

VARIATION OF ENABLING AGREEMENT

ENABLING AGREEMENT TITLE: Provision of Public Sector Air Capability (NEWMAT PM-R)

ENABLING AGREEMENT REF: CCYZ20A01 VARIATION No: 1 DATE: 8 June 2022

BETWEEN:

The Cabinet Office of 1 Horse Guards Road, London SW1A 2HQ (hereinafter referred to as "the Customer") & Corporate Travel Management (North) Ltd (hereinafter referred to as "the Supplier")

1. The Supplier acknowledges and agrees that each Variation of the Enabling Agreement Form requires the prior approval of the Customer in relation to any changes to or in connection with the Enabling Agreements.
2. Unless otherwise defined, words and expressions in this Variation shall have the meanings given to them in the Enabling Agreement.
3. The Enabling Agreement, including any previous Variations, shall remain effective and unaltered except as amended by this Variation.
4. With effect on and from 8 June 2022, the Enabling Agreement is varied as follows:

1. Enabling Agreement Period Extension. The Enabling Agreement Period shall continue on and from 1 April 2023 to and including 31 March 2027.
2. Provision of Aircraft. The Customer continues to require a continuation of 24/7 service with a guaranteed minimum availability to fly at 12 hours' Notice to Move (NTM) as set out in paragraphs 3.4 and 6.9 of Annex 2a of the Enabling Agreement:
 - (i) if NTM is less than 12 hours, the Parties will make best endeavours to meet the urgent requirement;
 - (ii) if the provisioned aircraft is not available for any reason, the Supplier will ensure that a similar aircraft and service are available in its place at no extra cost to the Customer;
 - (iii) the Customer requires continuity of aircraft as well as service. To that end, there will be no aircraft changes without prior, express approval in writing by the Customer. In the event of an agreed, permanent aircraft change, the Supplier and aircraft operator will make all possible efforts to transfer the aircraft registration mark (G-GBNI) to the replacement aircraft, with all associated costs being met by the Supplier and operator and at no charge to the Customer; and
 - (iv) the Customer requires access to an additional crew set (as well as the contracted 2 crews). The Supplier and aircraft operator will make a third crew set available, to be shared between this contract tasking and operator requirements as agreed with the Customer. The cost of this extra crew will be shared equally between the Customer and the Supplier. The Customer will pay [REDACTED] /month for this arrangement starting on 15 June 2022. **Redacted Under FOIA Section 43, Commercial Interests**
3. Aircraft Configuration. Paragraph 6 of Annex 2a of the Enabling Agreement shall be supplemented by the addition of the requirement that the provided aircraft be configured

and equipped to the agreed standard for the GBNI aircraft. That configuration is 8J / 36C / 36Y and will include:

- Conference Tables x 2 (owned by the Customer) with hardwall Cabin Divider;
- Crew Rest curtains/partitions;
- Extra curtain/partitions;
 - All to be transferred from G-GBNI to any replacement aircraft if required.
- Increased VIP wardrobe for greater clothes hanging ability;
 - All at no extra cost to the Customer.
- Installation of XXL Lavatory (30inches wider than existing XL lavatory) in the VIP cabin, rather than an XL Lavatory (as currently on GBNI) with full length mirror, changing bench and coat hooks installed. This installation will be charged at a single charge of £[REDACTED] on delivery of the new aircraft.

4. Switch of Aircraft from [REDACTED] to [REDACTED] The Parties agree that:

(i) the Supplier shall procure that the definition of Aircraft in paragraph 1.1 of the wet lease agreement between the Supplier and subcontractor/aircraft operator shall be amended to include [REDACTED] and the Supplier shall switch the Aircraft from [REDACTED] on or before 30 September 2023;

(ii) [REDACTED] shall be provided in the 'Vespina' livery at the time of the switch of the Aircraft;

(iii) the Supplier shall arrange for a brand-new interior for the Aircraft of the same standard and quality as the existing interior (detailed at paragraph 3 (*Aircraft Configuration*) of this Variation above), with two 'club fours', a cabin divider, 36 lie-flat and 36 economy seats with one XL lavatory. Should the delivery of the new interior be delayed beyond the date of the Aircraft switch, the Supplier shall provide the Aircraft in a temporary configuration of two 'club fours', a cabin divider and 72 premium seats; and

Redacted Under FOIA Section 43, Commercial Interests

(iv) notwithstanding any other provision of the Enabling Agreement, in the event that the changes to the interior are not made before 1 January 2024, the Customer will have an additional right to terminate the Enabling Agreement with immediate effect and without any liabilities for any losses or costs incurred by the Supplier as a result of the Customer exercising such termination right. For the avoidance of doubt, under these circumstances the early termination fee referenced in paragraph 7 (*Early Termination*) of this Variation below will not be applied.

5. Maintenance. The following provisions will apply in respect of planned and unplanned maintenance:

(i) the Supplier shall arrange any scheduled maintenance non-availability to meet Customer operational requirements and shall be subject to prior approval from the Customer;

(ii) when scheduled maintenance is required that requires the Aircraft to be removed from service for more than 12 hours (occurring approximately every 24 months), the Supplier shall work with the Customer to mutually agree suitable dates for the maintenance to be carried out between 1 November and 31 March every other year during the Enabling Agreement Period. If dates are scheduled with a minimum 3 months' notice, the Supplier shall provide an alternative aircraft from their own fleet for the duration of the maintenance period at no additional charge to the Customer. In consultation and agreement with the Customer the replacement aircraft can be any aircraft in the aircraft operator's fleet and shall not be in the 'Vespina' livery nor have the same configuration or range capabilities as the Aircraft; and

(iii) where maintenance is specifically scheduled outside of the dates set out in paragraph 5(ii) above at the request of the Customer and the Supplier does not have any

replacement aircraft available on the agreed dates, or if the Customer deems the proposed replacement aircraft is not suitable, then the Customer shall be liable for all costs associated with a replacement aircraft during the maintenance period.

6. Payment Mechanism. The existing Payment Mechanism shall remain effective and unaltered except as amended by this Variation. The agreed changes are:

- The CTM fee added to all and any costs from the aircraft operator will be reduced from [REDACTED] from 1 January 2023;
- Fixed monthly costs on an ACMI basis are currently (March 2022) \$ [REDACTED] and increase annually on 1 January by the greater of either [REDACTED]
 - The monthly fixed costs will have a \$ [REDACTED] supplement applied from 1 April 2023 so will be [REDACTED] from 1 April 2023;
 - The annual increase on 1 January each year (from 1 January 2024) will apply to [REDACTED] % of the Fixed Costs with the remaining [REDACTED] % remaining at the current level. **Redacted Under FOIA Section 43, Commercial Interests**
- The Flying Hours Reconciliation charge (applied for annual flying below 420 hours) will be waived for FY 21-22 and FY22-23. The Annual Reconciliation Period will be 1 April to 31 March in all cases.

7. Early Termination. The following new termination option, due to no fault of the Supplier, shall be inserted into Part A of the Enabling Agreement as an adjunct to the existing Termination rights in the Commercial Agreement:

1A8 Termination due to no fault of the Supplier

1A8.1 Notwithstanding, and as a separate and independent right to the right of the Customer to terminate the Enabling Agreement pursuant to, Clause B 24.1 of the Commercial Agreement (as incorporated into the Enabling Agreement by Parts B and C of the Enabling Agreement), on and any time after 1 September 2023 the Customer shall have the right to terminate the Enabling Agreement by sending the Supplier a Termination Notice at least six (6) months prior to the date of termination specified therein.

1A8.2 Where the Customer terminates the Enabling Agreement pursuant to Clause 1A8.1 above:

- (a) in addition to the consequences of termination set out in Clause B31 (Consequences of Termination) of the Commercial Agreement (as incorporated into the Enabling Agreement by Parts B and C of the Enabling Agreement), the Customer shall pay the Early Termination Fee to the Supplier on the date this Enabling Agreement terminates; and
- (b) for the purposes of this Clause 1A8.2 **"Early Termination Fee"** means the sum of [REDACTED] pounds (£ [REDACTED]) minus the product of [REDACTED] pounds (£ [REDACTED]) multiplied by the number of whole calendar months that have elapsed between 1 September 2023 and the date of termination pursuant to Clause 1A8.1 of the Enabling Agreement.
Redacted Under FOIA Section 43, Commercial Interests

1A8.3 If the Customer does not exercise the right to terminate the Enabling Agreement pursuant to Clause 1A8.1, the Parties agree that notwithstanding any other provision of this Enabling Agreement, the Customer shall not be liable for any residual termination or severance costs at the expiry of the Enabling Agreement Period.

1A8.4 Notwithstanding Clause 1A5.1 of the Enabling Agreement, the Parties agree that in the case of the termination right of the Customer pursuant to Clause 1A8.1 of the Enabling Agreement, the Customer may exercise that termination right in its absolute discretion and without either escalating the

exercise of that termination right to the Authority and the Supplier or without following the Dispute Resolution Procedure as each is envisaged in Clause 1A5.1 of the Enabling Agreement.

8. Annex 7 – Wet Lease Terms and Conditions

- (i) In order to give full effect to this Variation, the Supplier shall procure and implement the changes effected by this Variation that affect the terms of the Sub-Contract between the Supplier and its Sub-Contractor, Titan Airways Limited, entitled Wet Lease Terms and Conditions and document those changes in a revised and updated Sub-Contract.
- (ii) The Supplier shall provide a copy of such updated Sub-Contract to the Customer within 28 days of the date of this Variation whereupon a copy of that updated Sub-Contract will replace the copy Wet Lease Terms and Conditions previously set out for information in Annex 7 of this Enabling Agreement.

SIGNED:

Signed for and on behalf of the Customer, Cabinet Office – Ministerial Office

By: **Redacted** Under FOIA Section 40, personal information

Name:

Redacted Under FOIA Section 40, personal information

My position is _____

Commercial Director and I confirm that I have authority to sign this

Enabling Agreement Variation on behalf of **Cabinet Office – Ministerial Office**.

Date: 28th June 2022

Signed for and on behalf of **Corporate Travel Management (North) Ltd.**

By: **Redacted** Under FOIA Section 40, personal information

Name: **Redacted** Under FOIA Section 40, personal information

Title: General Manager, ETM Europe

Date: 23rd June 2022

