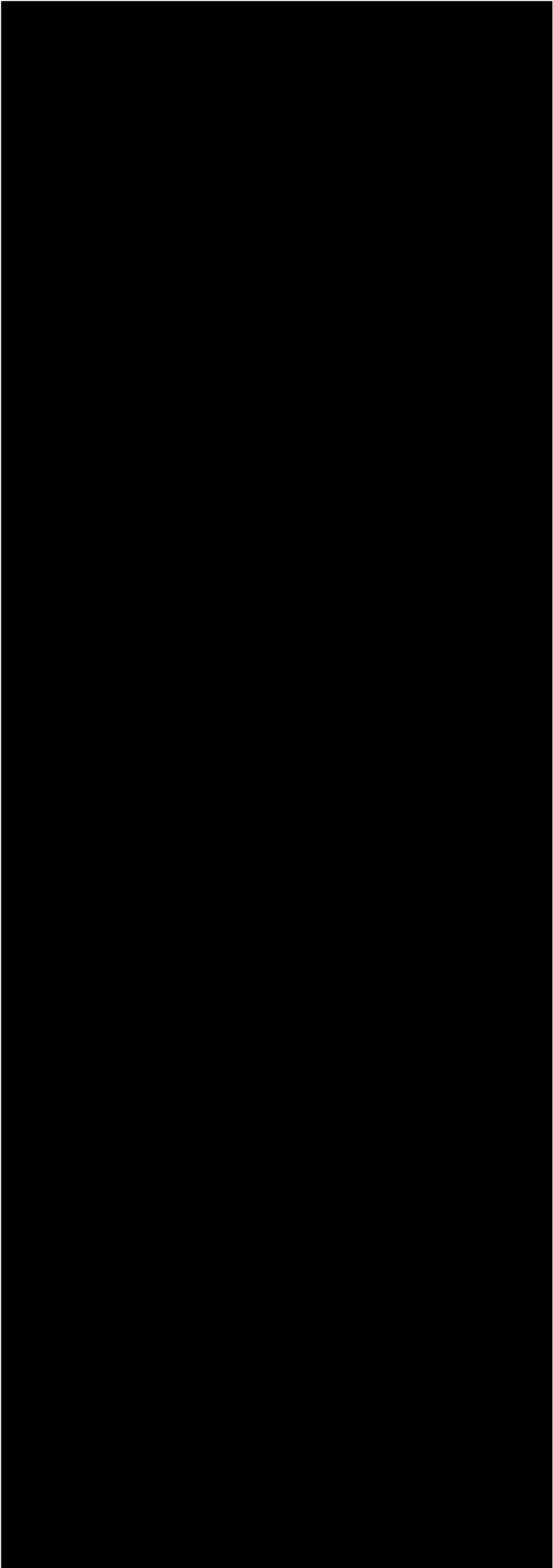
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Annex 2: Allowable Assumptions



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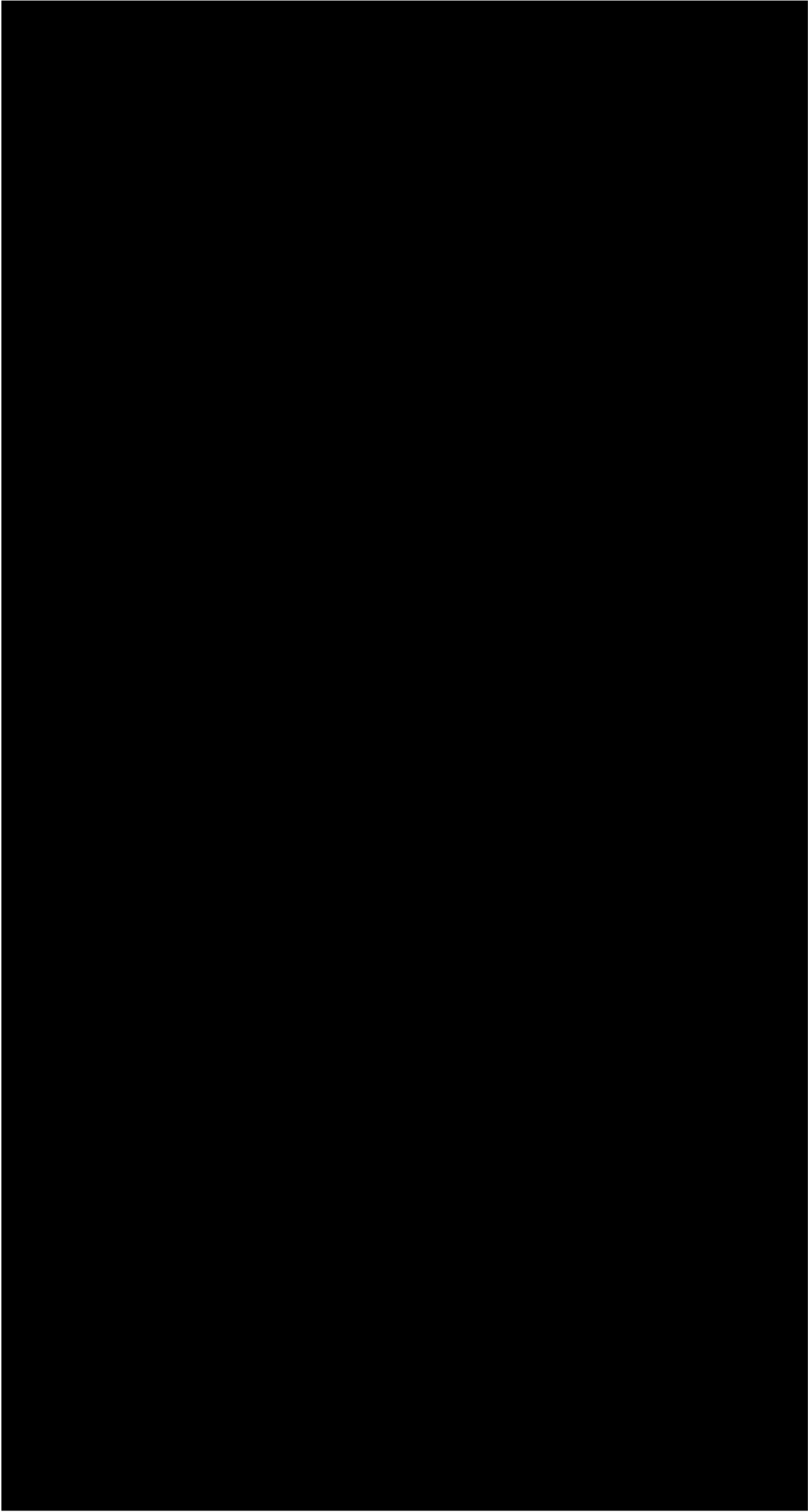
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Annex 3: Risk Register

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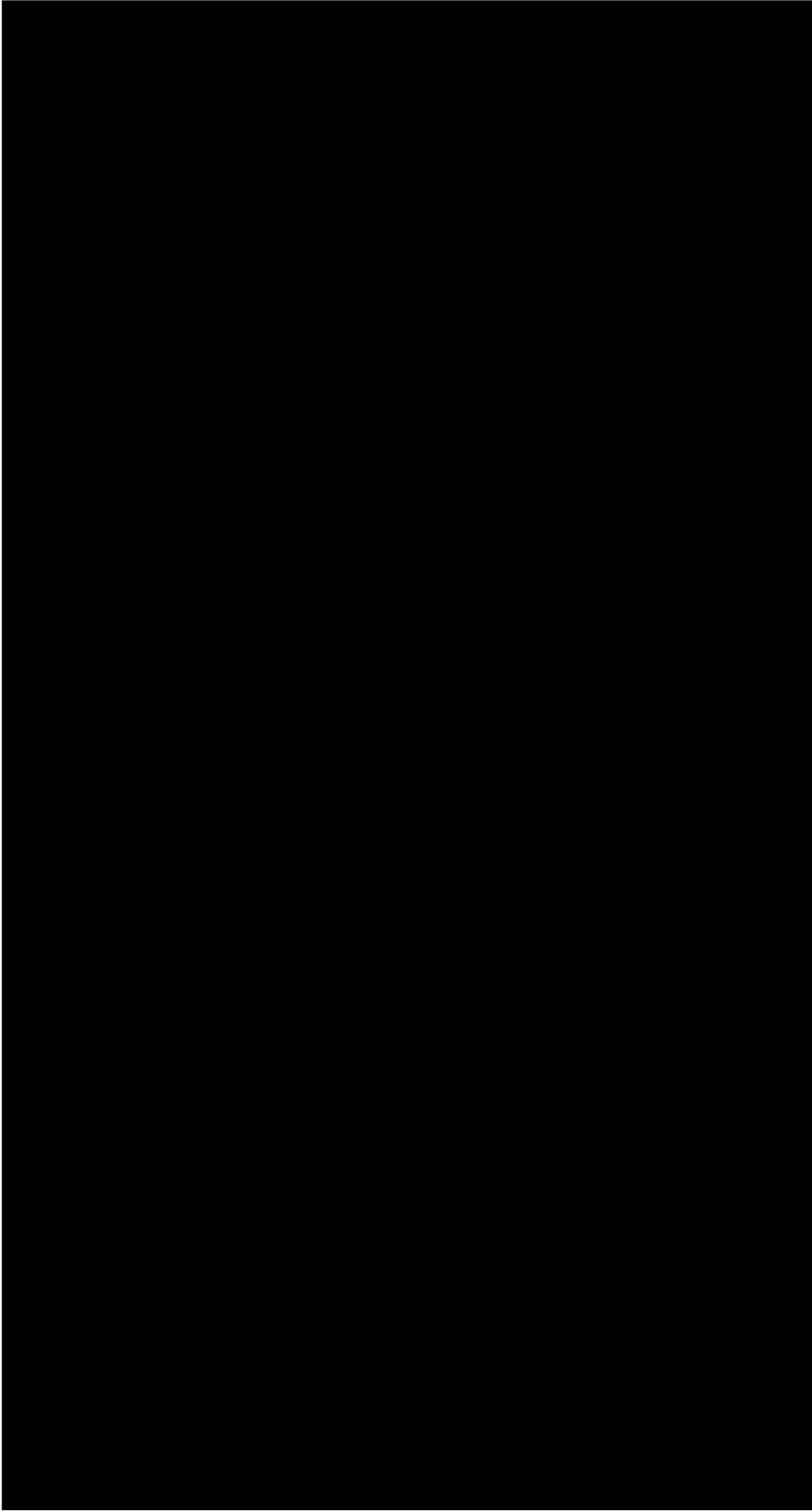
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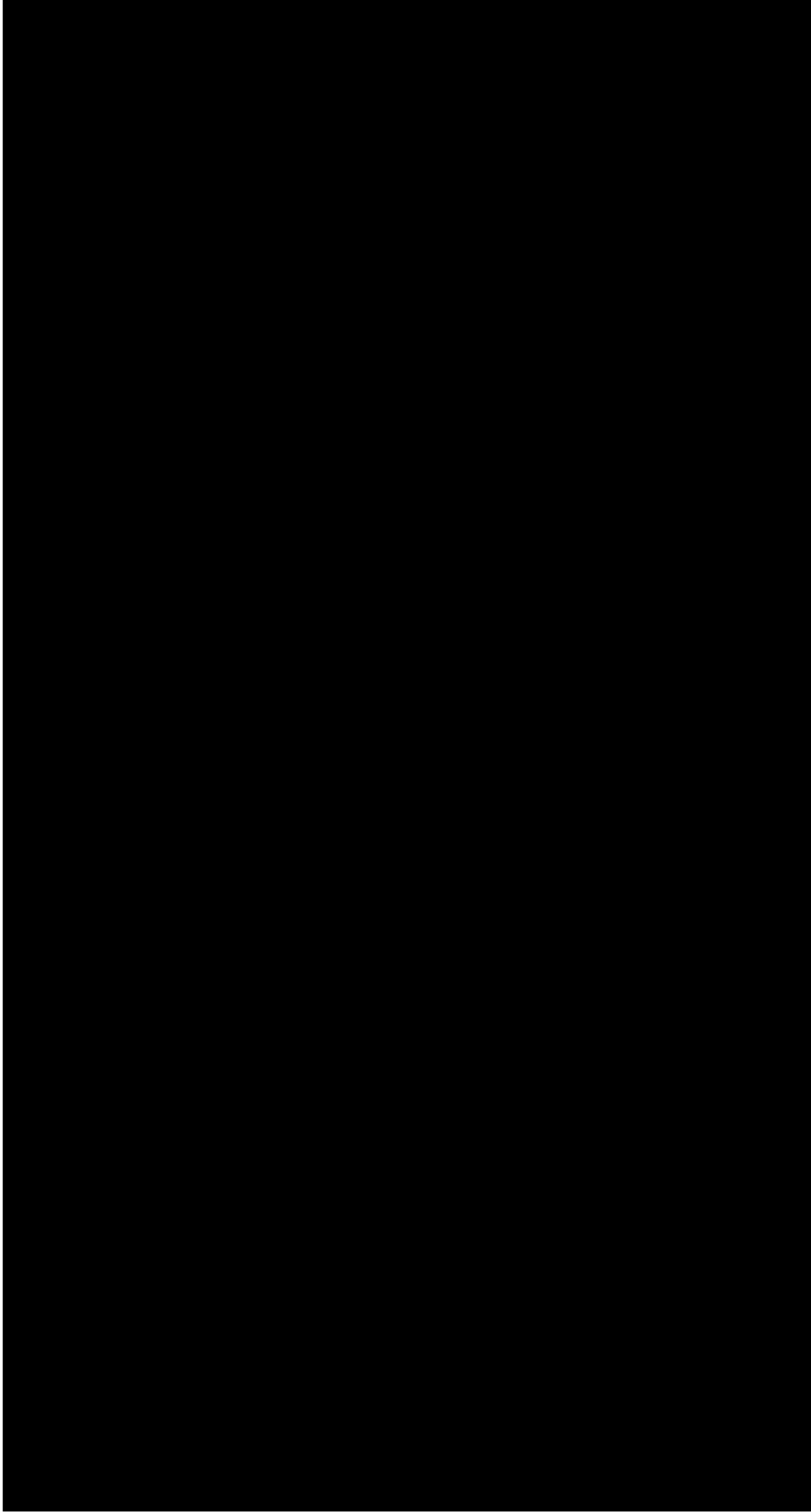
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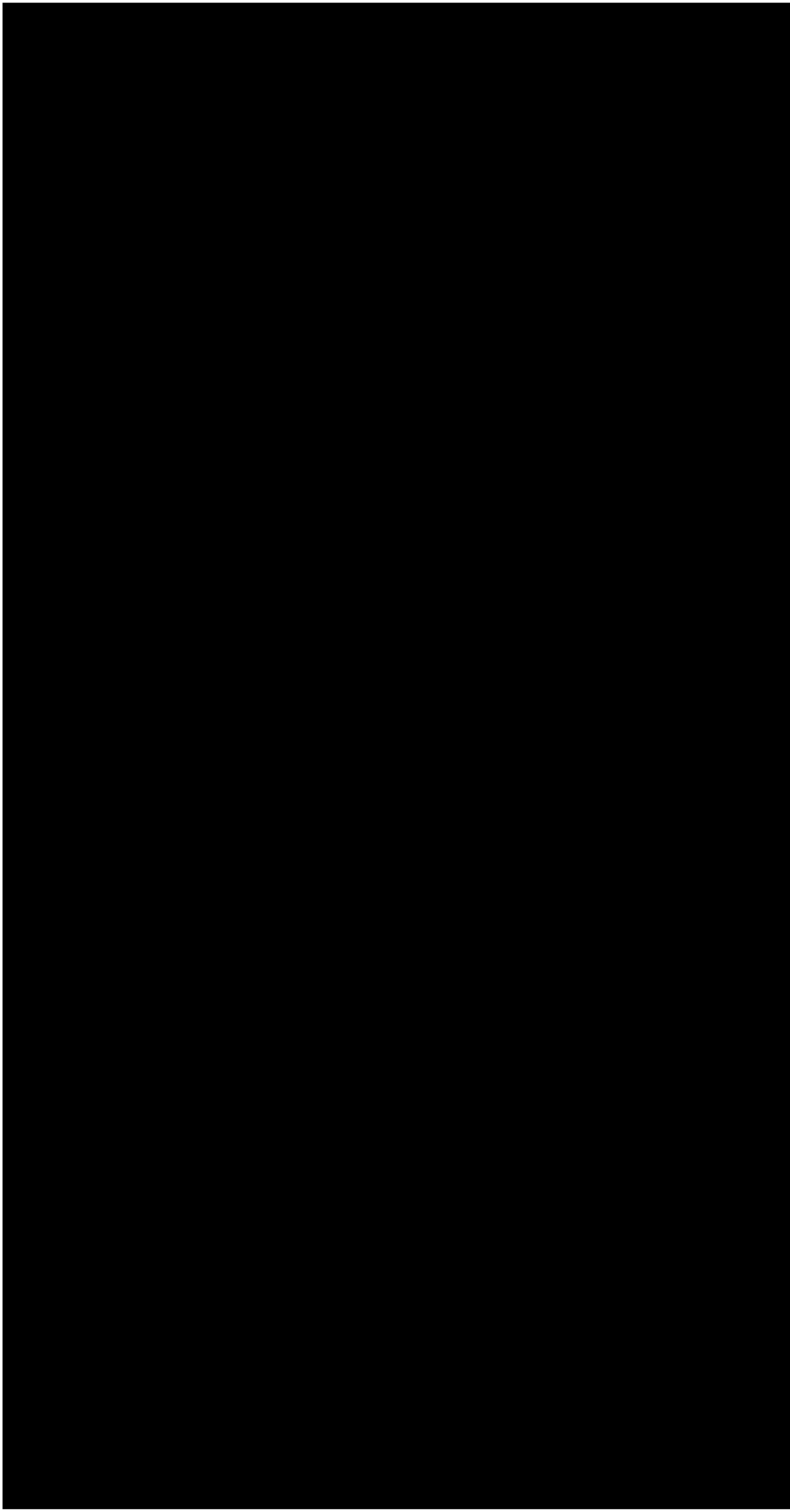
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Schedule 7.1: Annex 3, Table 1, Risk Register

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